

As to (a) the United Kingdom has a vital interest in seeing that her debtors remain solvent not only because she has a claim on them as a creditor but also because she is deeply interested in the sale to them of United Kingdom products.

(b) The purchasing power of the Dominions, India and the Colonies for these goods clearly depends largely upon the cost of production being brought into harmony with the price of these commodities.

It is clear then that the measure of harmony of the interests of the United Kingdom and the rest of the Empire is much greater than any possible divergence in regard to the particular price level to be aimed at. In these circumstances it should not be difficult to devise a common policy which would suit the requirements both of the United Kingdom and the rest of the Empire.

The fall in prices and the consequent process of economic disintegration has already reached so advanced a stage that there is no time to lose. If we are to avoid troubles far more acute and far more dangerous than those we have already experienced quick and determined action is necessary.

One more word in conclusion. I think we all realize that the measures of Imperial co-operation in the economic and monetary field which we are considering here—even if they were put into execution immediately—will not restore to the Empire the measure of prosperity it enjoyed before the crisis. That prosperity can return to us only if and when the production and trade of the world as a whole have been restored. And that requires among other things the re-establishment of an international monetary system which can be relied upon to assure all reasonable conditions of stability, both in regard to the purchasing power of money in terms of commodities and in regard to the exchanges. The measures for Empire co-operation in the monetary field must therefore be regarded as no more than a preliminary stage to alleviate the position and pave the way to the restoration of an international monetary standard. The Empire will have an important—if not deciding—voice in the determination of what that standard should be. It seems desirable, therefore, that we should avail ourselves of the opportunity this Conference offers to consider what international monetary standard the Empire would favour and the conditions under which it would be prepared to adopt it.

But before we come to consider this question the Conference will no doubt agree that our first task is to pursue the subject of immediate practical importance, viz., to reach agreement first on the broad proposition that a rise in the wholesale level of prices is necessary and then on the method by which such a rise may be achieved.

STATEMENT BY THE RT. HON. NEVILLE CHAMBERLAIN (UNITED KINGDOM)

1. We all listened yesterday to a series of statements from the various Delegations at this table in which they gave us a most vivid and impressive picture of the serious effects which have been produced in their respective countries by the heavy fall in wholesale prices. I wish to pay my tribute to the helpful character of these various statements, in every one of which I found some suggestive or illuminative features.

2. Naturally the different conditions in the various Dominions and in India have been reflected in some variation in their presentment of their case, but it seems that there is a very general agreement at any rate on two important matters. In the first instance every speaker dwelt with the utmost conviction upon the necessity for a rise in wholesale commodity prices if his country was to be rescued from grave embarrassment; and, in the second place, there was a general, though not perhaps universal feeling that the United Kingdom could contribute more to a solution of the problem of how to raise prices than any other of those who are met here.

3. However flattering to our vanity may be this attribution to the United Kingdom of such far-reaching powers, I fear I must submit to you some considerations which will show our limitations. Nevertheless the United Kingdom is earnestly desirous of putting before our fellow delegates such conceptions as we have been led to adopt, and indeed we are glad to have an opportunity of repeating in these surroundings some statements which perhaps have not been as widely circulated as we should desire.