come in from Australia, and at the same time, because of the shortage of dollars, would have to have some restrictions on books coming in from the United States. But Article 9 said: "No, if you put a restriction on the United States you must put a restriction on everybody else—the restriction must be uniform."

It is now recommended by the delegates to the Washington Conference that the European Recovery Programme countries, including Britain, can discriminate in favour of the countries inside the area covered by the O.E.E.C. If that is achieved it will mean for that part of the trade of the world that the Article 9 principle goes overboard.

Britain's Wartime Debts to Sterling Areas

Then there is the question of sterling balances. During the war Britain built up debts in blocked sterling out of money that she paid in other countries for the defence of those countries as well as the United Kingdom; the total was more than 13,000,000,000 dollars, or between £3,000,000,000 and £4,000,000,000. For instance, she spent millions of pounds in Egypt to defend the democratic way of life. At the end of the war she had blocked sterling balances for Egypt amounting to over £400,000,000 sterling and over £1,000,000,000 for India. We have some interest in these sterling balances—our credit there on 1st July last amounted to £56,000,000 sterling; and Australia has some £300,000,000. It should be recorded that Australia has contributed £35,000,000 as a gift to the United Kingdom out of those balances, while New Zealand has given the sum of £12,500,000. It is pointed out that restrictions will have to be used in connection with the use of petroleum because of the dollar-cost factor. As to shipping, there are some restrictions.

Then the last note of all at the Washington Conference that gives some hope is that there is the provision for continuing discussion between the United States, Canada, and the United Kingdom, as there is between all members of the British Commonwealth on the same question.

The decision that was reached and announced yesterday morning is, I think, the most profound decision that has yet been made in the history of exchange rates, because it affects every country in the world. We ought to remember that the other countries have, in many cases, been continually changing the value of their currency since the war. Britain has kept her rate constant at 4·03 dollars until the force of circumstances compelled her, in the interests of progress, to alter it. Britain has so altered it, and it looks, on the evidence, that many other countries are going to devalue their exchanges so that they will have something like the same relationships to sterling that they had before. There will be one or two exceptions to that in the hard-currency areas, but we will not know for a day or two what rates can be quoted in regard to those countries.