

# BRITISH INFORMATION SERVICES

AN AGENCY OF THE BRITISH GOVERNMENT

---

PRESS SERVICE

March 3, 1953.

## THE VISIT OF MR. EDEN AND MR. BUTLER TO THE UNITED STATES

---

The Commonwealth Economic Conference which took place in London towards the end of 1952 announced in its Communique of December 11th that it would seek the cooperation of other countries, in particular the United States and European countries, in a plan to create the conditions for expanding world production and trade.

The British Foreign Secretary, Mr. Anthony Eden, and the Chancellor of the Exchequer, Mr. Richard A. Butler, will arrive in Washington on March 4th to hold talks with Departments of the United States Government. These talks will represent the first step in the international consultation foreshadowed in the Commonwealth Communique.

It may be useful in anticipation of the Washington talks to summarise some of the main conclusions of the Commonwealth Conference and to make one or two points about the forthcoming discussions here, and, subsequently, in Europe.

All the Commonwealth countries were agreed that three main lessons were to be derived from the common experiences of the post-war years.

(a) First, there is an inescapable relation between internal and external policy - the countries of the Commonwealth cannot be lax at home if they are to be solvent abroad.

(b) Second, the positive means to future prosperity is development - development in Britain herself (of capital goods, new industries etc.) and development throughout the sterling area, notably in the production of food and raw materials. If the Commonwealth countries are to carry out

---

This material is filed with the Department of Justice, where the required registration statement of B.I.S. under 56 Stat. 248-258 as an agency of the British Government is available for inspection. Registration does not imply approval or disapproval of this material by the United States Government

---

New York Offices, 30 Rockefeller Plaza, New York 20, N. Y. Telephone : Circle 6-5100

Chicago 3, 39 South LaSalle St. : Washington 5, D.C., 903 National Press Building

San Francisco 4, 310 Sansome St. : Los Angeles 13, 448 South Hill St.

this development, it will demand a readiness to consume less than they produce in order that each may free resources for investment in its own country and, in the case of Britain, so that investment may be provided in other parts of the Commonwealth as well as in Britain itself.

(c) Third, these objectives cannot be achieved by relying on restrictive policy. The move must be towards expansionism. Real progress towards a multilateral system of trade and payments requires deliberate effort and action.

The Commonwealth countries agreed that they would in any case do everything possible to act upon these lessons and to work towards the desired objectives. But the objectives could not be attained by Commonwealth action alone. International agreement upon the necessary courses of action was essential, and creditor no less than debtor countries would have to decide on what action they should take. It was clear, therefore, that there would have to be wide-ranging discussions with the United States and Europe covering questions of trade policy, commodity policy, development and payments. All these questions are inter-related and none can be solved in isolation.

This, as stated above, is the purpose of the Washington visit. It is inevitable that the talks must be exploratory and non-committal in nature. This has been declared by the British Government publicly, and directly to Britain's friends in Europe. Mr. Eden, who is the Chairman of the Ministerial Council of the Organization for European Economic Cooperation, has convened a meeting of the Council for the earliest date convenient to all parties after his return from the United States. Until discussions have taken place in that meeting, with the other European countries, no decisions on future procedure can possibly be made.

There are three points of great importance which should be borne in mind in considering the British approach to the Washington talks.

(i) Mr. Eden and Mr. Butler are coming to Washington with the great advantage of the Commonwealth talks just behind them. They know the views of each and all the Commonwealth countries and have been authorised by the Commonwealth countries to open up on their behalf the range of matters covered in the Commonwealth Communique of December 11th.

(ii) The British economy has much improved over the past year; the Commonwealth countries are cooperating on a basis of good understanding; Britain is up-to-date on the repayments of the

the United States and Canadian loans. Britain looks forward with confidence to the strengthening of her competitive power in world trade and that remains the certain and fixed objective of British economic policy whatever the outcome of any talks.

(iii) Mr. Eden and Mr. Butler are not coming to Washington to discuss something which concerns Britain or even the British Commonwealth alone. The body of ideas which they want to explore represents a necessary approach to a solution of the economic problems of the free world as a whole.

It is not only that the economic stability and progress of the Commonwealth is a major interest of its allies; it is also evident that the measures needed to enable the sterling Commonwealth to stabilise its affairs and expand offer the same prospects for other countries also. Lack of opportunities for economic progress, whether in advanced or under-developed countries, is a handicap to effective national defense and a stimulus to Communism. The grand strategy of the Cold War requires that the collective defense effort of NATO should be matched by corresponding efforts to provide the economic basis which alone can sustain it.

#### FIRST STEP IN SERIES OF TALKS

It can hardly be over-emphasised that the Washington visit is one step, an important step, in a series of consultations and discussions, and that the next step will be with Europe. And after that the Commonwealth Prime Ministers are meeting again in London in June. It is not to be expected, therefore, that any decisions or agreements will come out of this meeting in Washington or that any dramatic action will follow the meeting. That is not the aim or purpose of the meeting.

Finally a word about convertibility. The purpose of the visit is not solely to discuss any specific financial moves concerning currencies and exchange rates although these may be among a number of topics to be discussed. The interdependence of the various measures under consideration, including trade policy, commodity policy, development and so on, means that Britain can make no moves towards convertibility itself until many associated and equally important problems are on the way to solution.

---