

enables prompt payment of accounts locally, and consequently the State receives the usual trade discounts, the volume of which justifies the enlarged cash advance.

The amount of the present imprest was fixed in 1916, when the Treasury Cashier at Wellington was practically the sole imprestee for general payments.

#### EXCHANGES.

The present cost of transferring money from the United Kingdom to New Zealand is tending to create social and economic difficulties, particularly affecting our producers, who are subject to a heavy impost by the high "selling" rate in London. The set-off in the shape of an easy "buying" rate is of doubtful utility, as it tends to encourage over-importing and to have a detrimental effect upon our secondary industries.

The matter of exchange was considered at the recent Imperial Conference, when the highest experts examined proposals for surmounting the difficulties. The danger of adopting palliatives that, however advantageous they may be temporarily, might lead to other anomalies was recognized, and the Conference adopted the suggestion that the respective countries should establish central or federal banks, and by clearing and co-operation bring about an easing of the position. The traders in Great Britain have recently taken the matter up again, and I shall be glad to assist in any step that will lead to an exploration by the Governments concerned as to the actual causes of the abnormal position now obtaining, upon which experts do not seem to agree.

The Imperial Economic Conference adopted and endorsed the following resolution submitted to them by the Committee on inter-Imperial exchanges: "That, arising as they do from the suspension of an effective gold standard, the difficulties of inter-Imperial exchange will disappear when the currencies of Great Britain and the Dominions affected are again made convertible into gold."

#### THE IMPERIAL ECONOMIC CONFERENCE.

The Imperial Economic Conference which was held last year, commencing on the 1st October, was of great importance in itself, but the results so far as they have gone have been very disappointing. I am referring particularly to the subject of Empire preference, which was the principal business dealt with on the economic side of the Conference. I do not think any one who has looked into this question can come to any other conclusion than that a well-thought-out scheme of preference as between British countries would be of immense benefit to the whole Empire; and by "preference" I mean a drawing-nearer commercially and industrially of the nations within the Empire for their mutual benefit and advantage, and at the same time the strengthening of Imperial ties. I have no hesitation in saying that with the encouragement given by a reasonable policy of preference, in a comparatively short period the Dominions would be able to produce practically all the commodities which the United Kingdom requires, but which it cannot produce for itself. By such a policy the sparsely peopled territories of the Empire would gradually be brought into use and occupation, and become the homes of numbers of British citizens, who would otherwise be attracted to countries not under the British flag. Other countries could take no exception to such an arrangement, because they are most of them doing something of the sort for themselves. A policy of preference would undoubtedly increase inter-Imperial trade, increase production, and increase the demand for labour. Surely it is in the interest of British citizens to develop trade within the Empire rather than trade without the Empire. I do not say that we should have no dealings with people outside the Empire—that would be absurd; but I do say that the encouragement of our own industries and the development of our own resources should be our first consideration.

#### THE MORATORIUM.

The effects of the post-war boom have not entirely disappeared. A number of people who bought land at prices beyond its value and left a very large proportion of the purchase-money on mortgage find, now that prices of most of the primary products have fallen somewhat, serious difficulties in paying their way and making ends meet. The problem of enabling such people to regain their financial stability is one not easy of solution, though in many deserving cases where the mortgagor is an industrious and energetic man mortgagees have met the