Imperial Preference is a subject which we are [not] even prepared to discuss with any outsider. That is the key to our own household which we cannot hand over to strangers. This is our birthright which we cannot sell for any mess of pottage.²

(L. S. Amery)

The sudden end of the war brought relief and adversity to Britain. Long-anticipated economic difficulties mounted with alarming speed. The newly elected Labour government was desperate for aid to stave off a looming financial crisis. As Keynes had anticipated, the UK turned to the US for a loan. American officials were not surprised by the request, but they were not inclined to generosity. Washington believed there was now no longer a compelling reason to carry London. No matter what would result from Anglo-American financial negotiations, one thing was certain: US aid would come at a price. Securing British support for American postwar trade proposals was one obvious way of turning British weakness to American advantage. In particular, the US might be able to overcome British obstinacy over preferences by linking their commercial deliberations to the promise of financial assistance. Just as the Americans were intent on linking commercial and financial matters, British negotiators were determined to separate them. Consequently, the British delegation sent to Washington to negotiate the loan included no commercial experts in the hope that would limit the discussions to questions of finance.² This ploy backfired. The Americans postponed financial talks until the British agreed to address outstanding commercial questions leading towards an outline for an International Trade Organization (ITO). The Attlee government could not afford to refuse. Commercial experts sailed from
London a few days later realizing they would have to lock horns with the US over the fate of preferences.

Because the Anglo-American discussions now included preferential tariffs, along with a full slate of other commercial issues, Britain had to consult with the dominions. The fact that British and American negotiators were not just discussing reductions to selective tariffs, but formulas to bring an end to the system itself, made consultation even more essential. British officials acknowledged that they could not arrogate to themselves the authority to decide how preferences would be contracted. ‘Under the constitutional conventions of the British Commonwealth it is impossible for the United Kingdom to take an entirely unilateral action in a matter which involves the Dominions so deeply.’\textsuperscript{3} Commonwealth consultation would have to take place alongside the Anglo-American financial and commercial negotiations.

The election of the Attlee government in July 1945 had boded well for improved Commonwealth relations. The Canadian diplomat John Holmes reported optimistically from London that although the new Labour ministers’ views on the Commonwealth were ‘inchoate and sometimes garbled’, the change of government would bring improvement: ‘there is evident a suggestion of slightly revolutionary mission about the way in which they are emphasizing “consultation and collaboration”.’\textsuperscript{4} Stanley Bruce, Australia’s high commissioner in London, was also encouraged by the change of government. Bruce expressed complete satisfaction after meeting with Ernest Bevin, the new foreign secretary, and Lord Addison, the new secretary of state for dominion affairs. ‘These talks were a refreshing experience and I am convinced that under the new Government the feeling of frustration that one had with regard to consultation under the old regime will be removed.’\textsuperscript{5} Evatt was less confident that the new government would accord Australia the respect and attention it deserved in foreign affairs. He would not tolerate the exclusion of the dominions from the decision-making process. He warned Addison that, ‘Full consultation on an equal footing is the only basis of complete confidence and co-operation.’\textsuperscript{6} Harmonious Commonwealth relations depended on improved consultation, in particular consultation in the early stages of policymaking. Britain would also have to treat the dominions as equals.

The Anglo-American loan negotiations were an early indication of how the Commonwealth would function in peacetime. The issue of preferential tariffs forced members to address head on the fundamental problem of managing their international interests individually and jointly. What began as a bilateral meeting spun off into an \textit{ad hoc} referendum on the