The following is extracted from the New Zealand Ministers' opening statement to the Conference, 21st July, 1932:—

We look upon the quota, or some other effective means of insulating Empire markets from the disastrous influence of unduly low price-levels, as bearing a vital connection with efforts to raise sterling prices. That these must be raised is generally realized. It may be that efforts to raise the price-level should be undertaken on a basis even wider than that offered by this Conference. But this surely does not justify the shirking of action within the competence of Empire countries.

As New Zealand sees this matter, an explicit avowal by the British Government of the principles of which they and their monetary advisers have recently acted would revive throughout the world confidence in the future of prices. Britain has already given a lead by bringing clearly into view a period of cheap money. She has given a lead by eliminating fluctuations of a speculative character in the exchange value of sterling. The mere statement that Britain is working, with her unrivalled knowledge and financial machinery, for a recovery of wholesale prices would, in our opinion, emphasize and support the improvement already in evidence in important commodity markets.

We offer no opinion, we ask for no decision as to the ultimate objective of British monetary policy. But British statesmen and financiers have shown and are showing a courage that shines out brightly in a distracted world. All we ask is an assurance of this Conference that the objects of British monetary policy are to provide a sound basis for the continuance of trade and for the fulfilment of contracts.

The burden of inter-governmental and other debts, particularly those in the nature of war debts, is a problem of real difficulty and one which, we take it, may appropriately be discussed at this Conference as well as at a wider one. We are gratified to note the extent to which interest rates are being reduced in the London money-market, and we hope that the Dominions will benefit as loans domiciled in London fall due for repayment or conversion. That is promising, but we are glad that the presence of the Right Hon. the Chancellor of the Exchequer of Great Britain enables us to emphasize the pressing urgency for action, with the least possible delay, to raise the price-level. We have spoken of the difficulties that face us. We can make some local adjustments, 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 is that he accept the view that the price-level must be raised, as the very essential of increased intra-imperial trade.

May we stress one argument in support of this matter? It is the final point. In our country, and we think we may say Australia also, farmers and exporters have obtained some help through the exchange rate. But what we all need urgently is such a level of sterling prices as will enable the trading nations to continue settling their debts and advancing their common interests through their accustomed medium and market, London.

STATEMENT BY THE LEADER OF THE DELEGATION FOR SOUTH AFRICA (THE HON. N. C. HAVENGA)

I think we can each of us find a counterpart in our respective countries of the picture that has been hung up by those colleagues who have already spoken of the disastrous consequences to our national economy resulting from the fall in the general price level.

The problem before us seems to me to be to find what we can contribute towards the finding if possible of some remedy to cure the evils from which we are suffering.

In my remarks at the opening of this Conference the other day I dealt shortly with the matter and I desire again to stress a few of the points I then endeavoured to make.

There are two questions involved in the currency debacle which has become such a significant feature of this depression. It will probably aid much to clear thinking if we keep the two apart.