(*c*) Statement Regarding Commercial Relations with Foreign Countries

The Conference considered two broad groups of questions affecting the commercial relations of the several members of the Commonwealth with foreign countries.

In the first place, the Conference discussed the general question of the relationship between intra-Commonwealth preferences and the most-favoured-nation clause in commercial treaties with foreign powers. Each Government will determine its particular policy in dealing with this matter, but the representatives of the various Governments on the Committee stated that it was their policy that no treaty obligations into which they might enter in the future should be allowed to interfere with any mutual preferences which Governments of the Commonwealth might decide to accord to each other, and that they would free themselves from existing treaties, if any, which might so interfere. They would, in fact, take all the steps necessary to implement and safe-guard whatever preferences might be so granted.

In the second place, attention was drawn to recent tendencies in foreign countries to conclude regional agreements between themselves for the mutual accord of preferences which were designed as being exclusive, and not to be extended to countries which were not parties to, or did not adhere to the agreements. On this point, there was a general agreement that foreign countries which had existing treaty obligations to grant most-favoured-nation treatment to the products of particular parts of the Commonwealth could not be allowed to override such obligations by regional agreements of the character in question. Particular reference was made in this connection to the question of the Danubian States in regard to which preferential treatment was in contemplation for the cereal exports of the States concerned,—exports which constitute a substantial proportion of the world's exports of the cereals in question. The Conference were, however, informed that in the discussion which took place at Lausanne on the matter, the rights of third countries had, at the instance of the United Kingdom, been expressly reserved.

The Conference recognized that the fact that rights are accorded by most-favoured-nation treatment does not preclude a foreign country from seeking the consent of the various Governments of the British Commonwealth to the waiver of their rights in particular cases, and that these Governments must be guided by consideration of their individual interests in deciding whether or not to meet the wishes of the foreign country concerned, so long, however, as the general principle that rights of this kind cannot be arbitrarily withdrawn is fully and carefully preserved.

The Conference would, however, recommend that where two or more Commonwealth Governments share a common interest in any proposal for the waiver of particular treaty rights, they should consult together with a view to arriving, in so far as possible, at a common policy.

(*d*) Resolutions and Statements Regarding Monetary and Financial Questions

I

(*a*) A rise throughout the world in the general levels of wholesale prices is in the highest degree desirable. The evil of falling prices must be attacked by Government and individual action in all its causes whether political, economic, financial, or monetary.

(*b*) For dealing with the problem in its widest aspects the Governments represented at this Conference record their conviction that international action is urgently necessary and announce their desire to co-operate with other nations in any practicable measures for raising wholesale prices.

(*c*) The Conference has considered what action can be taken by the nations of the Commonwealth to help towards raising prices.

As regards monetary factors, the Conference recognizes that the central position of the United Kingdom, not only among the countries of the Commonwealth but in world trade and finance, makes the United Kingdom a main factor in anything that can be done. The Conference therefore welcomes the following statement made on behalf of the United Kingdom by the Chancellor of the Exchequer:—

> "His Majesty's Government desire to see wholesale sterling prices rise. The best condition for this would be a rise in gold prices and the absence of a rise in gold prices inevitably imposes limitations on what