I have stated the objectives that should guide the world's monetary authorities in the present emergency. As a permanent program for the more distant future, we also believe that it should be a responsibility of our monetary authorities to do their utmost to *eliminate* the long-run secular fluctuations, and to *moderate* the short-run cyclical fluctuations, in the world level of prices. So pernicious are the social and economic effects of such price changes that the elimination of monetary instability would constitute one of the most important contributions which statesmanship could make to the buttressing of our present economic and social system.

We recognize, of course, that the monetary objectives which have been named can only be *fully* attained by broad international action. We recognize also that monetary action is only one line of approach to the solution of the world's problems and that it must be accompanied by other remedies, perhaps of a more fundamental character. We do not overlook either the difficulties and the limitations of such monetary action, especially when invoked by only one nation or a few nations and at a time when public confidence is at an extremely low ebb. But we believe that the situation is grave enough to justify the most sympathetic consideration of every promising remedy—and grave enough to counsel against any unnecessary delay.

Consequently, we are hopeful that this Conference will examine the role which money has played in the current depression and explore the extent to which monetary weapons may be employed to promote immediate recovery and to safeguard us from future disasters of a similar kind. We are anxious also that this Committee consider carefully whether anything can be done with safety by the Empire countries acting alone or with such other countries as could be rapidly associated with them in a program to check deflation and promote price restoration.

Even if the answer to this question should prove largely negative, it is believed that much benefit may result from an exchange of views in regard to the immediate monetary policies of the various Commonwealth countries, and from a joint examination of the existing monetary standards and credit machinery of the various Commonwealths with possible suggestions as to methods by which existing mechanisms for controlling credit and stabilizing exchanges may be perfected.

In any case it would seem possible to formulate a series of recommendations as to objectives and policies to be submitted to the World Monetary Conference to be held in London or Geneva later this autumn. Our discussions in this Committee should constitute an invaluable preparation for the later Conference, and, if an agreement could be reached by the Empire countries in regard to general objectives and policies, the possibility of constructive action at the World Conference should be measurably improved.

STATEMENT BY THE LEADER OF THE DELEGATION FOR AUSTRALIA (THE RT. HON. S. M. BRUCE)

There is no question of greater interest to Australia at the present Conference than that of action to bring about a higher price level and stability of exchange. Unless an increase in commodity prices can be achieved it is difficult to see how the present financial and economic system of the world can be maintained. In relation to this Conference of British countries it is obvious that any reciprocal tariff arrangements that are arrived at can be of little benefit unless the paralysis of trade is stayed and the price level is raised. It will be agreed that tariff arrangements can certainly be destroyed by instability of exchange.

The peoples of the world have shown remarkable patience in submitting to the severe adjustments already made. But they have not been enough. As to the further action needed, one school of thought maintains that the only way out is that we should go on reducing down to the point that will allow profitable production on the basis of the present price level. Another school maintains that it is impossible to bring about the necessary further reductions and that a solution can be found only by an increase in commodity prices and the stabilizing of exchange.