

On the economic side we have anticipated some requests from you and I attended a meeting on Monday about this with officials of the main departments interested. Several notes are being prepared for you and other Ministers. You may wish to have a meeting with the Ministers and senior officials concerned, as we did before the discussions with Macmillan. You said then we should do it more often, and Mr. Fleming now suggests we might meet either Friday morning or evening to review where we stand on the Commonwealth Conference preparations and the relation of this to the talks with Eisenhower.¹⁴

Broadly speaking, we would suggest you raise with Eisenhower the possibility of his making some statement before September suggesting an increase in the resources of the International Bank and the Monetary Fund,¹⁵ and if possible on several other issues of international economic affairs, having in mind the need for some positive leadership in the Western world in these economic matters to which the Russians are now devoting such efforts. This would make it possible for the Commonwealth Conference to take these up and endorse the American initiative, rather than be asking the United States to do things. In addition, there are several matters relating to our trade and other economic relations with the United States itself on which you will no doubt wish to say something — e.g. base metals, oil, wheat disposals. On wheat I think it would be good tactics to express now some appreciation of the efforts the United States has made to meet our interests on this, while urging them to continue and extend these efforts. The same might be done on lead and zinc. You may wish to speak in fairly general terms of your suggestion about a food bank to channel surplus foods to countries that cannot afford the food they need.

On the other hand, we must expect Eisenhower or Dulles, or both, to raise some questions on economic affairs that may be a bit troublesome to you. The most general would be, just how protectionist does this government intend to be, particularly in view of the budget proposal on cost of production values for duty (the U.S. realize the potential significance of this). They are also apt to question our action re embargos on farm products whose prices are being supported here, and on this perhaps you could and should offer to consider more consultation and permitting some imports by quotas, as they do.

The President or Mr. Dulles may propose (as their Ambassador suggests) that the Canada-U.S. Joint Economic Committee meet in August before the Commonwealth Conference and the Bank-Fund meetings in Delhi in October. We think this August meeting would be undesirable and that this Committee should meet toward the end of the year (after Mr. Fleming returns in November). The one good reason for an early meeting might relate to the International Bank and Fund questions, but these could properly and usefully be discussed between Mr. Fleming and the U.S. Secretary to the Treasury in Washington later in this month, or in August.

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¹⁴ Voir le prochain document./See next document.

¹⁵ Voir volume 24, premier chapitre, 3^e partie./See Volume 24, Chapter I, Part 3.