

9. Mr. King expressed the view that announcement that a study of such large areas in Canada was to be made under the direction of an American agency would be resented and would give rise to suspicions as to the postwar intentions of the United States.

10. The Minister of Pensions and National Health enquired whether the government of British Columbia had been consulted.

11. The War Committee, after discussion, agreed that the proposal be referred back to the Canadian Committee of the Joint Economic Committees, on the ground that it was not satisfactory to have this study undertaken under U.S. direction, with the suggestion that the government of British Columbia be consulted in this respect.

Financial arrangements with the United Kingdom

12. The Minister of Finance reported that the balance of the billion dollar gift to the United Kingdom was about to be exhausted. Some action, at once, was necessary to provide for immediate British requirements of Canadian funds.

It had been ascertained that, as an interim measure, the United Kingdom would be willing to pay up to 150 million dollars in cash, provided that we were willing to meet their needs beyond that amount pending the settlement of overall arrangements for the coming year. With regard to the general settlement, it was suggested that, when its terms had been agreed upon an announcement of government policy be contained in the Speech from the Throne.

The United Kingdom were anxious to ascertain the government's intentions regarding the purchase of U.K. war plants in Canada, the estimated value of which was \$250,000,000. Their early acquisition would provide a method of meeting British dollar requirements in the immediate future.

13. The Minister of National Defence for Air said that Canada should not give the purchase of U.K. plants priority over the proposal for the payment by Canada of all R.C.A.F. personnel overseas. This would involve only some 58 million dollars over the next year. This amount could, however, easily be increased by commencing payment at an earlier date and adding the earlier scheme for maintenance of Canadian squadrons.

14. The Deputy Minister of Finance said that purchase of the plants had been suggested since it offered the quickest and easiest method of supplying the United Kingdom with a satisfactory sum of Canadian dollars, to cover the period before parliament re-assembled.

15. Mr. Ilsley estimated that, after allowing for the sterling needs of Canadian forces, payment by the United Kingdom of 150 million dollars cash, the

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