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War Cabinet felt that if we bartered the principle of Imperial Preference for the sake of Lease-lend, we should have accepted an intervention in the domestic affairs of the British Empire that might lead to very embarrassing results, and might play into the enemy's hands. On 12th February, 1942, the President, in his telegram (No. 105), had replied in sympathetic and entirely satisfactory terms, and had said that he was asking for no commitment in advance that Imperial Preference "would be abolished, and I can say that Article VII (of the Mutual Aid Agreement) does not contain any such commitment. I realise that that would be a commitment which your Government could not give now if it wanted to". He had readily accepted this very full and frank assurance from the President, and the Meeting would agree that its terms were such as to leave the hands of H.M. Governments in the United Kingdom and in the Dominions entirely free and fully safeguarded as regards Imperial Preference, and to bind the United States in respect of that issue.

There were two aspects of Imperial Preference. The first was what he might call the sentimental aspect. He attached the greatest importance to that, and felt that its significance could not be under-estimated, and that we should not lightly do anything that might undermine it. The second was the practical question of its importance in terms of the prosperity of the United Kingdom and the Dominions. He was not for departing in any way from the principle of Imperial Preference built up over so many years, and he felt strongly that we should not agree to depart from it unless in return for some such offer by the United States as full free trade, or the reduction of United States tariffs, at an international conference, to a negligible level. If there were to be an offer that, if we were to throw open our vast market, others would do the same, that would be a matter which might be worth very grave consideration by all the Parliaments concerned. But was there in fact any chance that such an offer would be forthcoming, or that the United States would abandon its high tariff protections? He felt that to that question there could only be one answer. Imperial Preference was a religion to some people, and a strong bond of unity to a much larger body to whom it represented an expression of the deep feelings that had led to our fighting as a United Empire in two tremendous wars. We should be careful how we touched a matter that closely affected so many. Considerations other than immediate profit and loss had to be borne in mind. He was satisfied, and he felt sure that the Meeting would agree, that his correspondence with the President had kept the door open and had ensured that the issue was not compromised in the slightest degree.

**Imperial  
Preference**

FIELD MARSHAL SMUTS said that he was very glad that Mr. Churchill had read to the Conference his correspondence with President Roosevelt, for it clearly and explicitly linked Imperial Preference with the United States tariffs. If we were called upon to forego Imperial Preference, we could say that if the United States were prepared to abandon its high tariff wall, the two might be considered together. The United States had built up their tariff wall over a long series of years. Behind it they had consolidated a great industrial fabric. They were not likely, in his judgment, to destroy that tariff wall suddenly, or to lower it to any great extent. He felt that, if that was the case, it was unnecessary to disturb