Sir Robert Borden said that it was an important question whether or not the Convention was so bound up with the League of Nations that a State could not be a member of the League without adhering to the Labour Convention or be bound by the Labour Convention without being a member of the League.

. . .

Sir Robert Borden supported the proposal of Lord Robert Cecil.

. . .

Sir Robert Borden asked the Delegation to return to Article 1, in order to give further consideration to what he regarded as an important question. If Article 1 were left in the form appearing in the draft and if Germany were to be excluded from a League of Nations, there was a risk of creating a condition which would be very dangerous for the Allied Nations. Their standards of labour might be improved and consequently their cost of production would increase. If Germany were not bound by the Convention, she would be left with lower standards and cheaper production and consequently would become a most formidable competitor.

. . .

88. Mémorandum du Premier ministre sur la préférence impériale

SECRET W.C.P. 431

Paris, March 31, 1919

IMPERIAL PREFERENCE AND INTER-ALLIED OR LEAGUE OF NATIONS ECONOMIC ARRANGEMENTS

- 1. According to the present intention the economic arrangements to be embodied in the Peace Treaty will simply comprise certain clauses imposing obligations upon the enemy without reciprocity. So far as any obligation on the part of the Allies is concerned, either as it may operate between themselves or in relation to the rest of the world, it is contemplated that some time after the ratification of the Peace Treaty there shall be convened a special Conference under the League of Nations for the purpose of reaching an agreement and drafting a general multi-lateral Convention. In order that the Governments of the British Empire may be prepared for this Conference it is highly desirable that careful consideration should be given to the form of the proposed general Convention in so far as it may affect the question of Imperial Preference.
- 2. Paragraph 1 of the draft Convention for "Equality of Trade Conditions" (W.C.P. 144), originally considered by the British Empire Delegation, reads as follows:

Goods, the produce or manufacture of the territories of any one of the High Contracting Parties imported into the territories of any other, from whatsoever place arriving, shall not be subjected to other or higher duties or charges than those paid on the like goods, the produce or