



The German and French National Economic Councils

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Both during and after the war the idea of occupational representation made progress in many countries. In Germany and France it was realised in the form of a National Economic Council. This new institution, which in Germany is provisional and in France has been started as an experiment, does not adequately fulfil the requirements of the supporters of a real parliamentary representation of occupational interests. In both countries it was felt that the legislative power should be left in the hands of the political bodies elected by universal suffrage. The present article gives an account of the tendencies of thought and fact which led to the creation of the German Federal Economic Council (Reichswirtschaftsrat) in 1920 and the French National Economic Council (Conseil national économique) in 1925. The machinery of the two institutions is then described, and the results already obtained from the working of the former. Each of the two countries has set up a council, the nature of which was determined both by immediate national history and by established traditions. It is impossible to predict the future of these institutions, but at least it cannot be denied that they have the merit of satisfying certain very definite aspirations for the rational organisation of economic forces.

IT would have been surprising if the war had not brought out new tendencies in politics, and new or merely forgotten ideas on the government of men and the administration of things. Among the ideas which have not only been the subject of dispute between experts and the source of movements of opinion, but have also modified or perfected public institutions, is that of occupational representation. It was felt by many that purely political institutions had proved insufficient to manage economic affairs, the importance of which to the life of the nation had been shown by the war and its after-effects. Even during hostilities every belli-

gerent country had had to set up new bodies consisting of technical experts or persons directly concerned, who were invested with very wide executive powers. In Germany these were the Federal Raw Materials Office and many similar institutions¹, and in France the various offices created to deal with industrial or food supplies, transport, employment, etc².

In face of the needs of reconstruction and the continued rise in the cost of living, and also with a view to applying more rational methods of exploiting world resources and establishing the economic solidarity of the various countries, the view was put forward that governments should be assisted by competent councils and that political preoccupations should give way to economic action. Some proclaimed "a new order based on occupational groups, that is to say, on work, that is to say, on competence" and tending to replace "the order based on property"³. Others emphasised the need of placing knowledge in the seat of power and demonstrated the difficulty, if not impossibility, of making politics an instrument of national prosperity unless some sort of "permanent consultation of technical experts" were instituted. The full realisation of democracy, they held, was impossible unless the active population were to manage the national interests. In the recent words of an advocate of occupational representation⁴, "sovereignty lies not in voting but in managing. The problem of political and social democracy, therefore, is how to enable citizens to administer, within the limits of their competence as fixed by their peers, those public interests which are also their own."

France has long been a well-organised country, both politically and administratively, but she has not yet co-ordinated her economic institutions nor created special organs to express the considered opinion of producers or give a single aim to the work of her various ministries. Most occupations are represented, it is true, in her Parliament, but on no definite scheme, and nothing in the constitution of the political assemblies gives them the authority that

¹ Cf. REINACH : *La législation économique allemande pendant la guerre actuelle* (Paris, Imprimerie nationale, 1916-1917-1918).

² Cf. Maxime LEROY : *Pour gouverner* (Paris, Grasset, 1918), particularly the chapter on "L'avènement des producteurs, où la signification de ces mesures nouvelles est nettement dégagée".

³ Maxime LEROY : *loc. cit.*

⁴ H. de JOUVENEL : Lecture to the Lyons Industrial, Commercial, and Agricultural Association. Cf. *Information sociale*, 21 Feb. 1924.

would be held by the members of a symposium of economic interests¹.

Such were the views which led in France to the recent creation of the National Economic Council. In Germany they had contributed to the setting up of the Federal Economic Council as long ago as 1920. The current of ideas which, starting early in the war, ultimately led to this institution, sprang from many different sources; as will be shown, but inspiration and impetus came from one man in particular, namely Walter Rathenau². Moreover, in Germany trade organisation, which is the indispensable foundation of the representation of interests and competences, had been consolidated and increased by the war and by subsequent events. Members of liberal professions, technicians, and civil servants had organised in imitation of the manual workers, and their various unions played a most important political part during the years following the war. It seemed both inevitable and indispensable that they should be given official powers to exert their influence on the problems within their competence.

Nevertheless, support of the idea of occupational representation is not universal. Its opponents argue that it should be sufficient to give members of the government technical advisers who may be consulted whenever necessary. They maintain that a political parliament is just as likely to consult experts as an assembly of representatives of occupations. In their view, it would be better to modernise administration than to create new bodies, which must be useless if their powers are limited or vague, and dangerous if their competence and ambition are too great.

In France and Germany these objections³, and others⁴, did not prevail against the tendency to organise a council of experts to co-operate with the authorities, and they need not be examined further. The tendency once accepted, however, various systems may be

¹ Cf. Georges SCELLE : *Le Conseil national économique*. Lecture to the Comité national d'Etudes politiques et sociales, given on 12 Feb. 1925, published by the Committee in Fascicule 269 and reprinted in the *Revue des Etudes coopératives*, Jan.-March 1925.

² All Rathenau's writings on social questions develop or mention his conception of the part to be played by organised occupational groups in national life and of the representation of economic interests. Cf. Gaston RAPHAEL : *W. Rathenau* (Paris, Payot, 1919).

³ Cf. Max HOSCHILLER : two articles on the Federal Economic Council, published in *Le Temps*, 1 and 2 April 1924 : " Une expérience négative : Le Parlement économique en Allemagne ".

⁴ Emile GIRAUD : *La crise de la démocratie et les réformes nécessaires du pouvoir législatif* (Paris, GIARD, 1925), especially section II of the second part.

used to attain the ends towards which the policy of the State must consequently be directed. There are two principal types. A purely advisory council may be set up which the authorities may or must consult, although, having consulted it, they remain free to choose their own course. Alternatively, a real economic parliament may be created, invested with part of the legislative power. Whichever plan is chosen, the council may be either an isolated institution independent of other bodies, or the summit of a more or less complex substructure of official local councils based on occupational qualifications. The first type, the isolated advisory council, is that just adopted in France, whereas in Germany the intention was to prepare the way for the second type, the council with legislative powers based on primary and secondary councils, although the project has not yet materialised.

It is the purpose of the following study to show the opposition between these two systems of economic councils by an account of their formation and the details of their structure in Germany and France¹.

THE GERMAN FEDERAL ECONOMIC COUNCIL

Origin

The idea of creating a sort of economic parliament, which was realised in Germany soon after the revolution of 9 November 1918, could claim supporters in the most varied quarters. It was of course recalled that, as early as 1879, Bismarck had thought of counterbalancing the political parliament by creating an economic parliament to act as a permanent and accredited adviser of the Government in economic matters. He even set up a Prussian Economic Council of 75 members, which was inaugurated on 27 January 1881, but this body did not survive, and the Reichstag rejected proposals to institute a similar council for the whole country.

In spite of this setback, the Conservatives repeatedly took up

¹ These two countries alone have been taken, as they are the only two in which a National Economic Council has actually been set up. It may be mentioned in passing that a somewhat similar scheme is at present under consideration in Poland. Moreover, in Italy the question has frequently been raised of converting the Superior Labour Council into an economic parliament. No effect was given to the proposals put forward by Arturo Labriola on 10 November 1920; but groups of technical advisors (*gruppi di competenza*) were attached to various local and central authorities, and the Fascist Government decided (in November 1923) to turn these into national councils which would jointly constitute a sort of occupational parliament. The matter is still undecided. Cf. INTERNATIONAL LABOUR OFFICE: *Industrial and Labour Information*, Vol. IX, No. 12, p. 405; and *The Reform of the Supreme Council of Labour in Italy; Towards a Technical Parliament of Labour* (Studies and Reports, Series B, No. 9).

the idea of occupational representation as opposed to political representation based on undifferentiated universal suffrage. The idea of an "organic State", made up of well-defined classes and "bodies", was opposed to that of a "mechanical State" in which all citizens were regarded merely as units of equal value in the abstract. More than once these views led the Federal Council (*Bundesrat*) to study schemes for an Upper Chamber which, besides representing the Federal States, would give expression to economic interests. On the eve of the war this same tendency was seen in the discussions on the reform of the Prussian Upper Chamber, when the proposal was put forward that it should be based on occupational suffrage as a contrast to a Parliament elected by universal suffrage.

But supporters of occupational representation and the creation of a Federal Economic Council were also to be found among the organisations and parties of the Left. Many militant trade unionists held that occupational representation would be a more effective means for defending the interests of the proletariat than the political suffrage. This view was much encouraged by the example of the Russian revolution, by which the right to vote was granted only to the workers, the Duma being sacrificed to the workers' soviets. An economic parliament, which Prussian Conservatives regarded as an instrument for dividing labour, seemed to the workers the very means of establishing proletarian management of all the economic forces of the country.

In point of fact this view was not realised, and the workers' and soldiers' councils, set up in Germany in November 1918, led a short and agitated life after which they lost all influence and had to hand over their powers to the constituent National Assembly. Nevertheless, the first complete scheme for an economic parliament was due to the congress of these councils, a scheme which was the model for section 165 of the German Constitution of 1919 providing for the Federal Economic Council¹.

¹ The Federal Economic Council has been discussed in many historical, legal, and political studies. The most important work, which also contains a bibliography, is that by Georg BERNHARD : *Wirtschaftsparlamente* (Vienna, Rikola, 1923), written at the request of the Buenos Aires Social Institute. Reference may also be made to Hermann FISHER : *Representative Government and a Parliament of Industry ; A Study of the German Federal Economic Council* (London, Unwin, 1923) ; Marcel PRELOT : *La représentation professionnelle dans l'Allemagne contemporaine* (Paris, Spes, 1924). The following excellent articles on the institution may also be mentioned : Regina ZABLUDOWSKY : "La réorganisation de l'Europe par les parlements professionnels", in *La Grande Revue*, 1923 ; VERMEIL : "Le conseil économique du Reich", in the *Revue des Etudes coopératives*, July-Sept. and Oct.-Dec. 1924. See also BRUNET : *La nouvelle constitution allemande* (Paris, Payot, 1921) ; VERMEIL : *La Constitution de Weimar et le principe de la démocratie allemande* (Strasbourg,

When the workers' councils, which were formed spontaneously on 9 November 1918, had decided to allow a constituent national assembly to meet, they considered themselves destined to remain a fundamental national institution for the management of the forces of production and for the emancipation of the workers. The idea then sprang up of setting up supervisory councils in each undertaking¹. These councils would appoint delegates to district industrial councils, on which employers would be represented, for managing the industry. The joint councils were to carry out a far-reaching scheme of horizontal concentration of industrial undertakings, and to distribute materials and labour among them. In turn, they would appoint representatives to national industrial councils, which would elect a Federal Chamber of Labour; the latter would also include representatives of civil servants and the liberal professions, thus representing all the elements of the population interested in production, whether as producers or consumers.

Such was the scheme known by the names of its authors, Cohen and Kaliski, who submitted it to the second and last Congress of Workers' Councils held in April 1919. It was adopted, in spite of Communist and Marxist opposition. The political Parliament was to remain; the Chamber of Labour and the Reichstag were to be on a footing of equality for all economic and financial matters, purely political and administrative action remaining in the hands of the Reichstag. Nor did the system interfere with the trade unions, which, as in the past, were to ensure normal conditions of work and wages, since in the Chamber of Labour the workers were considered not as opponents of the employers, but as sharers with them of joint interests in the national economy.

The system was thus a modified and improved form of the soviet workers' councils, and took into account both the disappointments

1923); HOSCHILLER : *loc. cit.*; WEILL-RAYNAL : " Le conseil économique national et l'expérience allemande ", in *Information sociale*, 10 July 1924; J. GIGNOUX : " L'Organisation des conseils économiques en Allemagne ", in *Questions pratiques de droit ouvrier*, Aug.-Oct. 1922. On the working of the Federal Economic Council and the respects in which it may be reformed, see *Soziale Praxis*, 7 Feb. 1924 : " Der Abbau des Reichswirtschaftsrats " ; *Idem*, 27 Dec. 1923 : article by STEGERWALD, " Zum Streit in dem R.W.R. " ; *Idem*, 29 Jan. 1925 : article by OTE : also *Deutsche Wirtschaftszeitung*, 11 Dec. 1923 : " Zur Durchführung des R.W.R. ". On the value of the idea of an economic parliament in various countries (Belgium, Germany, Italy, Netherlands, Russia, Spain) see an article in the *Mitteilungen des internationalen Bundes der christlichen Gewerkschaften*, 1923, Nos. 6 to 10.

¹ This idea was realised in the form of the works councils (*Betriebsräte*), which are at present in operation, although they do not participate in the formation of the Federal Economic Council. Cf. INTERNATIONAL LABOUR OFFICE : *Works Councils in Germany*, by Marcel BERTHELOT (Studies and Reports, Series B, No. 13).

experienced in Russia and the aspirations of the German proletariat. There was no attempt to modify the capitalist organisation of private enterprise or to destroy the principles of wages and profits, but the workers were placed in a similar position to employers for the management of economic matters. In brief, the Chamber of Labour was at first deemed to be the necessary instrument for the concentration of undertakings ; it seemed intrinsically indispensable but incapable of realisation without the support of the workers. Subsequently, it was conceived as an instrument for social peace, complementing political equality by industrial democracy.

The Cohen-Kaliski scheme was vigorously opposed by the Social-Democrats. Ebert and Scheidemann declared that the councils were bound shortly to disappear, and that the idea of a Chamber of Labour could not fail to diminish the authority of a parliament elected by universal suffrage ; or, in other words, to weaken the republican system itself. Consequently, in their Draft Constitution they made no provision for a National Economic Council.

But the Social-Democrats were far from forming a majority in the constituent Assembly, which met at Weimar on 6 February 1919. The Independents supported the schemes for which Cohen and Kaliski were about to secure the approval of the Congress of the Councils, a body which might have a fatal effect on the very existence of the Assembly¹. At the same time, the Government had some cause for reflection in the labour troubles accompanying the strikes in the Ruhr and Prussia, and it ended by announcing on 5 March 1919 that it proposed to provide for a Federal Economic Council in its Draft Constitution. The Weimar Assembly received this decision with satisfaction. The idea of a National Economic Council had won support in every party, and section 165 of the Constitution, defining the Council and laying down guiding principles, was adopted without difficulty.

The organisation as prescribed by this clause of the Constitution differed, however, considerably from that contemplated by the Congress of the Councils, just as shortly after the system actually put into operation by the Order of 4 May 1920 and still in force was found to differ from that described in the Constitution. According to section 165, wage-earners and salaried employees should co-operate on a footing of complete equality and solidarity with employers in fixing conditions of work and wages and in developing

¹ This Congress met from 8 to 14 April 1919 and was the last. It broke up in an atmosphere of general indifference.

the forces of production in general. After laying down this principle, the section in question, which confines itself to generalities and is not over definite, proceeds to develop the details, but only imperfectly. It leaves existing workers' and employers' organisations standing, and makes no attempt to establish joint district councils as the basis of occupational representation.

Section 165 provides that the workers' councils shall combine to form district councils and then a Federal Council. Each of these institutions is to join with corresponding employers' institutions to set up district economic conferences and a Federal Economic Council. This system does away with close co-operation between employers and workers. Each group holds its own deliberations, and they meet only when they have decided on their respective attitudes. Finally, the Federal Economic Council is given purely advisory powers and has no right to decide ; all that section 165 lays down is that the government must submit its resolutions and recommendations to Parliament.

It is obvious that section 165 was unwillingly proposed by the Ebert-Scheidemann Government. It was drafted in a somewhat obscure form, more as a promise than as an obligation to be carried out immediately. Nevertheless, it is part of the Constitution, which contains many clauses on labour and may be said to call for the creation of a permanent institution for consultation and action in economic matters, since it imposes on the government both important and difficult economic functions.

The actual creation of the Council was the outcome less of the Constitution than of immediate political needs and the inadequacy of the Reichstag in economic matters. It was in vain that the authors of section 165 had hoped to suppress the idea on which it was based. In the Assembly itself this idea was found to be very much alive, and when the Reichstag was constituted on 12 August 1919 the Government decided (15 August) to set up a provisional Economic Council. The details of its organisation were contained in the Order of 4 May 1920 and its inaugural meeting was held on 30 June.

In creating the provisional Economic Council the Government followed the principles unanimously accepted by the Assembly, which were : the balancing of component interests and maintenance of equality between representatives of workers and employers, of industry and agriculture ; the protection of the independent middle classes ; and the representation of all active occupations on the Council. By degrees and under the pressure of various

influences, what might be called a parliament of 326 members was created, elected by a large number of groups. In addition to its proper functions, the Council was entrusted with the duty of drafting the constitution of the definitive Federal Economic Council in accordance with the terms of section 165 of the Constitution. In its present form the Council cannot be said to have anything in common with the Weimar idea, and in practice the Order of 4 May 1920 has led to the suspension of section 165¹. The outcome of this Order may be considered in detail².

Composition and Methods of Working

The Federal Economic Council was intentionally set up in a provisional form to see how such an institution would work, and in order to make use of the experience gained when the time comes to give it its definitive constitution. The members of the Council are appointed by the government on the nomination of a large number of associations and groups which are expressly specified in section 2 of the Order³. Twenty-four members are appointed as legal, economic, or technical experts, half by the government and half by the Reichstag, without special nomination. They constitute the two last sections of the Council, there being ten sections in all. The distribution of seats among the various occupations is based not only on numbers, but also on economic importance. There must of course be some arbitrariness in estimating this importance; the quantity and value of the articles placed on the market by each group of industries are taken into account, as also the amount of capital invested, the wages bill, and the profits distributed. With its present composition⁴ the Federal Economic

¹ PRELOT : *op. cit.*, ch. IX.

² For the text of the Order, see *Reichsgesetzblatt*, 1920, pp. 858 et seq.

³ It is impossible to enumerate these in detail. They include municipal associations, chambers of commerce, trade union federations, producers' cartels, and all kinds of leagues and societies.

⁴ The distribution prescribed in the Order of 1920 is as follows :

Group	Number of seats	Per cent. of total
I. Agriculture and forestry	68	20.86
II. Horticulture and pisciculture	6	1.84
III. Industry	68	20.86
IV. Commerce, banking, insurance	44	13.49
V. Transport and public works	34	10.43
VI. Handicrafts	36	11.04
VII. Consumers	30	9.20
VIII. Civil Service and liberal professions	16	4.90
IX. Experts appointed by Reichstag	12	3.69
X. Experts appointed by government	12	3.69

Council would appear to be a fairly faithful reflection of the constituent factors of German production. Since it represents not only occupations, but also economic and social groups, equilibrium has been secured by adopting the system of equal joint representation, which gives equal numerical strength to employers and wage-earners; the representatives of the liberal professions, the middle classes, and social science have complementary functions, and act as arbitrators between the former groups.

This grouping is most ingenious, as is also the provision that in all discussions an individual vote shall be followed by a group vote (section 7, sub-section 2). The object of this was to mix up members of the same occupation irrespective of origin, and to obtain their decisions solely in their capacity as producers and quite apart from their particular position in an undertaking. Unfortunately, the rules of the Council¹ have superimposed on this wise division a cleavage into three sections, for in the first six groups the workers are separate from the employers, and the remaining groups constitute a third section.

It may with justice be held that this subdivision is contrary to the idea of occupational representation and of an economic parliament, and that it tends to restore the social antagonisms which the Federal Economic Council is in theory bound to ignore. It follows that the discussions and votes of the Council often seem to be mere imitations of Reichstag debates and votes. The workers' and the employers' sections naturally each tend to act together as such, and to seek inspiration in outside parties, so that the atmosphere they produce is one in which conciliation is difficult, and the third section is hard put to it to moderate this antagonism and carry out its functions as arbitrator.

All writers on the Council are agreed in pointing out the dangers of this division. Some of them (G. Bernhard) consider it an accidental defect which will disappear when the Council is definitively constituted; for others (Hoschiller) the phenomenon is inevitable in any joint organisation; while yet others (Weill-Raynal) explain it by the political training of the German people, who regard themselves more as an aggregate of producers than as a group of citizens, and to whom class conflict is the only form of political conflict, so that in a Council representing classes they naturally break up into political fractions. Whatever the value of these explanations, the fact remains that side by side with the group orga-

¹ Adopted at the plenary session of 10 June 1921.

nisation, the Federal Economic Council is divided into sections, so that in its actual working there is a most unsatisfactory degree of confusion. The resulting complexity is sufficiently evident from reading the Order of 1920 and the Rules of 1921.

A feature of the structure of the Council is the system of committees of investigation. There are two important permanent committees, one for economic affairs and the other for social policy, each consisting of 30 members and 30 substitutes. Other and fairly numerous committees have been set up by degrees. It is their systematic practice to hear and consult experts and persons directly interested, who are not required to speak on oath and are free to decline to give evidence. Frequently these investigations are entrusted to sub-committees which prepare reports for examination and adoption by the committees. To save time, the committees are even empowered to transmit their views and recommendations direct to the government without previous submission to the vote of the plenary session of the Council. In this way there is no need to hold repeated general meetings, which would make the Federal Economic Council too like a parliament, with its speeches and continual stir.

For its work the Council must be in touch with the Reichstag, the government, and the Reichsrat. A study of its relations with these bodies will show how far it has been able to carry out the duties assigned to it by the Order of 1920, and whether it has succeeded in becoming a vital factor in the life of the community.

The provisional Council still lacks the prerogatives which are reserved to the definitive Council by the Federal Constitution. It is not yet entitled to submit direct to the Reichstag by one of its members proposals which have been rejected by the government. The Reichstag has always been opposed to this course, and the will of the government remains supreme. Although the functions of the Council have thus been much reduced, it still seems as if the Reichstag regards it as a rival, a sentiment which takes the form of a somewhat scornful attitude and even of obstruction. Thus the political assembly affects to ignore the recommendations of the Federal Economic Council, to start over again the investigations it has already made, and not to consult its rapporteurs. When the budget of the Council is being voted, there is an attempt to withdraw certain privileges of its members, such as the right to free railway fares.

This attitude of the Reichstag has of course had its influence on that of the different Ministers, most of them members of Par-

liament. The government is entitled to send representatives to all the meetings of the committees and plenary sessions of the Council. The latter in turn has the right to require, if not the presence of the Ministers themselves — a prerogative of the Reichstag alone — at least that of one of their representatives. The Order of 1920 also lays down that all government Bills on political and social questions must previously be submitted to the Federal Economic Council, but in practice this rule is not properly observed. The Ministers for the Railways, the Postal Services, and Finance either refuse to acknowledge it, or observe it only from time to time. Some systematically ignore the Council, and make a point of applying to other advisory bodies¹, consulting experts outside the Council, or having themselves represented by technical experts who are not members of the Council. Even more than the Ministers, the Secretaries of State, who are permanent officials and report for the Ministries, affect to despise the Council and its views, considering themselves more competent than its members; they even complain of having to co-operate with it at the same time as with the Reichstag committees, which double task is felt to be too burdensome.

In the Reichsrat alone there may perhaps be said to be full sympathy for the Federal Economic Council. Its advice is frequently sought, and its sessions and work are attentively followed by many members of the Reichsrat. It has sometimes been suggested that the two bodies should have joint meetings of their committees, which would hear the evidence of the same experts, the same Bills having been submitted to them by Ministers at the same time. It might perhaps even be advisable to consider amalgamating the two bodies, which would simplify German political organisation².

Criticism and Opinions

The working and structure of the Federal Economic Council are variously judged. Reference has already been made to the criticisms of its division into sections. Its actual composition has also been criticised. Communists consider that on the joint system the

¹ Such as the advisory councils (*Beiräte*) set up during the war in the various Ministries to transmit the views of persons directly concerned in the questions that arise, consumers, persons engaged in an industry, etc. The Federal Economic Council has repeatedly demanded that these bodies should be wound up. As some concession to its demands, certain Ministers allow the Federal Economic Council itself to appoint some of the members of the advisory councils.

² This is the opinion of Vermeil expressed in the article already quoted, p. 44.

workers are placed at a disadvantage, because individual employers have more influence, are better educated, and more active than their worker colleagues. The reply given is that some kind of a compromise had to be made with prevailing ideas on occupational representation, that the transformation of private into nationalised undertakings will modify the composition of the employer element in the Council, and finally, that the presence of delegates of the middle classes restores the balance between different interests¹. While the Federal Economic Council is thus denounced as a backward institution on the one hand, a number of Conservatives, on the other, regard it as containing the germ of a future dictatorship of the proletariat.

More attention should be paid to criticisms pointing out the vagueness of the relations between the committees and the plenary assembly, or emphasising the frequent overlapping of the Federal Economic Council and the Reichsrat, and especially to those deploring the gradual introduction of parliamentary practices and speechmaking in the Council. As early as 1920, Rathenau warned the new-born Council of this last danger². An attempt was made to overcome it by reducing the number of plenary sessions and increasing the work of the committees; but this has led to the other extreme, the multiplication of committees, and especially of their membership. This has made the administration of the Council too costly, an imprudence which has been exploited to reduce its resources, and consequently its importance. Various measures to this effect were adopted by the government at the beginning of 1924. In future, plenary sessions may be held only if authorised by the government. Only four committees have been retained (economic, social, finance, housing), and they may discuss only the questions referred to them by Ministers; they cannot act on their own initiative unless the Chairman of the Council has obtained the approval of the Minister concerned in each particular case.

These restrictive measures have not failed to produce some discontent among those concerned. The German General Federation of Trade Unions has protested and urged the authorities to pass an

¹ Cf. PRELOT : *op. cit.*, ch. VIII. See also BEAUMONT and BERTHELOT, *L'Allemagne* (Paris, 1921). The parties of the Left, having found that the influence of employers predominates in the Federal Economic Council, refuse to have anything to do with it and consider the Reichstag to be the real representative of democratic aspirations.

² RATHENAU : *Demokratische Entwicklung*, 1920. Cf. article by STEGERWALD, in *Soziale Praxis*, 27 Dec. 1923.

Act giving the Council its definitive constitution¹. The text of this constitution is being drafted, but it raises difficulties, for according to section 165 of the Federal Constitution, the final Council must be based on district economic councils, which are not yet in being and for which there no longer seems to be any obvious necessity. It is possible that the course chosen will be to amend the Constitution, unless it is preferred to improve the present Federal Economic Council, while retaining its provisional character.

In its present form and with the work it does, it has its convinced supporters. There has been no lack of emphasis on the importance of the part it plays, and even of its mere existence. G. Bernhard goes so far as to say that, together with the republican form of government, it is the most characteristic institution and most important social reform of German democracy.

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. But it is interesting to observe that it has taken its duties seriously, and that employers, who had with difficulty been induced to enter the Reichstag, have been more than willing to join the Federal Economic Council.

It may be asked what future lies before the German Economic Council. Its supporters believe it will triumph over all opposition and obstruction. In their opinion, the Reichstag is mistaken in thinking that it can wear out the patience of the Council, and still more so in under-estimating the power of the economic organisations throughout the country, where they represent the real social forces ; if it does not give way, it will be broken. The Economic Council does not wish to supplant the political Parliament, but to treat with it as an economic Parliament on a footing of equality. Sooner or later public opinion will become aware of the point at issue, and will support the views of the Council². The least that can be said is that the future of the Council is bound up with that of republican institutions, and that their consolidation may

¹ *Le Peuple*, 12 Aug. 1924. Paris.

² The above is a brief summary of G. Bernhard's opinions.

possibly establish in Germany the system of a three-Chamber legislature : the Reichstag, the Reichsrat, and the Federal Economic Council.

For the moment, however, the Federal Economic Council is far from being an economic parliament, and Chancellor Fehrenbach was anticipating when at its inaugural meeting he greeted it as " the first economic parliament of the world ". Undoubtedly its composition, the number of its members, and certain of their prerogatives¹, allow of comparison with a political assembly. But it has no power of decision, nor parliamentary initiative ; it is not even entitled to order enquiries for the purpose of applying penalties. 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 influence².

The increasing part played by trade organisations in Germany cannot but strengthen the influence of the Federal Economic Council. From being the technical Council that it is to-day, it will become the true economic parliament proclaimed in section 165 — in however nebulous a manner — and demanded by labour from the very inception of the German Republic.

THE FRENCH NATIONAL ECONOMIC COUNCIL

France, in turn, has just acquired a National Economic Council. From its inception this institution has had a definite character. It is not a Parliament but an advisory body, although some of its features make it different from the mere committees of experts, large numbers of which have long been attached to the various Ministries.

¹ They are entitled to their expenses (daily, not monthly), free railway fares, and disciplinary, civil, and penal immunity in the exercise of their functions (section 5 of the Order of 1920).

² BERNHARD : *op. cit.*, p. 105.

Origin

The origin of the French National Economic Council must be sought in the proposal and experiment made some years ago by the General Confederation of Labour. At the end of the war, this organisation, which had been consulted on the government's schemes for economic re-organisation, submitted to the Prime Minister on 31 December 1918 a proposal for an Economic Labour Council, to comprise employers and workers delegated by their respective organisations, technical advisers, well-known economic and social experts, and representatives of government departments, the number of members in each group being ten. Mr. Clemenceau believed that he could satisfy the Confederation by creating a vague advisory committee; but the Confederation loudly refused to support it and it never came into operation.

When the Confederation held its National Conference at Lyons in September 1919, its General Secretary, Léon Jouhaux, stated that, in view of the inertia of the authorities and their refusal to consider the programme of the Confederation, the latter would set up an Economic Labour Council by itself. This of course could only be a private institution, without official support or authority and without executive power, its aim being limited to acquiring moral authority and serving as a training ground. It was to be an instrument for enquiry into and preparation for the part to be played by the workers in the community, and had therefore to be composed of competent men who at the same time could represent the ideas and aspirations of their respective classes.

Soon after the Congress, the Confederation set to work, and "bearing in mind the need for safeguarding the general interests of the nation"¹, it set up its Council in collaboration with the Federation of Consumers' Co-operative Associations, the Union of Technical Workers in Industry, Commerce, and Agriculture (*Ustica*), and the Federation of Civil Servants. The function of the Economic Labour Council was "to contribute to economic reconstruction by practicable schemes framed solely in the general interests and capable of giving labour its proper share of manage-

¹ CONFÉDÉRATION GÉNÉRALE DU TRAVAIL : *Le Conseil économique du Travail : son origine et sa constitution*. Published in the series issued by the Economic Labour Council, which includes the principal reports and proposals for economic re-organisation drawn up by this institution (nationalisation of mines, railways, water power, etc.).

ment and supervision in the production and distribution of wealth". The Council, which was inaugurated on 8 January 1920, was divided into nine sections for purposes of study; it was intended that it should later set up institutions for the actual realisation and management of its schemes, but this was never carried into effect. Its meetings were held for a little over a year and it gradually ceased to act, but during its short life it drew up various interesting economic schemes and tried to familiarise public opinion with problems of reconstruction.

The labour programme of an economic council with executive powers was again taken up and discussed at length at the national Congress of the Confederation held in 1923. In the report on the subject submitted to the Congress¹ it was maintained that "the remedy for economic stagnation must be sought in a radical transformation", but that the present system was impotent to conceive plans or put them into operation. The practical programme of action advocated by the Confederation was based on a theory of the supremacy of the producer which was in harmony with trade unionist doctrine and was much coloured by Proudhon's teaching². The idea was to replace the political administrations by a body representing all the economic forces of the country, with power to intervene in and influence the production and distribution of goods. A Council on these lines would be expected to study the requirements of industry and the national resources in raw materials; to distribute these materials, control their prices, and see that contracts relating to them were duly carried out. It would have the right to intervene in questions of transport, the distribution of labour and, in fact, everything connected with industrial management. This idea, first given shape in 1918 and taken up again some years later, bears traces of "war economics" and has little chance of triumphing to-day.

This was realised by the authors of the 1923 scheme, who provided for the realisation of the trade union programme in stages. The type of council which they proposed should be set up without delay seemed easier to introduce among existing French institutions, although involving the modification of some of them. The

¹ *Information sociale*, 14 Aug. 1924.

² To quote the report: "Whether we like it or not, this abstract idea of the political man considered apart from his ordinary needs and occupations is steadily disappearing before that of the economic man, the producer and the consumer and the mutual relations between these two—their 'commerce', as Proudhon said." Cf. GUY-GRAND: *La philosophie syndicaliste* (Paris, Grasset, 1912).

National Economic Council proposed by the General Confederation of Labour was to be neither a Parliament nor a mere extraparlimentary committee, but was to consist of employers' and workers' delegates, technicians, consumers, economic experts, and representatives of the administrative authorities, the latter merely in an advisory capacity. It would be compulsorily consulted on all proposals for economic legislation; it would be empowered to make enquiries and use any sources of information at the disposal of the Ministries; it would submit Bills which the government would have to lay before the Chambers. The scheme also provided for investing the Council with executive powers and giving it the right to supervise the work of economic departments, and to impose penalties in case of need. Finally, it would be consulted on the budgets of these departments.

The government schemes of 1924 and the Decree of 16 January 1925, which actually set up the National Economic Council, show the influence of this project. The writer of the report submitted to the General Confederation of Labour was quite aware that his ideas "did not altogether square with the principles at present governing administrative law. They introduce a new element into it and, it may be admitted without regret, even disturb it to its foundations¹".

Constitution and Powers

In setting up a National Economic Council, the French Government was careful to avoid any kind of upheaval, but there is no denying the relationship between the new body and the proposals of the General Confederation of Labour or its experiment of 1920². It should be added that in the mass of literature on reconstruction produced immediately after the war, many authors drew attention to the lack of co-ordination between the different public authorities

¹ *Information sociale*, 14 Aug. 1924. Cf. Marcel LAURENT (Assistant General Secretary of the General Confederation of Labour): lecture given on 5 May 1923 before the Comité patronal d'études (Vol. 215 of the publications of this Committee); L. JOUHAUX; article in *Le Peuple*, 20 May 1923.

² Georges SCELLE: "Le Conseil national économique", in *Revue politique et parlementaire*, Oct. 1924. For the National Economic Council, reference may also be made to the lecture given by the same author before the Comité national d'études (Vol. 269 of its publications) which was quoted in the *Revue d'études coopératives*, Jan.-March 1925. See also *L'Atelier*, Aug. 1924 and Feb. 1925; INTERNATIONAL LABOUR OFFICE: *Informations sociales*, Vol. XII, p. 201, and Vol. XIII, p. 147; SOCIÉTÉ D'ÉTUDES ET D'INFORMATIONS ÉCONOMIQUES: *Pulletin quotidien*, 6 Feb. 1925; *Information sociale*, *passim*. The Decree constituting the Council was published in the *Journal officiel*, 17 Jan. 1925, and the supplementary Decree in that of 11 April 1925.

and their insufficient information on economic questions. Public opinion tended to judge Parliament severely and to exaggerate the incompetence of elected bodies and administrative red tape. It was therefore to be expected that the creation of a "group of technical advisers" (corresponding to the Italian *gruppo di competenza*) would be welcomed.

On 19 July 1924 the new Minister of Labour, Mr. Justin Godart, appointed a committee to enquire into the question of setting up a National Economic Council. The aim of the original scheme put forward by this committee was to set up an investigating body consisting of technical experts and representatives of the interests involved, who would be able to give shape to the public opinion of the whole active population and not only of a part, showing for each separate economic problem what were the general interests of the country as a whole underlying individual interests. The intention was not only to create a body to give expression to expert opinion, a sort of sounding board, but also to remedy the isolation and dispersion of the various trade groups and active organisations, which up to the present have acted without co-ordination or real knowledge of each other. "What is wanted", wrote Georges Scelle, "is a body to maintain a balance and act as a transformer, which can examine and combine different special interests so as to bring out clearly what is to the interest of the community as a whole". When the representatives of special interests meet, they "will be convinced of the truth that in any one country all action leads to the same end, and that no interest can be truly, finally, and certainly satisfied except in agreement with all others". The National Economic Council will thus be a clearing house for collective interests in which differences will be adjusted, not by haggling over concessions, but by exchanging reasoned sacrifices. Finally, it must serve to co-ordinate the action of the different ministries. French administration, which is good from the political point of view, is less so where economic interests, fundamental though they are, are concerned. This defect may be remedied by a National Economic Council.

These were the principles which inspired the proposals of the Committee of Enquiry and ultimately the Decree setting up the National Economic Council in 1925. The differences between the original scheme and the Decree are slight, though sometimes significant; they will be noted in the description of the machinery of the new institution.

Profiting by German experience, the French Government

always considered that the National Economic Council should not be large, and the eighty members proposed by the original scheme were reduced by the Decree to forty-seven, although twice as many substitute members may be added. The interests represented on the Council are divided into three groups: population and consumption (originally thought of as two separate groups), labour, and capital. The category "population" was intended to represent "the initial producer, the producer of the producer, so to speak, namely, the fathers and mothers of families; and, in addition, representatives of social hygiene, cheap housing and mutual benefit societies".

All active elements of the population are represented: intellectual and manual work, the liberal professions, real estate, commerce, industry, and banking. The method of grouping chosen¹ seemed the most rational, and has prevented dependence on the innumerable trade organisations, "all of which could not have been asked to send delegates to the Council without turning it into a real Parliament incapable of thorough discussion and rapid decision". These were the difficulties which the creators of the German Council were unable to avoid. But when it was decided, and it seems rightly, not to draw on all existing organisations, the next question was how to choose among them. It was necessary to find persons with authority and capacity to speak on behalf of unorganised and isolated as well as of organised producers. The solution adopted was inspired by Part XIII of the Treaty of Versailles setting up the permanent International Labour Organisation, for it was decided to choose the most representative organisations in each group and ask them to nominate the persons whom they wish to send as delegates to the Council. The selection made by the Minister of Labour was published in an Order of 11 April 1925; so far it has not been criticised. An effort was made to choose the largest, most active, and most characteristic organisation for each section of the population.

¹ The method of grouping adopted in the Decree is as follows:

I. *Population and Consumption*: (a) consumers' co-operative societies and purchasers' unions (3 delegates); (b) association of mayors, municipalities (2); (c) users of public services (2); (d) parents and mutual benefit societies (2).

II. *Labour*: A. Intellectual work and education (3); B. Management: (a) industry (3); (b) agriculture (3); (c) commerce (2); (d) transport (1); (e) co-operation (1); (f) public services (1); C. Paid work: (a) public officials (2); (b) technicians (2); (c) manual work: industry (5), commerce (2), agriculture (1), transport (2).

III. *Capital*: (a) Industrial and commercial capital (3); (b) Real estate (2); (c) Banking, stock exchange, insurance, savings banks (3).

The largest group in the Council is that of labour ; that of capital was limited in number because it was held that capital without labour is unproductive. But since the interests of capital and of management are often represented by one and the same person, the result is that in the Council as at present recruited the representatives of employers and workers will be equal in number. The third section, representing intellectual workers, consumers, mutual benefit societies, etc., will often be the final arbiter of the fate of schemes submitted to the National Economic Council. These considerations, however, presuppose a division of the Council into social classes, like that which has taken place in the German Economic Council, cutting across the division into groups representing occupational interests. Hitherto the constitution of the French Council contains no provisions of the kind and it is to be hoped that the delegates to the Council will forget their class differences on entering it and devote themselves entirely to determining the general and collective interests of the country as a whole.

In order to make the functions of the National Economic Council quite clear, it was decided not to subordinate it to any particular Ministry ; it is attached solely to the Prime Minister's Department. But the money for its administration comes out of the budget of the Ministry of Labour, as it was impossible in the Decree to satisfy the demand of the Committee of Enquiry that the Council should be a financially independent office with its own budget. The autonomy of the Council, which is frequently referred to, consists partly in its freedom to fix its own agenda, and partly in the fact that its members are not chosen by the government, but merely appointed by it on the nomination of the parties concerned. The 1925 Decree strengthened this independence by empowering the Council to settle any disputes arising out of the government choice of " the most representative " organisations, which are invited as such to send delegates. In these cases the Council will itself decide, so that in effect it will have the power to choose some of the bodies which are to have the right to nominate its members.

It may be asked whether the National Economic Council should have other powers of decision than that just described, or whether it should remain purely advisory. The former view prevailed at first, but ultimately the latter was adopted. Even before the Committee of Enquiry met, labour leaders announced that they thought that the future National Economic Council, without derogating from constitutional principles, should be given large powers of initiative and the right to lay its opinions and proposals

before the Chambers¹. The draft adopted by the Committee in July 1924 granted this right². It was then provided that the Council should express the results of its work in one of three forms : reports, being technical studies not necessarily of an urgent nature ; advisory opinions, submitted spontaneously or on the request of a Minister, to which the Prime Minister would be bound to reply within one month, although remaining free to act on them or not ; and recommendations.

The recommendations raised the question of how much initiative the Council should be allowed. It was at first decided that if a recommendation were adopted by two-thirds of the members of the Council, the government could refer it back for a second consideration, but that if the Council re-affirmed its decision, the government would have to submit the recommendation to Parliament. According to Mr. Scelle³, this would in no way affect the constitutional prerogatives of the government :

It was not intended that the National Economic Council should become a third Chamber, nor that it should make itself into an economic Parliament, but it was necessary that it should be something more than a mere administrative council, subject to the arbitrary good will of the government. It must have authority, but this must be moral ; it should have the right to be heard by the authorities, but its only means of bringing pressure to bear should be those derived from its composition, expert qualifications, and disinterestedness.

This system, too, was inspired by the Treaty of Versailles. According to Part XIII, when the International Labour Conference has adopted a Draft Convention by a majority of two-thirds, this draft must be submitted by the States Members of the International Labour Organisation to the competent authorities, which have full freedom of decision⁴. The French Government, however, did not consider itself in a position to accept the Committee's draft. Misgivings were felt that it might be unconstitutional, for it was thought that the freedom of the government might be lessened if it were required to introduce Bills dictated by the National Economic Council, although it is in no way bound to introduce as Bills the proposals derived from Parliamentary initiative. The Decree

¹ JOUHAUX : article in *Le Peuple*, 20 May 1924.

² Sitting of 29 July 1924 ; cf. *Le Peuple*, 30 July 1924.

³ This right was considered essential even outside labour circles ; cf. G. SCELLE, in *Le Quotidien*, 5 Aug. 1924.

⁴ *Revue politique et parlementaire*, Oct. 1924.

⁵ Cf. speech by M. J. GODART to the Preparatory Committee : *Le Matin*, 19 Aug. 1924.

therefore merely laid down that the " recommendations " of the National Economic Council should be adopted by a two-thirds vote of the members present and transmitted to the Prime Minister, " who will, within one month, inform the Council of the action taken or will refer the question back to the Council for a second consideration " (section 17). The powers of constraint over the government are thus reduced to a minimum, the principle being formulated in the mildest terms. At the same time, the risk of rivalry between Parliament and the Council is avoided. But it is to be hoped that the Chambers will become accustomed to take into consideration the opinions and recommendations of the Council; their prestige would be no more affected than that of the government which in an International Labour Conference agrees to co-operate in preparing the text of a Draft Convention or Recommendation with due consideration for the needs and opinions of other governments. In France there is no need for the Chambers to feel their authority diminished if they accept or even seek the co-operation of a Council of purely national origin and working for solely national ends.

Every section of the 1925 Decree defining the rights and methods of working of the National Economic Council reflects the wish to avoid any kind of attack on the prerogatives of the authorities. According to section 13, Ministers will always be entitled to be represented at the discussions of the Council or of its committees. But the Council itself is not entitled, like the German Federal Economic Council, to require the presence of a representative of the government, nor even to insist on Ministers or committees of the Chambers hearing its delegates. All it can do is to ask to be heard.

The government will submit to the Council " for information " all Bills likely to interest it, but it is by no means bound to communicate them while they are being drafted. The part played by the Council is thus seen to depend on the interest and good will of the authorities. But if the latter make any call on its competence the Decree empowers the Council to render the necessary service. If it has to deal with a question concerning a particular economic or occupational category not permanently represented, it may co-opt experts for the purpose (section 12); it may co-opt experts as permanent members (section 11); it will have a permanent general secretariat (section 10) and may set up any permanent bodies necessary for collecting or publishing information (section 14). In brief, it is entitled to equip itself fully, and will be well able to

carry out the task, defined in section 18, of advising the government on the preparation of public administrative regulations under any Act which prescribes that the Council shall be so consulted.

The Decree of 1925 was kept strictly within constitutional limits, and the National Economic Council was given none of the features of an occupational parliament. The sovereignty of the Chamber and of the government remains intact, yet the autonomy, composition, and vast scope of the new Council make it more than a mere administrative body.

Opinions and Criticisms

In its actual form the Council has been well received by the labour world, although it gives rise to some fears or reservations among employers. The latter at first objected to the preparatory work for the Council being entrusted to the Ministry of Labour, holding the view that the choice was intended to give a preponderating influence to the General Confederation of Labour, with which this Ministry is in close touch¹. The classification of the groups constituting the Council was criticised, and it was asked how users of public services and consumers were defined, and why this group could not cover all others. The right given to the government to decide which were the most representative organisations and make them the electors of the Council seemed open to suspicion, and equivalent to giving the government a direct and predominant influence in forming the Council. As for the right reserved to the Council itself to decide in disputes on the choice made by the government, "this guarantee is to some extent illusory because it cannot operate until the Council has been composed in the manner described". The arbitrary nature of its composition was denounced beforehand², and it was maintained that the Council would always be subservient to the government. Finally, the very principle on which the new institution was founded was criticised. It was said that the real sounding-board of public opinion was Parliament, because it was supposed not to represent individual interests. "Because the National Economic Council by definition represents only individual interests, it can in no way act as a means

¹ M. ROMIER : article in the *Journée industrielle*, 28 Aug. 1924.

² The composition of the Council was first announced in the Decree of 11 April. The objections quoted above are to be found in the *Bulletin quotidien* of the Société d'études et d'informations économiques (6 Feb. 1925), from which the further arguments given above have also been taken.

of fusing such interests." It was further asked how the result of its deliberations could be expressed as a majority. "The very word 'majority' has no meaning when economic interests are at issue. How can these be governed by numbers? What units can be used to measure them? The general interest is in no sense an arithmetic or algebraic sum of individual interests. It is a demand which, rightly or wrongly, finds expression in an act of will of the authorities governing the nation."

Such criticisms are open to many objections. It need merely be observed that they condemn any attempt to arrive at a rational policy, and that the underlying philosophy is based on intuition, a doctrine which promises little hope for social study. It may be added that criticisms of this kind, implying a belief in the irreducible antagonism of economic interests within any one country, are well adapted to strengthen the idea of the class war which it is still so difficult for labour circles to get rid of.

Labour gave a better reception to the 1925 Decree, although it was far from satisfying all the demands of the workers. At the Congress of the General Confederation of Labour in September 1924, when the Committee of Enquiry was still sitting at the Ministry of Labour, Mr. Jouhaux could still say that "the National Economic Council will be an institution which will give the organised working class a right of discussion, decision, and supervision in national economic questions"¹, and he urged the workers to have the wit to use this instrument which was to secure them their share of responsibility for managing the affairs of the country. When the Decree was published he further declared that he was satisfied that the Council would be neither a parliament nor a mere administrative committee, but he regretted that it had been given only advisory functions, that the government was not obliged to call in the assistance of the Council in drafting economic Bills, and that the Council could not negotiate directly with Parliament either by submitting Bills to the Chambers or by having the right to be heard on Committees².

"The National Economic Council", he wrote, "is far from giving full satisfaction to the demands and ideas of organised labour. Yet the representatives of the General Confederation of Labour on the Committee accept the Decree, and labour organisations are ready to take their part in the work of the new institution." The

¹ *Information sociale*, 2 Oct. 1924; report of the Congress of 19-20 September.

² *L'Atelier*, Feb. 1925.

reasons for this frank acceptance are to be found in the common sense of the trade unions, which refuse to take up the uncompromising attitude of all or nothing, and in their publicly proclaimed hopes that, in the general interest and that of the workers, this social experiment might be made to yield the maximum utility implied in its underlying principles. Mr. Jouhaux concluded that the Council was indeed no small matter, and that it represented the permanent institution for research and documentation for which the working class had always recognised the necessity. The National Committee of the Confederation at its meeting of 19 March 1925 recorded with satisfaction the creation of the National Economic Council, without repeating the criticisms it had made in September 1924.

CONCLUSION

It is impossible to predict the future work and influence of the National Economic Council. Its position is not exactly comparable with that of the German Federal Economic Council. In Germany, trade organisation is highly developed and would enable the Council to play an important part. But the constitution of the Council imposes certain serious defects on its work, while the feeling for civic liberty of the German people would seem to have more confidence in action by the Reichstag than by the Council. In France, where civic liberties are of ancient date, there can be no fear that they will be thwarted by the action of the National Economic Council, but the Council must try to awaken that sense of economic interdependence which is still far too rare, and to devise methods for joint action by representatives of groups with distinct interests.

In many respects the constitution of the French Council may be considered better than that of the German. It has fewer members; it does not require a substructure of still non-existent district councils, nor does it scatter electoral power among a multitude of groups which are very unequal both in value and in representative character. It admits representatives of the public considered in its productive capacity, while the German Council calls in consumers merely as representatives of the public without specific occupation. The German Council on the other hand has the advantage over the French of being a constitutional body, forming an integral part of the machinery of the state, while the French Council is merely an advisory institution. In practice, and as long as the German Council remains provisional, the difference is of slight

importance, except as regards the right of the German Council to submit direct to the Reichstag any Bills and decisions which the government refuses to adopt or transmit. There can be no question but that this right of parliamentary initiative will be a powerful help to the Council in gaining the support of public opinion for the value and expediency of its work.

It will be extremely interesting to see how these two institutions, different in nature though springing from one root idea, placed in different economic surroundings though open to the same needs, will develop and what effect they will have on national conditions. Moreover, it is to be expected that their activities will extend to problems of more than national scope. In his study on the German Economic Council, Georg Bernhard, taking for granted the ultimate establishment of councils of production for concentrating industries, points out that this kind of machinery for organisation tends to become internationalised. Deeming the Federal Economic Council to be the future regulator of the whole German economic system, he forecasts that similar councils will be set up elsewhere, and that the creation of an international chamber of labour is by no means impossible. In France, nothing to compare with this outlook has sprung from the National Economic Council, but it is not without interest to note the provision of the Decree of 1925 (section 15) allowing the Council to include in its agenda all questions "which it thinks are of importance either from a national or an international standpoint". This at once considerably widens the possibilities of the Council. Its investigations may cover every country and perhaps it will find that it has to consult foreign experts.

Thus the idea of the representation of economic and occupational interests will necessarily spread and demand the attention and acceptance of all nations. Germany, by including a new institution when she undertook the revolutionary re-casting of her political structure, France, by following the traditions of her democratic law and practice, will have been the pioneers on parallel paths in a field of social progress, the possible development of which it would be imprudent to try to measure by the still uncertain and narrow aspects of its beginning.