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agreement was reached between the U.S. and U.K.Governments, any scheme would be doomed to defeat and would not work. More than an outline of principles was in issue - faith without works was no good. Commercial and monetary policy could not in practice be disentangled from one another, except by economic experts. The ordinary public did not understand, and would not give a political mandate to any Government putting forward, a plan with intricate terminologies beyond the grasp of the man in the street, who was apt to think that the interests of his country were being sacrificed to some general theoretical plan. That attitude was apt to be confirmed by the criticisms that would be levelled against any plan, by those experts who were opposed to it, and who would suggest that its acceptance involved the sacrifice of particular countries or of very representative sections of those countries. He felt grave doubts whether the United States would achieve a drastic reduction in their high tariffs, and he wished to make it clear that any scheme such as that now under discussion would have to be sponsored in the first place by the Great Powers. They could not expect a smaller nation, such as the Commonwealth of Australia, to go out as a pioneer in a matter of this kind. The Australian Government would certainly not negate the principle of agreements of this nature. Its attitude would be to support them. But it was not in a position either to frame or to take the lead in contracting out of such a scheme. The larger Powers must show that they regarded the scheme as sound and valuable, and that they intended to proceed with it.

His second point was that the success or the failure of the general objective would depend essentially, not on the theoretical soundness of a particular scheme, however carefully worked out by experts, but on political decisions by the Governments concerned. The experts would be fully capable of devising arrangements to give effect to a political policy laid down by individual Governments for high political reasons. And Governments, in reaching their decisions in regard to a particular set of proposals for achieving monetary stabilisation, must have in mind matters such as exchanges and tariff ceilings, and must be satisfied that their plan would not admit of being defeated by subsidies or by excessive depreciation of exchange rates. That was the decision that Governments would, he felt, have to make in the first instance, before the technical experts got to work to frame the details of a plan.

The scheme as drafted, in his judgment, omitted one major requirement. He had no doubt that it would be of value as oiling the machinery, and it might be an excellent plan for the world after the transitional period. Where it failed was that the transitional period was the real and immediate problem. Rehabilitation was more important than the long term problem, and a more urgent matter by far than the devising of the machinery of the post-transitional period. It was essential to get something working without delay which would avoid the mistakes of the last twenty years.

The scheme now before the meeting could look for the warmest and most sympathetic consideration from the Australian Government. But he could not exclude the relation of this matter to the issue of Imperial preference. Australia had a trade agreement with Canada and a commercial understanding with New Zealand. With the United Kingdom she was linked by the scheme of Imperial preference, which she was certainly not going to throw away for any doubtful Utopia of some world agreement. Some countries