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were inclined to press for declarations of high policy on the basis of the open door in every country which they might wish to exploit. He quite agreed that barriers to trade were provocative, and in the abstract he would prefer the trade of all countries to be free. But we must face the facts. The Australian Government had had to build up its secondary industries, and, indeed, had it not done so, could not have provided the steel, iron and many other goods which had been so essential to the conduct of the war; and, because of the difficulty of import during the war, Australia would have found herself defenceless at a critical moment. A country geographically placed as Australia was not in the same position as countries which were close to, or contained, great seats of industry; and with a view to building up its industrial capacity it might have to adopt whatever policy in regard to tariffs, subsidies or the like would be helpful in the consolidation of that capacity. Moreover, Australia was anxious to see a large increase in her population. But that increase would mean a market for goods and additional products which would have to be sold. He was opposed to a Chinese wall around each country, but we must be realist. His faith in the Sermon on the Mount was real, but he liked to see the policeman outside. The Australian Government would be quite ready to commit **itself**, in the maximum degree that present circumstances might appear to justify, to such course of action for the good of the world in respect of trade and monetary stability as they might at the present time be satisfied was in their interests. But he must make it clear that it was impossible for him to pledge future Commonwealth Parliaments not to adopt a course of action that might be at variance with whatever course of action they subscribed to now, if famine, flood, or other unforeseen circumstances made it necessary for them later to change their attitude. The statement which Mr. Mackenzie King had just read to the meeting roughly expressed the views of the Australian Government, but he thought rehabilitation more important than getting the normal pre-war machine a little better oiled than it was. The United States, he observed, were ready to give all possible help over relief, but they were adopting a somewhat difficult policy over rehabilitation.

SIR JOHN ANDERSON said that he thought that this was because the United States Government felt that rehabilitation should properly be reserved for the development of the International Investment Bank scheme. H.M. Government in the United Kingdom had pressed the United States Government to say whether they accepted the principles in respect of employment which had been recently advocated by the Australian Government, but they had explained that they were not ready with their other plans, and thought that the monetary plan by itself did not afford a sufficient basis for the discussion of the Australian policy as regards full employment, which would better be taken up at a later stage.

MR. CURTIN continued that full employment and rehabilitation was the pedestal on which we must work out a good monetary policy. It was impossible to expect countries to abandon separatist treatment of a situation in which they found so many of their own people without ultimate employment. In such conditions a Government must be prepared to take steps to deal with the situation.