

from which to buy a given commodity that is recognized as essential, it can go to that better source and the European Recovery Programme dollars will still be available for payment. The United States of America and Canada are also altering their Customs procedures to enable definitions and other administrative rules to be more easily understood, so that the entry of goods will be facilitated into the United States of America and Canada.

The fifth recommendation is very important: it deals with the reduction of tariffs. Some of us, with knowledge of history, may think that if the effect of devaluation of sterling is to stimulate the flow of commodities from Britain and other parts of the sterling area into the United States of America, it may result in unemployment in the United States; and that if some of the factories stop working or reduce output because of the competition coming from the low-currency value nations, the Americans automatically will either increase their tariffs or place an embargo on the entry of goods into the United States of America. Against this possibility there is a pledge in the report (item 5) which reads :-

*As to tariff rates, it was noted that high tariffs were clearly inconsistent with the position of creditor countries. There have already been significant and substantial reductions in the United States tariffs during the last fifteen years. The policy of the United States Government was to seek further negotiation of trade agreements through which additional reductions might be made within the framework of the Reciprocal Trade Agreements Act.*

It is important to state, with respect to that section of the Washington Conference report, that the Reciprocal Trade Agreements Act, if my information is right, has now been passed by the Congress of the United States. Under the powers of that Act the President himself, without further consideration by the House of Representatives or the Senate, may cut the existing tariff in half. If that operates it will be very helpful. But that statement from the report of the Washington Conference does suggest to me that the Americans are in earnest, and will not use their tariff policy to stop the good effects that come from the devaluation of sterling.

Then there is the liberalization of intra-European trade and payments. This proposal is linked up with Article 9 of the United Kingdom - United States Loan Agreement of 1945. In Article 9 of the Loan Agreement of 1945, and also in Article 5 of the Canadian - United Kingdom Loan Agreement, there is a clause which prevents the United Kingdom from taking goods from one country whilst discriminating against and stopping the goods coming in from the United States. We had the instance of books published in Australia. Sterling could be made available to Australia, and the United Kingdom decided that it would let books