

Control. There is little doubt that a licensing system could be made effective for this purpose. It would mean that British agriculture would be left entirely uncontrolled, and that the Dominions would be allowed to send their produce into Britain without restriction, except in instances where British agriculture was in a position to supply the entire needs of the community; but foreign imports would only be allowed under license, and the volume of foreign imports would be controlled by the licensing authority.

It seems probable that both our first and second objectives could be attained by this method, and if the British and Dominion producers showed any tendency to make use of their advantages to unduly exploit the consumer the licensing authority could effectively counter any such attempt by increasing the quantity of foreign importations.

(5.) The Method of Stabilization of Prices.

The last method that I desire to bring to the notice of the Conference is what has been called a "stabilization policy." But before outlining this method I think it desirable to refer very briefly to the proposals that have been put forward from time to time for the establishment, for strategical purposes, of national reserves of such essential foodstuffs as, for instance, wheat.

When we remember the enormous difficulties that Great Britain had to encounter in maintaining her food-supplies during the war, and when we remember that it has been stated that during the height of the submarine campaign in 1917 Great Britain was within three weeks of actual starvation, adequate national reserves appear to have the utmost strategic value. This stabilization policy to which I am about to refer appears to require for its proper functioning some form of national reserves also. The idea of a stabilization policy is that a system of protection and preference could be brought into effect, without any tariff, to give the maximum advantage to Empire agriculture and at the same time to safeguard and benefit the British consumer. This is a suggestion for a deliberate policy of the stabilization of prices of such essential commodities as meat and wheat.

The sources of supply of foodstuffs can be classified under three heads—i.e., British, Dominions, and foreign. It is proposed, under this system, that the British product should be left entirely free and uncontrolled. In other words, the British farmer would be free to continue to market his produce precisely as he is doing it at the present time.

The Dominion produce would also be freely marketed so long as the quantity required from foreign sources was sufficiently large to allow the control of the entire foreign imports to effectively stabilize the price of the commodity in question in Britain.

The foreign supplies would be controlled by a National Purchase Corporation for either meat or wheat, the Corporation to buy from foreign countries the shortage between what the British and the Dominion producer could supply and the total requirements of the country.

If these proposals are taken in conjunction with the idea of national reserves of foodstuffs, and if the control of the national reserves were vested in the National Purchase Corporation, it will be seen that in the case of, say, wheat the controlling authority would be able to regulate the flow of foreign imports on to the London market in two ways: Firstly, by the amount actually allowed to enter Great Britain; and, secondly, by the rate at which foreign wheat was allowed into the market from the national wheat-granaries. In the event of any shortage of British and Dominion supplies, and a tendency to increase all prices in the market, the National Purchase Corporation would release additional foreign wheat so as to prevent prices from rising. If prices were falling below the figure at which it had been decided to stabilize, the supplies of foreign wheat would be curtailed or temporarily shut off so as to keep the price stable.

The advantages of the scheme seem to be: First, it would involve the very minimum of control; British agriculture would be left entirely free; and control would only apply to a certain phase of wholesale business—the actual importation of foreign goods into Britain. The second advantage would be the elimination of fluctuation. In the interests of both the producer and the consumer fluctuation of price is generally detrimental. Fluctuations only benefit the speculative middleman. When prices soar the producer rarely receives the full value of the increase, but the consumer invariably has to pay it. A severe fall in wholesale prices is very rarely fully reflected in the retail price to the consumer, but is always completely felt by the producer. It would therefore seem that stable prices would benefit both the producer and the consumer. It seems possible that a system of this sort, if found workable, might enable us to realize fully all our three objectives.

I apologize very much to the Conference for having gone at such length into these matters, and I want to make it perfectly clear that I do not suggest that any of the proposals provide the certain solution of the trouble we are up against; but I do think it may be helpful to the members of the Conference to have all these matters kept under their review, because the question of securing the British market for the Dominions—and I am speaking for the Dominions as distinct from British agriculture—is imperative.

Examples of Action taken by Foreign Governments.

I think we must face this problem with very open minds. Most of you will have observed that in America the position with regard to production has become so acute that the President is now taking quite definite action to stabilize prices for the producer of wheat. The world over people are having to do something of this sort. We are reluctant to do it; it is alien to our traditions, but if the rest of the world is going to do this sort of thing we must consider our position very seriously. Take Australia's position. A great country like the United States of America considers it worth while to take action of this character, which is certainly foreign to her traditions also, in order to make production pay and provide good employment for her people. If Australia and other