

as France, the Netherlands and Belgium. It was certainly hoped that the Dominions would send representatives to any such Conference.

MR. CHURCHILL said that he thought it might assist the meeting at this stage if he mentioned certain fundamental points that as recently as 3rd March last he had brought to the notice of the United Kingdom War Cabinet,† and which seemed to him to stand out in discussions on Article VII. They were as follows:-

"First, no fettering of our country, direct or indirect, to a gold standard.

Second, no abandoning of Imperial Preference, unless, or until, we are in presence of a vast scheme of reducing trade barriers in which the United States is taking the lead.

Third, no international agreement destructive of the principle of the Wheat Act, 1932.

Fourth, no policy of artificial dearth or scarcity of basic foods by tariffs or quotas."

MR. MACKENZIE KING said that he had already expressed his views on the proposed international monetary fund, but the turn of the discussion was leading to examination of the second issue before the meeting viz., Commercial Policy. His views on that subject were as follows:-

He did not think that the full employment and higher national income which Canada must seek to achieve could be secured within a restricted imperial trade system - nor could they be attained by a series of bilateral deals with individual countries.

For these reasons Canada was, he believed, strongly in favour of the widest development of international trade as soon as possible after the war.

Canada needed to expand her reciprocal trade with the countries of the Commonwealth, with the United States, and with Europe. For this reason Canada welcomed the multilateral approach to freer trade through a general commercial convention - to which all countries could adhere.

We should strive for a simultaneous reduction of protective tariffs and the removal of quantitative restrictions. At the same time we must be prepared to offer freer access to our own markets, in return for greater export opportunities.

In this effort we would require the active co-operation of the United States, which should be helped and induced to reverse her traditional commercial policies. We must recognise that the United States tended to attach exaggerated importance to the elimination of Preferences in the field of commercial policy. Some of us were perhaps inclined - for different and complementary reasons - to attach a similarly exaggerated importance to their integral retention. He thought that we must face the fact that serious reductions in protective tariffs in other countries of the world must involve a corresponding reduction of tariff preferences.

+ See W.P.(44) 145.