

may be for its simplicity, cannot correct the highly complex difficulties in the economic world: this is certainly the agreed opinion, it is reasonable to say, of those qualified by experience and training to give a reliable opinion. Other factors, political, economic, and financial, have to be taken into account. Nevertheless, much importance is attached, on the monetary side, to continuing low rates of interest and an abundance of short-term money. That policy Great Britain is pursuing, and her leadership in the financial world enables her to play a part of unrivalled strength. World prices in terms of gold cannot be raised by any action that Great Britain or the Ottawa Conference could take. And while gold prices remain where they are, the return to gold on the part of the United Kingdom would be disastrous. There should be no haste in linking sterling with gold, and this, as will be seen, is agreed to in the report adopted by the Conference.

In reference to details of monetary policy it is true that the Conference did did not go very far; it did not go as far as many would wish. But at least it is to be said, and this was agreed by all, that such steps as were taken were in the right direction. It remains to implement these by action on a wider scale, and the world conference shortly to be held will be the place for that. Nothing was done at Ottawa which will stand in the way of effective action at that conference.

It is emphasized that the decline in prices in New Zealand, as elsewhere, has been more marked in *wholesale* than in *retail* prices. This disparity, the widening gap between wholesale and retail, is of first importance in discussing measures to restore prices to a profitable level. What we seek to restore is the wholesale-price level. And a rise in this does not necessarily mean an increase in the cost of living. In every country in which prices have recently collapsed it can be shown that at least a partial restoration of the wholesale price-level can be achieved not by raising retail prices, but by closing in part the additional gap that has recently appeared as between wholesale and retail prices.

CENTRAL BANK.

The control and organization of banking within countries of the Empire were discussed by the Ottawa Conference. These are not the subject of a specific resolution or recommendation: the view was taken by some that action in such matters was the responsibility of the respective Governments represented at the Conference. However, it was certainly the general opinion that some form of central control, such as that usually obtained by means of a Central or Reserve Bank, is important and essential.

New Zealand is almost unique in the British Empire in being without a responsible organization of this nature. The mobilizing of credit to ensure its most effective use, and the stabilizing of our currency in terms of sterling at the appropriate level, are problems in which the machinery of a Central Bank could materially help. I do not by any means imagine that it would solve all our problems. But after discussions at Ottawa with most competent authorities I am satisfied that the creation of a Central Bank in New Zealand will be a step in the right direction.

CINEMATOGRAPH-FILMS AND RADIO.

Apart from strictly monetary and economic questions, the Conference at Ottawa was concerned with other factors which affect the welfare of the Empire and in which co-operation can be helpful. The part played by the cinematograph in the everyday life of the people, its importance in conveying the traditions of the Empire, its almost inseparable connection with commercial development, called for the attention of the Conference. No part of the Empire can afford to allow this medium to remain in alien hands.

The resolution of the Conference favoured the encouragement of film production not in the United Kingdom alone, but, so far as practicable, in countries of the overseas Empire also.

This is a development in which our Dominion may well share. Incidentally I may remark that such New-Zealand-made films as we saw abroad, professing to represent New Zealand views, left very much to be desired.