

INDIA

Sir Henry Strakosch, G.B.E., Member of the Council of India.

Sir George Schuster, K.C.S.I., K.C.M.G., C.B.E., M.C., Member of Council of Governor-General of India.

SOUTHERN RHODESIA

The Hon. P. D. L. Fynn, C.M.G., M.L.A., Treasurer.

Joint Secretariat:

Mr. B. J. Roberts, Department of Finance (Canada).

Mr. J. D. B. Fergusson, Private Secretary to the Chancellor of the Exchequer (United Kingdom).

Mr. F. H. Boland, Secretary of Legation (Irish Free State).

Five meetings were held by the Sub-Committee, in addition to which there were a number of informal meetings of experts representing the different Delegations. The Report submitted by the Sub-Committee was adopted unanimously by the Committee on Monetary and Financial Questions. The Committee therefore submits to the Conference and recommends that it adopt the following statement:

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(a) A rise throughout the world in the general levels of wholesale prices is in the highest degree desirable. The evil of falling prices must be attacked by Government and individual action in all its causes whether political, economic, financial, or monetary.

(b) For dealing with the problem in its widest aspects the Governments represented at this Conference record their conviction that international action is urgently necessary and announce their desire to co-operate with other nations in any practicable measures for raising wholesale prices.

(c) The Conference has considered what action can be taken by the nations of the Commonwealth to help towards raising prices.

As regards monetary factors, the Conference recognizes that the central position of the United Kingdom, not only among the countries of the Commonwealth but in world trade and finance, makes the United Kingdom a main factor in anything that can be done. The Conference therefore welcomes the following statement made on behalf of the United Kingdom by the Chancellor of the Exchequer:—

“His Majesty’s Government desire to see wholesale sterling prices rise. The best condition for this would be a rise in gold prices and the absence of a rise in gold prices inevitably imposes limitations on what can be done for sterling. A rise in prices cannot be effected by monetary action alone, since various other factors which have combined to bring about the present depression must also be modified or removed before a remedy is assured. His Majesty’s Government nevertheless recognize that an ample supply of short-term money at low rates may have a valuable influence, and they are confident that the efforts which have successfully brought about the present favourable monetary conditions can and will, unless unforeseen difficulties arise, be continued.”

(d) The Conference recommends the other countries of the Commonwealth represented here to act in conformity with the line of policy as set out in the statement of the Chancellor of the Exchequer, so far as lies within their power.

In the monetary sphere the primary line of action towards a rise in prices should be the creation and maintenance, within the limits of sound finance, of such conditions as will assist in the revival of enterprise and trade. Among these conditions are low rates of interest and an abundance of short-term money. While regard must be had to the different conditions applying to various types of loans, the rate of interest for all purposes should be kept as low as financial conditions permit. At the same time it is necessary that these favourable monetary conditions be achieved, not by the inflationary creation of additional means of payment to finance public expenditure, but by an orderly monetary policy, safeguarded if the necessity should arise, by such steps as will restrain and circumscribe the scope of violent speculative movements in commodities or securities.