

strongly opposed to the United States' suggestion that we should abandon quantitative control of imports. Limitation of imports was essential to New Zealand if she was to live at all. It was essential for New Zealand to safeguard her sterling funds. Owing to the increase of the burden that had fallen on New Zealand, imports, if not controlled, would have used up all the sterling funds at her disposal, and her standards of living, so far from being raised, would have been depressed in an extreme degree. Control of imports in the circumstances remained essential. Its disappearance would break her economy. The words in paragraph 3 of the paper on Commercial Policy (P.M.M. (44) 1), that "any country would be free to restrict imports to any extent necessary to defend its balance of payments on the basis of an objective criterion relating to reserves", to a large extent met his point.

Bulk Produce The greatest security that we and the United Kingdom could have for our produce would be long term agreements with the Governments of the responsible countries through the restoration years. He was glad that the new draft made it possible to take action on these lines. That was a great improvement.

List of Organisations He was a little uneasy at the large number of organisations which appeared to be operating in this field, e.g. the I.L.O., the Commercial Union, the Monetary Union, the Commodity Organisation, etc. Would it not be possible, by combining them, to reduce them to two or three? It would tax the resources of the smaller countries to find a large number of delegates, and the tax on their funds would be equally great. He suggested that the existing organisations should be examined and reclassified.

Monetary Fund The great fear in connection with the monetary fund proposals was that they represented a return to the gold standard. He thought that, in fact, that position was adequately protected under the new scheme, and on the understanding that the issue was one that would be fully discussed in Parliament before any agreement was come to, he saw no objection to discussions being entered into with the United States. He understood that the State Department attached great importance to an arrangement being come to before the election conventions.

In general his attitude was much the same as that of the other Dominions. He favoured international schemes of regulation, subject to the safeguarding of our position, and the position of New Zealand. He would be reluctant to agree to surrender Imperial Preference, save possibly in return for something that was substantially more advantageous. If the schemes now under discussion resulted in bringing the nations closer together, that was all to the good. But a condition of acceptance should be that the standard of living should not be reduced; for if we accepted these schemes, and the result was to be a reduction in the standard of living, we should be adopting a short-sighted policy on the long view.

MR. CHURCHILL said that he thought that it would be of advantage that the Conference should know what had passed between him and President Roosevelt in 1942 in connection with the Mutual Aid Agreement. He had then taken particular pains to safeguard the position as regards Imperial Preference in its entirety. In his telegram of 8th February 1942 (No. 904) he made it clear to the President that the