

but it is simply impossible to restore even a reasonable measure of sound conditions in the Dominion unless and until the general price-level in Great Britain is increased, and increased substantially. That is something which cannot be left to take care of itself.

Our special appeal to the Chancellor of the Exchequer—if we may direct our remarks to him through you, Mr. Chairman—is that he accept the view that the price level must be raised, as the very essential of increased intra-imperial trade.

During the past year or two farmers and exporters have obtained some help through the exchange rate. It is not advisable to rely wholly on variations in the exchange rate to bring about adjustment. What we all need urgently is such a level of sterling prices as will help to close the gap between selling prices and costs of production. This will enable the trading nations to continue settling their debts and advancing their common interests through their accustomed medium and market, London.

Mr. Chairman, I desire to close this preliminary statement on the note on which I began. This Conference has caught the attention and quickened the hope of our people in New Zealand. They are bearing the burdens of the depression in a magnificent spirit; they realize that their local problems are part and parcel of the greater problems with which we are all faced; and they look to this Conference—as I am sure the people in all our countries look to their representatives—for a positive and courageous lead. We dare not disappoint the expectations which have been raised. For my own part, I cannot help thinking of our deliberations here in relation to the thousands of our citizens who are workless through no fault of their own, and to our farmers who are carrying on in the face of difficulties which only those who are in touch with them can appreciate.

We are embarking upon a great adventure in Imperial co-operation and reciprocity. It is instinctive in our people that, in adversity, we should seek not merely our own self-preservation but also the preservation and advancement of other members of the family of British nations. Approaching our problems in this spirit we will overcome them as certainly as our Empire has triumphed over even greater difficulties in the past.

May I conclude, Mr. Chairman, by endorsing the sentiment expressed in one of your journals this morning in its reference to our deliberations: "The uppermost thought is but of humble prayer that God will guide with wisdom all who are of the Conference, that His grace will give it light to see and courage to achieve for so much of mankind."

The Chairman: The head of the delegation from the Union of South Africa, the Hon. N. C. Havenga, will now address us.

Hon. Mr. Havenga: Mr Prime Minister, I also desire on behalf of myself and my colleagues here to express my thanks for the welcome which has been accorded us and for the courtesy and hospitality extended to us. A few of us here were also present when nearly two years ago you proposed the adjournment of the Economic Section of the last Conference in London to meet in Ottawa, when you assured us in advance of the warm welcome of the Canadian people.

I note that the vicissitudes of political fortune, while responsible for the absence of a number who were associated with us on that occasion, have brought together in this room other old friends of a former historic Conference, already referred to by Right Hon. Mr. Baldwin, as well as other colleagues whom we are glad to meet.

We reassemble here this morning in a spirit of free association and with a sincere desire to co-operate in order to promote the happiness and prosperity of our respective peoples.

We have listened with great interest to the contributions which have come from the leaders of the various delegations in explaining their views upon the task which lies ahead.

I take this early opportunity of repeating what the South African delegates affirmed in 1930, that in general the Union approves of the extension of trade relations amongst us by agreements embodying reciprocal tariff benefits. Such a policy brings in its train many problems, some of which appear on the agenda paper as items for discussion, but the ultimate success of the Conference will be measured not by resolutions or even by bilateral agreements, but by its effect on international trade.

South Africa does not subscribe to the theory of a self-contained and isolated British Empire. None of its members—least of all the United Kingdom—can exist by trade within the Commonwealth alone. If our industries are to survive,