

in the gold value of sterling caused by speculative movements. As to the former, the Conference recognizes the value of the countries within the Commonwealth whose currencies are linked to sterling maintaining stability between their exchange rates and looks to a rise in the general level of wholesale prices as the most desirable means for facilitating this result.

II.

The Conference recognizes that the ultimate aim of monetary policy should be the restoration of a satisfactory international monetary standard. Such a standard should so function as not merely to maintain stable exchange rates between all countries, but also to ensure the smooth and efficient working of the machinery of international trade and finance.

This postulates international agreement among the great trading nations of the world, and while certain of the States here represented hold very definite views on the question of the most desirable standard the Conference refrains from making any recommendations on the subject in view of the fact that the question is shortly to be discussed at an international conference. There are, however, several conditions precedent to the re-establishment of any international monetary standard. The most important among them are:

A rise in the general level of commodity prices in the various countries to a height more in keeping with the level of costs, including the burden of debt and other fixed and semi-fixed charges;