

Experience showed that the type of action which they were disposed to take, in the absence of any better scheme, was to put a penalty on imports, and to make agreements with other countries in respect of the marketing of such goods as they had to offer. He recognised that it had been our hope that the present monetary scheme, by providing a measure of stabilisation, would ensure a better exchange of goods and services all over the world, which would contribute to the ideal in view. But he remained strongly of opinion that the technical experts could not work out a satisfactory arrangement unless there had been a preliminary direction on the high principles involved, based on political decisions by the Governments concerned. The Australian Government would be very ready to assist in framing such political decisions.

MR. FRASER said that he was generally familiar with the various schemes that had been under discussion by the experts. Some of them had caused him some alarm. Each country had to study its own economic set-up, and must expect that other countries would do likewise. New Zealand, with its export of primary products, had an entirely different range of problems from certain other countries. Any international scheme which would help trade generally, without destroying the interests of our separate communities, and which would make for peace, would be acceptable. He recognised the high ideals underlying the schemes that were now before us, and he congratulated all who had been associated in the efforts to put them into shape. While there were still points requiring adjustment and agreement, much had been done, and a great step forward taken, for which he desired to express his gratitude.

#### Employment

As regards full employment, he was in agreement with the Australian point of view as put before the Conference, and he felt that full and adequately remunerated employment should be our main objective. He felt that the Commonwealth of Australia had performed a real service by bringing forward and pressing this ideal.

#### Imperial Preference

As regards Imperial Preference, Mr. Churchill, in 1941, had clearly safeguarded our position in the Mutual Aid Agreement with the United States by securing the insertion of the words "subject to existing obligations". The President had touched on this matter with him recently in a very friendly way, when he (Mr. Fraser) had made it clear that the United Kingdom was New Zealand's market, and had asked whether, even if there was to be a reduction in the United States tariff, he could be guaranteed markets by the United States which would make up for the loss of existing markets in the United Kingdom. He was not interested in abstract theories; nor did he wish New Zealand's problems to impede the solution of world problems. But New Zealand could not sacrifice the substance for the shadow. He had been glad in that connection to see Mr. Amery's recent statement at Birmingham. Like the Australian Government he felt that any discussion must start from the assumption of an adequate social and economic basis. That was fundamental to a general agreement, and he felt himself that there was a greater clarity of view on that subject in the British Commonwealth than in the United States, even if our intentions were no better than those of the United States. He was very ready to discuss Imperial Preference, but he would not be prepared to surrender it, unless something better were forthcoming which would make the surrender worth while. He had been