

# THE STATISTICAL AND SOCIAL INQUIRY SOCIETY OF IRELAND.

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## NOTES ON THE NATIONAL ECONOMIC COUNCILS OF GERMANY AND FRANCE.

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[*Read before the Society on Friday, March 22nd, 1929.*]

### *THE GERMAN NATIONAL ECONOMIC COUNCIL.* (*Reichswirtschaftsrar.*)

#### **CONSTITUTIONAL ORIGIN.**

**Constitution of the German Reich (11th August, 1919).**

##### ARTICLE 165 :

“Workers and salaried employees are called upon to co-operate with equal rights in common with the employers in the regulation of wages and conditions of labour and in the general economic development of the forces of production. The organisations on both sides and the agreements made by them shall be recognised.

“For the protection of their social and economic interests, workers and salaried employees shall have legal representation in Workers’ Councils for individual undertakings and in District Workers’ Councils, grouped according to economic districts, and in a Workers’ Council of the Reich.

“The District Workers’ Councils and the Workers’ Council of the Reich shall combine with representatives of the employers and other classes of the population concerned so as to form District Economic Councils and an Economic Council of the Reich, for the discharge of their joint economic functions and for co-operation in the carrying out of the laws relating to socialisation. The District Economic Councils and the Economic Council of the Reich shall be so constituted as to give representation thereon to all important vocational groups in proportion to their economic and social importance.

“All Bills of fundamental importance dealing with matters of social and economic legislation shall, before being introduced, be submitted by the Government of the Reich to the Economic Council of the Reich for its opinion thereon. The Economic Council of the Reich shall have the right itself to propose such legislation. Should the Government of the Reich not agree with any such proposal, it must nevertheless introduce it in the Reichstag, accompanied by a statement of its own views thereon. The Economic Council of the Reich may arrange for one of its own members to advocate the proposal in the Reichstag.

“Powers of control and administration in any matters falling within their province may be conferred upon Workers’ Councils and Economic Councils.

“The Constitution and functions of the Workers’ and Economic Councils and their relations with other autonomous social organisations are within the exclusive jurisdiction of the Reich.”

## **THE PROVISIONAL COUNCIL.**

Full effect has not yet been given to this Article of the Constitution, but a Provisional Economic Council of the Reich was established by Decree of May 4th, 1920 (Verordnung über den vorläufigen Reichswirtschaftsrat, RGBl. Nr. 99, S. 858).

**Functions of the Provisional Council.**—Before Bills of fundamental importance dealing with social-political and economic-political affairs are introduced in the Reichstag they must be submitted by the Government of the Reich to the Council for its opinion thereon. The Council has itself the right to draft proposals for legislation of this character. The Council co-operates in the setting-up of the Workers’ Councils, Employers’ Representative Bodies and Economic Councils provided for in the Constitution. (Article 11 of the Decree).

## Composition of the Council (Art. 2):

Group	No. of Representatives
<b>I. Agriculture and Forestry</b> .. ..	<b>68</b>
(1) Agriculture .. ..	62
(2) Forestry .. ..	6
<b>II. Horticulture and Fisheries</b> .. ..	<b>6</b>
(1) Horticulture .. ..	2
(2) Fisheries .. ..	4
<b>III. Industry</b> .. ..	<b>68</b>
A. Grouped vocationally .. ..	48
B. Grouped territorially .. ..	20
<b>IV. Commerce, Banking and Insurance</b> ..	<b>44</b>
A. Grouped vocationally	
(1) Commerce .. ..	20
(2) Banking .. ..	6
(3) Insurance .. ..	2
B. Grouped territorially .. ..	16
<b>V. Transport and Public Undertakings</b> ..	<b>34</b>
(1) Shipping .. ..	10
(2) Transport Trades .. ..	4
(3) Postal Services .. ..	2
(4) Railways and Tramways .. ..	6
(5) Municipal Undertakings .. ..	4
(6) Associations of Local Authorities	4
(7) Public Savings and Credit Institutions	4
<b>VI. Handicrafts</b> .. ..	<b>36</b>
<b>VII. Consumers</b> .. ..	<b>30</b>
<b>VIII. Public Officials and the Professions</b>	<b>16</b>
<b>IX. Nominees of the Reichsrat</b> .. ..	<b>12</b>
<b>X. Nominees of the Government of the Reich</b>	<b>12</b>
Total ..	<b>326</b>

The representation within the groups is minutely sub-divided, and the organisations—employers' federations, trade union federations, etc.—responsible for nominating the representatives are specified. Group I, Agriculture and Forestry, includes 14 representatives of small holders and 4 of agricultural co-

operative societies. Group VII, Consumers, includes representatives of urban and rural local authorities, of consumers' co-operative societies (the Co-operative Wholesale Society is represented in Group IV), of friendly societies, of organisations of housewives and of domestic servants, and of hotel, etc., proprietors and employees. Group VIII, Public Officials and the Professions, includes representatives of the Press, of lawyers, of medical doctors, of artists and musicians, and of authors. Group IX consists of "persons occupying positions of special responsibility in relation to the economic life of the various parts of the country" nominated by the Reichsrat (the Council of States). Group X consists of persons nominated at the discretion of the central Government, being "persons who have promoted or are qualified to promote the economic interests of the German people in outstanding degree by their exceptional achievements."

The representatives of Groups I and VI (with some qualification as respects the first and last of these groups) are divided equally between employers and employed. The three Divisions—Employers, Employed, Consumer and Public Interest—are formally recognised in other Articles of the Decree and in the Council's Standing Orders; e.g., each Division must be represented on committees.

The appointment of members is for an indeterminate period. They may be "recalled" by the organisation nominating them, but they are declared to be "representatives of the economic interests of the whole nation. They are subject only to their consciences, and are not bound by any mandate." They enjoy privileges of immunity corresponding to those of members of parliament.

**Relations with the Government.**—Representatives appointed by the Government of the Reich have the right to attend and be heard at any meeting of the Council or of its Committees. The Council and its Committees are entitled to call for the attendance of Government representatives. The State Governments are also authorised to send representatives to express their point of view on any matter under discussion. (Art. 10.) The Council may itself call in experts who are not members. (Art. 8.)

For the elucidation of economic and socio-political questions the Council and its Committees can require that the Government of the Reich, or an authority entrusted by it with the duty,

shall exercise its power of collecting information concerning economic conditions and, so far as the law does not prohibit, submit to them the results of the inquiries. (Art. 12.)

**Standing Committees of the Council.**— Two standing committees are expressly authorised by the Decree, one for economic-political and the other for social-political affairs. The membership of each is restricted to a maximum of thirty, but deputy-members may be elected: the employers and the workers of Groups I to VI must have equal representation. The standing committee must be consulted by the appropriate Ministry before important decrees are issued or before regulations issued by various governmental authorities dealing with the war-time and transition-period economic situation are repealed or substantially modified. In case of conflict on essential matters between the Government and the committee, the Government has the right to insist on a decision by the full Council if the majority against it on the committee is less than three-quarters, while the committee has the right by a three-fourths majority to refer a matter for decision to the full Council. (Art. 11.)

**Method of Voting, Composition of Committees, Meetings, etc.**—Votes must be counted (except in questions of procedure only) not only by individuals, but also by Groups. An out-voted Group may require its attitude to be signified to the Government. This applies also to a minority of not less than one-third of the members of a Group and to a minority of not less than one-fifth of those voting in the Council as a whole. (Art. 7.)

Every Committee of the Council must contain at least one member of each of the Groups VII to X, and the aggregate representation of these Groups must be not less than one-third of the membership of the committee. (Art. 7.)

The adjournment and re-assembly are decided by the Council itself. The President must summon the Council if requested by the Government or by one-third of the members. Committees may be authorised by the Council to continue work during an adjournment of the Council. (Art. 7.)

Members are entitled to daily subsistence allowances and travelling expenses (Art. 5).

The sessions of the Council are public unless otherwise decided by a two-thirds majority on the proposition of 20 members. The sittings of committees are not public, but may be opened

to the public by a two-thirds majority of the committee. Members are bound not to make improper use of information obtained in their capacity as members, and to maintain secrecy upon any matter declared by the chairman of the full assembly or of a committee to be confidential. (Arts. 6 and 9.)

### **THE PROVISIONAL COUNCIL AT WORK.**

**Personnel.**—Membership of the Council and membership of the Reichstag or State Diets are not incompatible, but the list of members of the Council (at December, 1925) appears to contain only 17 names, out of the total of 326, of persons who were at the time members of the Reichstag or of State Diets, or who were or had been Ministers of the Reich or of the States.

The list of those who are or have been members of the Council includes such well-known names as Rathenau, Thyssen, Stinnes, Siemens, Mendelssohn, Georg Bernhard, Hilferding, Leipart.

“Employers, who had with difficulty been induced to enter the Reichstag, have been more than willing to join the Federal Economic Council.” (Prof. Roger Picard).

At the end of 1925 there were 6 women members of the Council, two in Group IV and four in Group VII.

**Meetings and Committees.**—Meetings of the whole Council appear to have been found unwieldy and too costly. In 1920 there were 10 plenary sessions; in 1921 there were 23; in 1922 there were 16; in 1923 only 8, and since June of 1923 there has been no plenary session (up to July, 1928). There has been a corresponding increase in the importance of the three main Committees—the Social-Political and Economic-Political Committees (provided for in the Decree) and a Financial-Political Committee, set up by the plenary session of the Council of December 16th, 1920. Besides these main Committees are a number of standing and special committees and sub-committees, dealing, for example, with Agriculture and the Food Supply, Control of Foreign Trade, Transport, Land Settlement and Housing, Sales Tax, Works Councils, Constitutional Questions, etc.

**Procedure.**—An opinion on a proposal submitted by the Government is generally prepared by a working committee, the sittings of which are attended by representatives of the

Government, and, if necessary, by experts specially called in. It is then submitted to the main committee, adopted with or without alteration, and sent on to the plenary session or to the "Vorstand" for transmission to the Government. The "opinion" takes the form, according to circumstances, of reasoned observations upon the Government's proposals as a whole, or of suggested amendments to individual paragraphs of the proposals, or of a combination of both. The views of dissentient members of a committee are reported where these represent the views of a Group or of one of the three "Divisions," and there may be a minority report.

**Questions to Ministers and Interpellations** were provided for in the Standing Orders adopted by the Council, but the Government strongly objected. The putting of questions was eventually restricted by requiring the co-operation of ten members, and interpellations were abandoned.

**Proposals and Resolutions** are the forms in which the Council exercises its powers of initiative, as distinct from its duty of advising on governmental proposals. These powers have been freely exercised.

**Work of the Council.**—The matters dealt with by the Council are so wide in range and so numerous, that a brief summary is quite impossible. The index to Dr. Hauschild's book (see Bibliography) occupies 17 pages. Taking one entry from each page, the following list may be compiled as a "sample" of the subjects dealt with by the Council:—Unemployment and unemployment insurance, banking legislation, occupational diseases, Dawes Plan, technical schools, ratification of International Labour Conventions, home-work legislation, coal tax, cultivation of moors and heaths, patents, rent control, Summer-time, income, inheritance and other taxes, accident insurance, census of population, industries, etc., water-power, sugar supply.

**Relations with the Government.**—There seems to have been at an early stage appreciable friction between the Council and the Government and permanent officials of the Departments. On the other hand, the Government appears to have attached considerable importance to consultation with the Council on economic affairs generally (apart from formal submission of legislative proposals, etc.), during the economic crisis of 1924,

and in connection with the succeeding phases of the Reparations problem. (See, for example, Hauschild, p. 101.) It would seem that the tendency is to closer co-operation and consultation at an earlier stage between the Government and the Council.

**Relations with the Reichstag.**—The Provisional Council has no formal relations with the Reichstag, and it cannot require, as of right, that its "opinions" on a Bill shall be communicated to the Reichstag (though this seems in practice to be done), nor can it insist upon the introduction into the Reichstag of legislative proposals initiated by itself. In the early stages the Reichstag appears to have been somewhat jealous and suspicious of the Council; this attitude seems to have been modified, though it is doubtful if it has disappeared.

The correlation of the work of the Government, the Reichsrat (Federal Council of States) and the Reichstag has evidently been a problem of considerable delicacy and difficulty.

**Cost.**—For the financial year 1925, the cost of the Council was under £33,000, of which officials and staff accounted for one-fifth, travelling allowances and expenses of members, nearly two-thirds, and daily allowances to members, about one-seventh. The estimate for 1926 was £38,000, the increase falling under the head of travelling expenses.

## **THE VALUE OF THE PROVISIONAL COUNCIL.**

1923.—"What broad judgment can be made on the activities of the Economic Council during the period under review (June 30th, 1920, to Jan. 31st, 1923)? Unhesitatingly, it is fair to say that no Parliament in any of the countries, France, England, Italy, the United States of America, in its full assemblies and its Committees, could render such services to the process of government as the discussions and method of work of the Economic Council. Its work is well arranged, amply discussed, thoroughly thought out. It has constructed the proper technical apparatus in its Committees, has secured the best personnel to its purposes, it has made good use of *expertise*, has recognised its duty to come into direct, not second-hand, touch with the interests of the community, and has never forgotten that its greatest fruitfulness lies in making suggestions and in initiating inquiries and discussions, and then providing the Government Departments with reports that contain every element of creative



research.”—(Mr. Herman Finer, of the Department of Public Administration in the London School of Economics.)

**1925.**—“The Federal Economic Council has been very hard-working. Its publications and the reports of its sessions and investigations fill several large volumes, which are full of information on German economic conditions. It has thus satisfactorily fulfilled its duty of supplying information, even though its scope is limited by the fact that it cannot communicate directly with the Reichstag, and that it remains dependent on the Ministry of National Economy. . . . It has taken its duties seriously. . . . It is unquestionable that if section 165 of the Constitution were interpreted according to the spirit, and in a democratic direction, the Federal Economic Council would become an economic parliament. So far it has simply been a council of technical experts recruited by nomination of the persons actually concerned, and with a powerful tendency to act in such a way as to cover the whole economic life of the country. Thus by degrees it may, if not withdraw economic problems from examination by the political Parliament, at least compel it by the pressure of a well-informed public opinion to discuss them with complete impartiality, free from all secret and interested influence. The increasing part played by trade organisations in Germany cannot but strengthen the influence of the Federal Economic Council.”—(Prof. Roger Picard.)

**1926.**—“It can be stated quite generally that all the sessions, both of the Committees and of the full Assembly, have been characterised by a marked realism. Party politics were deliberately excluded by everybody. It can also be definitely stated that all questions were considered with diligence and devotion, examined most conscientiously from all sides, and dealt with solely from the point of view of the requirements of the general economic interest. The fear so often expressed, that an economic council could naturally concern itself only with sectional interests, has proved unfounded. It has, on the contrary, been shown repeatedly that in the Committees sectional interests have been deliberately and emphatically set aside. Above all, a high sense of responsibility on the part of the members manifested itself in all the proceedings. This feeling of responsibility ensured the quiet and earnest conduct of business which distinguished every session. Naturally there have not been lacking sharp divisions of opinion, particularly where employers and workers have been

in opposition to one another . . . The differences between employers and workers on the Social-Political Committee were not uniformly sharp on every subject. Often they were reduced to a minimum, sometimes the gap remained unbridgeable, while sometimes it was completely closed. These conflicts were naturally keenest in the discussions concerning the problem of Hours of Labour and the allied questions of overtime, availability for work, rest, pauses.”—(Dr. Hauschild, *Bürodirektor beim vorl. Reichswirtschaftsrat.*)

1927.—“The life of the Economic Council has up to the present been rather dull. It has introduced no important innovation as regards methods and has exercised only a very mediocre influence. The discussions between technical experts have not proved themselves to be more fruitful than the oratorical jousts of the politicians. In reality, the Economic Council has been regarded as a sort of court of first instance where economic proposals have been examined by those interested and criticised with technical arguments. But the decisive struggles between the diverse groups of opposing interests continued to take place in the Reichstag. And this preponderance of the political Parliament can be very easily understood, for the Economic Council is after all a somewhat hybrid and artificial creation.

. . . It is therefore not surprising if the Economic Council—presented from the beginning as a provisional institution—has not nearly as much authority as the Reichstag, and it does not seem that, for the present at least, its rôle has much chance of growing in importance.”—(Prof. *Henri Lichtenberger, of the Sorbonne.*)

1928.—“The Provisional National Economic Council has done work of extraordinary comprehensiveness, in estimating the value of which it should be specially borne in mind that the persons engaged upon it were able to give to the carrying out of that work only such time as they had available outside their ordinary vocations. The Government of the Reich has received from the Council’s labours many and various suggestions. Frequently, as for example in the preparation of the Customs Tariff legislation of 1925, rough drafts have been laid before the Council, and the Ministry officials and the members of the Council have then co-operated to work these up into Government Bills. In all these cases, in which the Government has asked for the opinion of the Council before it had itself definitely decided on a Bill, proposals and suggestions made by the Council were adopted by

the Government without the fact being made known to others, so that often even the legislature was not aware of the part taken by the Provisional Council in the framing of a Bill."— (Official explanatory memorandum attached to the Bills for the establishment of the permanent Council, submitted to the Reichstag on 14th July, 1928.)

### **THE RECONSTITUTED COUNCIL.**

Preliminary drafts of Bills for the establishment of a permanent Council were submitted to the Provisional Council by the Government at the end of August, 1925, after much previous discussion upon the measures necessary to implement Article 165 of the Constitution. These drafts were discussed by the Constitutional Committees of the Council and of the Reichstag, by State Governments and by the important economic organisations, with the result that revised drafts were submitted at the end of 1926. Still further revisions were made, and two Bills (one supplementing the other) were submitted by Dr. Curtius, Minister for Economic Affairs, to the Reichstag on July 14th, 1928. These Bills, one of which requires to be approved by the majority prescribed for constitutional amendments, have been approved by the Reichsrat and are now under consideration by the Reichstag.

The Council which will be established if these Bills become law will differ in composition and in powers from the Provisional Council.

The new Council will be entitled to "advise on economic-political and social-political Bills, suggest economic-political and social-political measures, and, at the request or with the consent of the Government, undertake social and economic inquiries. The Government may also ask for the assistance of the Council in regard to administrative measures." Important Bills must be submitted to the Council before their introduction and at latest at the same time as they are submitted to the Reichsrat. The Council's opinion must be communicated, with the Bill, to both Reichsrat and Reichstag. Bills originating in the Reichstag ("private members' Bills") must be communicated to the Council as well as to the Reichsrat, and the Council's opinion thereon transmitted to both Reichsrat and Reichstag. The Government, the Reichsrat and the Reichstag, or their Committees, may require that the opinion formulated by the Council or its Committees shall be expounded orally to the Reichstag or

Reichsrat or Committees thereof by a representative. The Council has the right itself to propose legislative or administrative measures. If the Government does not accept a proposal for legislation, it must nevertheless submit it to the Reichstag, together with a statement of its own attitude thereon. The Council can support the Bill before the Reichstag, through one of its members, or, in the case of a Committee of the Reichstag, several members.

The membership of the Council will be reduced to 151 permanent members, together with an unspecified number of members called in by the "Vorstand" of the Council, for the purpose of a particular session or a particular subject, these temporary members being entitled to vote. The 151 permanent members are classified as follows:—

**Division I.**—Groups 1 to 6—48 members.

(Agriculture, Forestry, &c., Industry, Handicraft, Commerce, Banks and Private Insurance Organisations, Transport and Fisheries.)

**Division II.**—Workers' Representatives—48 members.

(Salaried employees must receive their proportionate share of representatives, and one of these must represent agriculture and forestry. Of the wage-earners' representatives, at least 8 must represent agriculture and forestry, and at least 1 must represent home-work.)

**Division III.**—Groups 7 to 14—55 members.

(Local authorities, public insurance and credit institutions, consumers' co-operative societies and housewives, agricultural and producers' co-operative societies, newspapers, public officials and professions, nominees of the Reichsrat and a representative of Germans overseas, nominees of the Government.)

**THE FRENCH NATIONAL ECONOMIC COUNCIL.**  
(*Conseil National Economique.*)

**ORIGIN OF THE COUNCIL.**

The French Council owes its existence to a Presidential Decree of January 16, 1925, supplemented and modified by Ministerial Orders of April 9, 1925, and February 5, 1926, and Decrees of June 19, 1925, and February 4, 1926. The necessary financial

authorization was given by Article 134 of the Finance Act of April 29, 1926.

## **FUNCTIONS, COMPOSITION, ETC., OF THE COUNCIL.**

**Functions.**—"There shall be established a National Economic Council, the function of which shall be to study problems affecting the economic life of the country, to discover solutions therefor, and to propose the adoption of such solutions to the public authorities." (Art. 1 of Decree of 16/1/1925).

**Composition of the Council.**—(Article 3 of Decree).

### **I.—POPULATION AND CONSUMPTION—9.**

- (a) Consumers' co-operative societies and Buyers' Leagues—3.
- (b) Association of Mayors, Municipalities—2.
- (c) Users of public services—2.
- (d) Fathers and mothers of families, and Friendly Societies—2.

### **II.—LABOUR—30.**

#### **A. Intellectual work and Teaching—3.**

#### **B. Work of "Direction,"—11.**

- (a) Industry—3.
- (b) Agriculture—3.
- (c) Commerce—2.
- (d) Transport—1.
- (e) Producers' Co-operatives—1.
- (f) Public Services—1.

#### **C.—Work for Wages or Salary—14.**

- (a) Public Officials—2.
- (b) Technicians—2.
- (c) Labour—10.
  - (1) Industry—5.
  - (2) Commerce—2.
  - (3) Agriculture—1.
  - (4) Transport—2.

#### **D.—Urban and Rural Crafts.—2.**

**III.—CAPITAL—8.**A.—**Industrial and Commercial Capital—3.**B.—**Real Property (Urban and Rural)—2.**C.—**Banking, the Stock Exchange, Insurance and Savings Banks—3.**

The members are nominated by the most representative organisation or organisations in each category. These organisations are designated by the Government on the proposition of the Minister of Labour, after consultation with other Ministers interested. (Art. 4.) The names of the organisations were given in the Order of April 9, 1925; they include the National Federation of Consumers' Co-operatives, the General Confederation of French Production, the National Confederation of Agricultural Associations, the General Confederation of Labour, the Teachers' and Civil Servants' Organisations, the Bank of France and the Association of Bankers, etc. Two substitute delegates are appointed for each delegate. The composition of the Council is such, in effect, as to secure equality of representation for employers and employed.

Members hold office for two years. Temporary members may be appointed for the examination of a matter concerning a class not represented on the Council. (Arts. 5 and 12.)

Besides the members of the Council representing the various groups, a number of representatives of the Departments take part in its meetings. "The Ministers of Labour, Health, Commerce, Agriculture, Finance, Public Works and Colonies shall each delegate two experts to the Council, who shall have seats therein as of right. The Director of Services of the General Secretariat of the Superior Council of National Defence and the President of the Permanent Commission of the Superior Council of National Defence, together with the representative of the French Government on the Governing Body of the International Labour Office, may likewise take part in the work of the National Economic Council, on the same basis as the experts."

The Council may itself draw up a list of experts to be associated permanently with it.

These Departmental and other experts are not entitled to vote. (Art. 11.)

**Relations with the Government and Legislature.**—The Council is attached to the Office of the Prime Minister, who is ex-officio

President of the Council, and its expenses are borne on the vote of the Ministry of Labour. (Arts. 2 and 8.)

All the Ministers, Under-Secretaries of State, and High Commissioners, and the Committees of the Chamber and Senate, have the right to send representatives to attend the deliberations of the Council and its Standing Committee. The Council may likewise request to be heard by the Committees of either House, and also by Ministers and members of the Government, and may ask the latter to send representatives to meetings of the Council or its Standing Committee, if they have not already appointed officials from their Departments. (Art. 13.)

The Council "is consulted directly by the Prime Minister. By a majority of two-thirds of the votes of the members present, the Council may require its 'Bureau' to place on the agenda of its next session questions which it regards as being of economic interest, whether from the national point of view or in relation to their international reactions." (Art. 15.)

All Bills of economic interest are submitted by the Government to the Council, for purposes of information and *after* they have been introduced into the legislature. Any law of an economic character may stipulate that the Council shall be consulted in the framing of the administrative regulations required to carry it into effect. (Art. 18.)

**Method of Voting, Composition of Committees, Meetings, etc.—**  
The results of the Council's deliberations may take the form of "Reports" or "Recommendations." The Report is the ordinary form in which the Council embodies a communication or opinion for transmission to the Prime Minister's Office. A Recommendation requires to be adopted by a vote of two-thirds of the members present. It is then transmitted by the Vice-President of the Council to the Prime Minister, who is bound within a month to intimate the action (if any) taken thereon, or to ask for the matter to be reconsidered. The Reports and Recommendations are published in the Official Journal. (Art. 17.)

There appear to be no special stipulations as to the composition of committees or the recording of votes.

Ordinary meetings of the Council are held four times a year. The agenda is fixed by the Prime Minister, on the proposition of the Council's Standing Committee. Special meetings may be summoned by the Prime Minister.

No information is available as to whether the meetings of the Council and its Committees and sub-committees are open to the public or not. It is believed that the Council meetings are open to the Press.

### **THE COUNCIL AT WORK.**

**Personnel.**—There is no disqualification of members of the legislature from being members of the Council, but the list of members appointed in June, 1927, does not indicate any member as being either Deputy or Senator. The membership includes three former Ministers, so described.

Among the members are to be found such well-known personages as Professors Gide, Picard and Milhaud, MM. Jules Gautier (President of the National Confederation of Agricultural Associations), Leon Jouhaux (of the General Confederation of Labour), de Peyerimhoff (President of the Central Committee of French Collieries), Lambert-Ribot (of the 'Comité des Forges'), etc.

One woman was appointed (as a substitute member representing Teachers) in June, 1925, and re-appointed in June, 1927.

**Meetings and Procedure.**—The work of the Council appears to have been carried out mainly through numerous committees and sub-committees appointed to study, take evidence and collect material on particular subjects, and by the presentation of reports drawn up by members specially qualified to deal with particular subjects. Upon consideration of these Reports the Council adopts "Conclusions," and both Report and Conclusions are published in the Official Journal. The initiative may come from a Ministry : thus, the Ministry of Public Works submitted a programme of works to be carried out in maritime ports, upon which the representative of the ship-owners on the Council presented a report, and the Council itself then adopted a series of Conclusions.

**Work of the Council.**—The first task undertaken by the Council was a thorough inquiry into housing, as a result of which a programme was drawn up covering every aspect of the problem, and adopted almost unanimously by the Council. This completed, the Council undertook an extremely comprehensive inquiry into the economic equipment of the nation. Four series of reports have been issued as a result of this inquiry. The titles of the reports included in the last two of these series (Official Journal, April 28, 1928, and January 17, 1929) will serve to indicate their scope :—



*Means of Transport* : Roads.

*Motive Power* : Solid Fuels—Coal, Liquid Fuels—Petrol, Alcohol, &c.

*The Equipment and Development of Agriculture* : The Forestry Problem. The Crisis in Rural Handicraft Work.

*Means of Transport* ; French Commercial Aviation—Characteristics, possibilities and present situation of Commercial Aviation throughout the World ; outline of a programme dealing with technical developments in equipment, training of personnel, establishment and working of a French aerial network.

*Financial Resources and Practical Measures* required for the execution of the programme of national equipment : Encouragement of saving ; Reparation payments in kind.

It was decided (in March, 1928) to follow this study of the economic equipment of the nation by a series of inquiries into each of the important industries dealing with :—

(1) The relations between capacity for production, present production, the requisites of production, and the possibilities of future development of the foreign and home markets.

(2) An examination into general conditions of production, this to be amplified by using all possible means of comparing the position in France with that of competing industries of other countries : these conditions comprise raw materials and semi-manufactured goods, technical equipment, labour market, social and fiscal burdens, conditions of credit, measures already proposed for improvement of the general conditions of production, standardisation, vocational training, the scientific organisation of labour, the better distribution of labour, etc.

(3) An investigation into the relations between employers and workers, with special regard to the causes which promote or retard the growth of the collective agreement system.

(4) An examination of sale conditions and all allied questions ; sales credits for the home market and for export, transport relations, etc.

The Council was requested by the Government, at the end of 1926, when an unemployment crisis appeared imminent, to draw up a programme of works which could be put in hand quickly, and would contribute to the prosperity of the nation. The Ministers of Agriculture and of Public Works have also consulted the Council on their proposals for the improvement of agricultural

production, control of inland waterways and development of maritime ports.

**Relations with the Government and Parliament.**—The fact that the Council is a purely advisory body attached to the Government, and not in any sense a parliamentary body, was stressed very strongly in the official memorandum covering the Presidential Decree of January 16, 1925, in the speech of M. Painlevé, Prime Minister, at the inaugural session of the Council on June 22, 1925, and again in the memorandum explaining the Bill of November 17, 1927, for the permanent organisation of the Council. Material is lacking for the formation of any opinion on the attitude of the Chamber and Senate towards the Council, but there are some indications of a certain degree of suspicion. It would seem that the Government finds the Council a useful institution.

#### **THE VALUE OF THE COUNCIL.**

**1927.**—“ For two years the National Economic Council has manifested its vitality and proved its utility. . . . The periodical meeting around the same table of representatives of these diverse groups, their assiduous labours in common, their collective responsibility for their deliberations, have, little by little, created bonds. Their joint work and simultaneous studies have resulted in an interpenetration between them. Each, preoccupied in good faith with ideas of opposition or reserve, has learnt to know and appreciate points of view different from its own. This infinitely valuable state of mind is the very condition of social progress, and if the National Economic Council had done no more than bring this about, it would have justified its existence. But the new institution has produced, besides, the positive results that would be expected from its collaboration . . . The usefulness of the institution is therefore beyond doubt. The importance of the part it is called upon to play in the economic life of the country leaps to the eye, but its future depends upon the definite regulation of its organisation. It is not possible to continue this interesting experiment longer without giving it the sanction of the legislature.” (Official Memorandum on the Bill of November 17, 1927.)

**1928.**—“ It was only towards the middle of the year (1925) that the Council entered upon its work. It has had therefore less than three years' effective life. Nevertheless the work it has already accomplished is considerable. . . . The Council, because

of its very composition, of the special qualifications of those whom it brings together, of the general interests which it represents, of the breadth and depth of its outlook, showed itself able to discharge, as it were, between one day and the next, the delicate task entrusted to it (i.e., the 1926 programme of unemployment relief measures). . . . The advice of the Council (on the proposals of Ministers for agricultural development and improvement of waterways and ports) was furnished rapidly. A further proof was thus afforded of the capacity of an organisation to give results when it is well constructed and excellently adapted to the essential function which it is required to discharge. . . . The National Economic Council is not a rival of Parliament! It was not designed nor does it intend to substitute itself for Parliament. It can only be an auxiliary to Parliament in the carrying out of its duties in the economic sphere—an indispensable auxiliary, for it is impossible to solve in a rational manner problems so complex as those which arise from the interaction of economic forces in the modern State without the help of those forces themselves. The National Economic Council represents the regular, constitutional and normal organisation of that help. It leaves intact the sovereignty of Parliament, the final arbiter. Thanks to that help, in many cases, the work of Parliament may be carried on more rapidly on the basis of enquiries already made, negotiations conducted, agreements reached or even, in certain cases, disagreements clearly defined. It is thus that modern democratic institutions will be enabled to function in a normal rhythm and will be definitely placed beyond the reach of attack. . . . Why is it that of so much work, not even an instalment has yet been put into operation for the benefit of the country? It is that our methods of government and our legislative procedure require to be perfected, made more adaptable, rationalized." (M. Leon Jouhaux, Secretary of the General Confederation of Labour, and a member of the Council, in "L'Atelier," June, 1928.)

1928.—"M. Poincaré, in opening the session, paid a very lively tribute to this comprehensive study, which lays down a solid foundation, takes account of opinions on all sides, and presents logical and precise conclusions." (M. François Gabel, in "L'Exportateur Français" of December 27, 1928, referring to the report on aviation considered by the Council in November, 1928.)

1929.—"The Chamber must soon give to this institution, which has been functioning for several years and has already

rendered great services, a definite, legal status. . . . It is necessary that the Bill should be examined as rapidly as possible by the appropriate committee. It must be reported and voted on as soon as possible." (Speech of M. Poincaré, Prime Minister, in the Chamber of Deputies, January 11, 1929.)

### **THE RECONSTITUTED COUNCIL.**

Proposals for a permanent Council with definite, statutory authority, as contemplated by Art. 134 of the Finance Act, 1926, were submitted in a Bill presented to the Chamber of Deputies by the Government, on November 17, 1927. The Bill is accompanied by a lengthy explanatory memorandum which mentions the Councils established in other countries, comments on the experience of the French Council, discusses the functions of the Council, and expounds the changes proposed in the constitution and powers of the new Council, as compared with that already in existence. The Bill was referred to the Committee of the Chamber on Finance for consideration, in consultation with the Committees on Agriculture, Commerce and Industry, and Labour.

The Bill defines the function of the Council as being "to study the problems relating to the economic life of the country, and to propose solutions thereof to the Government." Article 6 describes its powers thus:—"The National Economic Council may have submitted to it by the Government any economic, financial or social questions, and be invited by it either to present 'conclusions' or to prepare drafts of laws or decrees. The Council may be called upon by the Government to give its opinion upon drafts of laws or administrative regulations prepared by the ministerial departments concerned, and relating to questions of the same character. It may, on its own initiative, and with the assent of the Government, place on its agenda economic problems upon which it deems it advisable to present recommendations to the public authorities."

The Council is required to appoint five Standing Committees of 15—25 members, to deal respectively with agriculture, industry, commerce and transport, labour organisation and financial measures. The Chairmen and two vice-chairmen of these committees, together with the four vice-presidents and the secretary-general of the Council, will act as a permanent co-ordinating committee, with power to carry out urgent inquiries. Special committees may also be appointed by the Council or co-ordinating committee.

The secretaries-general and directors of ministries, and the secretaries-general of the superior councils attached to the ministerial departments, are entitled to be present at sessions of the Council and its Committees, with the right to speak, but not to vote, on matters coming within their province. The Governor-General of Algeria and the Residents-General of Tunisia and Morocco are entitled to send representatives to give information to the Council and the Committees. Two members of the Council of State, the Government delegate to the International Labour Office, and the director of services of the general secretariat of the Superior Council of National Defence, may also take part in the deliberations of the Council and the Committees. The Council and all the Committees may call in any experts it wishes to consult.

Ordinary sessions of the Council will be held twice a year. Special meetings may be summoned by the Prime-Minister (as *ex-officio* President of the Council) or by the co-ordinating committee, or on the demand of one-third of the members.

The members, appointed for six years, will number 150 (with no substitute members), grouped as follows:—

<b>I. PRODUCTION :</b>	<b>80</b>
(a) <b>For real property :</b>	<b>10</b>
(1) Agricultural, represented by the Chambers of Agriculture .. .. .	3
(2) Industrial, represented by the Chambers of Commerce .. .. .	3
(3) Urban, represented by the Chambers of Land Owners .. .. .	2
Cheap housing undertakings .. .. .	1
(4) State property, represented by the Departments of State Lands, and Waterways and Forests .. .. .	1
(b) <b>For raw materials, equipment and motive power :</b>	<b>30</b>
(1) General confederation of Agricultural Associations .. .. .	2
(2) Trade organisations of the various branches of agriculture .. .. .	12
(3) General Confederation of Industrial Production .. .. .	2
(4) Trade organisations of the various branches of industry .. .. .	12
(5) State manufactures .. .. .	2

(c) For labour in production :	40
(1) General confederations of workers in agriculture and industry .. ..	4
(2) Agricultural workers .. ..	10
(3) Industrial workers .. ..	10
(4) Handicrafts .. ..	2
(5) Producers' co-operatives .. ..	1
(6) Public employees .. ..	2
(7) Confederation of Intellectual Workers ..	2
(8) Engineers, scientists, economists and lawyers	6
(9) Health and race improvement institutions	1
(10) Apprenticeship and technical educational institutions .. ..	1
(11) Institutions for immigration, emigration and placing in employment .. ..	1
<b>II.—EXCHANGE, DISTRIBUTION AND TRANSPORT :</b>	<b>48</b>
(a) For money and credit :	9
(1) Banks of issue .. ..	2
(2) Credit, mortgage and deposit institutions	2
(3) Banks other than those of issue .. ..	2
(4) Stock Exchanges .. ..	1
(5) Credit co-operative societies : Agricultural credit .. ..	1
Industrial, commercial and handicraft credit .. ..	1
(b) For means of communication and transport :	12
(1) Post, telegraph, telephone, wireless ..	2
(2) Press .. ..	2
(3) Public services .. ..	2
(4) Railway transport .. ..	2
(5) Road transport .. ..	1
(6) River transport .. ..	1
(7) Sea transport .. ..	1
(8) Air transport .. ..	1
(c) For commerce :	9
(1) Wholesale trade .. ..	3
(2) Semi-retail and retail trade .. ..	3
(3) Foreign trade .. ..	3
(d) For labour in exchange, distribution and transport :	18
Organisations representing persons employed :	
(1) in credit institutions, exchanges and banks	5

(d) For labour in exchange, distribution and transport.— <i>contd.</i>	
(2) in communications and transport services	8
(3) in commerce .. .. .	5
<b>III. CONSUMPTION :</b>	<b>22</b>
(a) For the general interests of consumers :	8
(1) Departments :	
With a population of under 300,000	1
With a population of 301,000 to 500,000	1
With a population of over 501,000 ..	1
Department of the Seine .. . . .	1
(2) Communes :	
With a population of under 2,000 ..	2
With a population of over 2,000 ..	1
Paris .. .. .	1
(b) For private organisations of consumers :	6
(1) Consumers' co-operative societies ..	2
(2) Consumers' Leagues ; associations of users ; tenants' organisations .. .. .	2
(3) Tourist organisations .. .. .	2
(c) For savings, mutual aid, and insurance :	6
(1) Savings Banks .. .. .	1
(2) Friendly Societies .. .. .	2
(3) Insurance companies .. .. .	1
(4) Social insurance funds .. .. .	2
(d) For State finance :	2
(1) Associations of taxpayers .. .. .	1
(2) Administration .. .. .	1

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**Industrial and Labour Information** (the weekly publication of the International Labour Office, Geneva) has published much information concerning the German and French Councils, and also institutions of a similar type in other countries. See, for example, the issues dated 2nd February, 1925, (France and Germany), 22nd June, 1925 (Poland), 27th December, 1926 (Germany), 7th May, 1928 (Cuba).

**ACKNOWLEDGMENTS.**

It is desired to place on record, with the heartiest thanks, the services rendered in the collection of material by the Consuls General of the French and German Republics, M. A. Blanche and Herr G. von Dehn, both of whom gave assistance as unstinted as it was cordial.



*Summary of the remarks made by Mr. Mortished in submitting the foregoing paper to the Society :*

Parliamentary institutions in the Saorstát have not been quite so successful as may have been hoped. Certain deficiencies are the natural result of inexperience and of post-revolutionary abnormalities. Others could be remedied simply enough ; e.g., by better documentation for members of the Oireachtas, improvements in procedure (more use of committees and closer contact with Departments), reversal of the tendency of the Government to impose its will on the House instead of seeking its co-operation, less "humorous" Press reports. But after all such defects had been remedied we should probably find, as in other countries, difficulties raising a doubt whether parliamentary institutions, as we have known them, are really adequate to cope with the complexity of the modern State, in which economic affairs are increasingly important.

The very basis of parliamentary representation has been challenged. "Masses of human beings who come together only on the day of the poll are in reality quite incapable of being represented at all. For representation to be possible there must first of all be an organised body, in which by reason of the relations of the members with one another, of the community of manners and habits on the one hand and of needs and interests on the other, a common will comes into being. In a word, only organised corporations are capable of being represented."—(Constantin Frantz.) Without going so far, it is not difficult to agree that State institutions should take account of the fact that while a person may be an active citizen only on polling-day, he or she is doctor, docker or housewife all the year round, and as such is coming more and more to feel the State's influence every hour. Election in the ordinary way of Deputies of public spirit and sound common-sense hardly ensures satisfactory handling of complex social and economic questions. There is need for some machinery that will provide the expert knowledge of facts and comprehensive and continuous consideration of them which must be at the disposal of the State if it is to cope successfully with the social and economic affairs with which it is inevitably and increasingly concerned.

The ordinary parliament is not composed of experts but of politicians. (This is not a criticism, but a statement of inevi-

table and not undesirable fact.) The citizen-electors are not in a position to judge the specialized competence (if any) of the candidates who seek his votes, and in any case political representatives cannot possibly be experts on everything that comes before them. The necessary "fact-finding" must therefore be done for parliament by some other machinery. For this purpose we use the Civil Service, supplemented occasionally by Committees and Commissions.

The utility of the Civil Service is very high, and might be very much higher if it were not so absurdly debarred from contact with parliament and kept in water-tight separation from the outside world; but at its best the Service must be subject to limitations of knowledge, experience and outlook. The Departments consult outside persons of special knowledge and competence. But such consultations are piecemeal and disconnected, the experts may not profit by mutual criticism, and the advice or information given is available only to the Department and not to the parliament or public. Committees and Commissions do give some opportunities for reciprocal interchange and modification of views and enlightenment of both parliament and public, but they do not comply with the requirements of comprehensiveness and continuity.

Is it possible to devise some form of institution which will serve the State by providing for the three-fold requirement of expert fact-finding and comprehensive and continuous consideration?

Two great States—Germany and France—have carried out experiments over a period of years in the creation and working of a special organization designed to supplement, though not to be a substitute for, the ordinary parliament.

*Mr. Mortished then made a running commentary upon the "Notes," prints of which were in the hands of members, and continued:—*

Germany and France are not the only countries which have experimented in the practical application in some form of the idea of a permanent economic council. Czechoslovakia, Poland, Italy, Japan, Spain and other countries can furnish examples, while in the international sphere the International Labour Organization, the economic organs of the League of Nations and such a gathering as the World Economic Conference convened by the League in 1927, provide a fund of material for study and reflection.

In Great Britain, the Provisional Joint Committee of the Industrial Conference, called together by the Government in 1919, recommended the setting up of a National Industrial Council of 400 members (200 elected by employers' organizations, 200 by trade unions), among the suggested functions of which were—"the consideration of legislative proposals affecting industrial relations; to advise the Government on industrial questions and on the general industrial situation; to issue statements for the guidance of public opinion on industrial issues." The proposals of the recent Melchett-Turner conference between industrialists and trade union leaders invite both comparison and contrast with the proposal of 1919 and with the experiments in other countries. The current number of *The Round Table* contains an article advocating an "economic general staff" for Great Britain, suggesting a plan of work corresponding very closely with that undertaken by the French National Economic Council, and using arguments very apt to Irish conditions.

The Saorstát needs at least as much as any other State an organization designed to mobilize all available competences in the service of the State, to make a wide and penetrating review of our economic position and possibilities, to ensure the taking of long views and continuity and correlation in social and economic activities, to stimulate progress and, as a condition of all else, to educate the whole community and create a public opinion favourable to intelligent economic activity. These purposes might be served by the setting-up of a National Economic Council, not as a substitute for either Dáil or Senate, but as a special organ of the State. The French and German models suggest possibilities of a body which would be an organ of study but also of advice, in equally close touch with Government and Parliament. But there would unquestionably be great difficulties. The insufficiency of economic organization, particularly on the employers' side, might perhaps render necessary an unusually extensive resort to nomination rather than delegation, though the existence of the Council would itself tend to cure this defect. But, since the phrase "National Economic Council" has already made some fugitive appearances in our public discussions, the first essential is to seek to give a real content to the phrase by such a presentation of working models as has been attempted in this paper.