

sented can affirm their determination to restore as soon as practicable at least the relative stability of the gold standard, such action will have a settling effect on many people, who in ignorance of the intricacies of a very involved subject, are now so doubtful of the future of world currencies that this factor has a very unsettling effect on enterprise and on confidence generally.

This unsettling effect is not being allayed by the large crop of schemes for monetary reform, which are emanating from different quarters. Holding as we do that the restoration of confidence offers the most hopeful approach to the question of restoration of currencies, we naturally attach great importance to this phase of the monetary question.

Coming now to the question of the invention of a monetary standard more stable than a one-commodity standard, we do not consider that this subject can be adequately dealt with even by a group of states as large as that represented here. It is essentially a subject for the world monetary conference since it affects other states as much as the British Commonwealth.

As a preliminary indication of our views we are, however, prepared to say first, that we consider that some commodity basis will be essential to an improved standard. As long experience has proved gold to be the most satisfactory, we consider that any scheme for the inauguration of a better standard of value must necessarily be based on gold. Secondly, we consider that this is a question in which the world must move with the greatest circumspection. In view of the far-reaching reactions of monetary systems, forming, as they do, the setting of all our economic activities, it is better to proceed with the imperfect instrument we know, than risk all in the hope that somehow we shall thereby improve our tools. While we are therefore anxious that any schemes which offer some hope of improvement, should be thoroughly investigated, we should prefer to be very cautious in our adoption of new schemes. The world monetary conference will likewise offer a better chance of having such schemes thoroughly examined by a Committee of the greatest technical experts on the subject.

It would no doubt be comparatively easy to increase the number of units of currency which our producers obtain for their goods by a process of depreciating our currency. Many states have unfortunately been compelled to have recourse to this expedient. We consider, however, that this is only a temporary palliative. We agree with the leader of the United Kingdom Delegation where he stated in his opening speech: "There are limits to what even a large group of countries can do to raise their own price level if the trend of prices in the outside world is persistently downward".

What is wanted is an upward trend of the international price-level, not an upward trend in the local price level, while world prices fall.

In the final analysis our only hope lies in sound currency, and the process of staving off economic adjustment by adjusting our currencies is merely a process of mortgaging the future, and therefore of delaying recovery.

STATEMENT BY THE IRISH FREE STATE DELEGATION

It may be stated at the outset that, in general, economic and financial conditions in the Irish Free State have shown the same tendency towards deterioration manifest in other parts of the world, including Commonwealth countries. The main factors in the position may be set forth briefly as follows:—

Import and Export Trade:

Since 1929, exports of domestic produce have declined more than imports, with the result that the visible adverse balance of trade has increased from £11,000,000 in 1930 to £16,000,000 in the twelve months ended 30th April, 1932:—

	Imports	Domestic exports	Adverse balance of trade
	£	£	£
1930.....	56,769,000	44,567,000	11,024,000
1931.....	50,468,000	36,276,000	13,397,000
Twelve months ended 30th April, 1932.....	50,848,000	34,197,000	15,846,000