

(c) The U.S. Congress would likely look favourably on a renewal of the Reciprocal Trade Agreements Act. In fact, during the meeting, a not unsatisfactory version had been passed by the House of Representatives.

(d) The U.S. would be less rigidly opposed than it had been in the past, with regard to commodity arrangements. Mr. Nixon's experience in South America had probably brought home to the U.S. authorities that all was not well with U.S. policy in South America.<sup>17</sup>

(e) The U.S. would act favourably in the foreign aid field, with the main emphasis on economic, as against military, assistance. Indeed, the Senate had indicated the sense of Congress when it had endorsed, in a draft measure, the objectives of India's present five-year plan.

4. *The Assistant Under-Secretary of State for External Affairs (Mr. LePan)* recalled that when the Prime Minister of the United Kingdom was in Ottawa,<sup>18</sup> it had been generally agreed that whatever was done at the Montreal Conference should be folded in with what the U.S. might be able to do. Officials had been considering what the Prime Minister might suggest to Mr. Eisenhower and the implications of a situation in which the Commonwealth Conference might find itself, if no initiatives had been taken in the U.S. by that time. He believed that the U.S. was a long way on the road towards taking a decision in favour of increasing the resources of the Fund and the Bank, although, as the U.S. Ambassador had informed him, this decision would involve protracted processes. It was not, therefore, beyond the bounds of possibility that Mr. Eisenhower might be able to say in August that the Administration favoured increasing the resources of these two international institutions. An increase in liquidity would help to promote convertibility, but that was not to say that the two were necessarily linked. Unless such an initiative were forthcoming from the President it might be the reverse of helpful if the Commonwealth "needed" the U.S. at or following the Montreal meeting.

5. *The Prime Minister* said he would like to have something developed to present to the President, in a casual way, which would be helpful not only to ourselves and to the Commonwealth, but also to Mr. Eisenhower's own position, which now appeared to be a pretty unsatisfactory one. He would not wish to bring anything to the President as an intermediary of the U.K., but he would like to be able to suggest something useful and desirable on which the U.S. could take the lead.

6. *The Deputy Governor of the Bank of Canada (Mr. Rasminsky)* said that this kind of approach was a most desirable one and augured well for the future. The U.S. government had no doubt come to the conclusion that their position as a result of such things as Sputnik and the Nixon incidents in South America, needed re-thinking. Therefore, it was psychologically the right moment for the U.S. to take initiatives. The rest of the world needed something that could be regarded as a counter to Russian programmes. The free world had, so far, gone through the U.S. recession without being seriously harmed. At the same time, it was still apprehensive about the effect of U.S. difficulties continuing. Some felt that there was a lag in the effects of the U.S. recession, which would be bound to be felt soon. What was needed was a U.S. initiative that would inspire confidence and be of practical

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<sup>17</sup> La tournée du vice-président Nixon en Amérique latine a été troublée par des manifestations et des émeutes anti-américaines, plus particulièrement au Pérou et au Venezuela. Voir *Time* magazine, volume 71, no. 21, May 26, 1958.

The tour of Latin America by Vice-President Nixon was disrupted by anti-American demonstrations and rioting particularly in Peru and Venezuela. See *Time* magazine, volume 71, no. 21, May 26, 1958.

<sup>18</sup> Voir volume 24, chapitre III, 7<sup>e</sup> partie, section A, subdivision III./See Volume 24, Chapter III, Part 7, Section A, Sub-Section III.