



# CANADIAN WEEKLY BULLETIN

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## WEEK'S EVENTS IN REVIEW

**SUPPLIES' AGREEMENT WITH U.K.:** Prime Minister Mackenzie King made the following announcement in the House of Commons yesterday: As the House is aware, it was recently agreed with the United Kingdom Government that a Mission should come to Ottawa to discuss the trade and financial arrangements between the two countries, with special reference to the United Kingdom's purchasing programme of Canadian supplies in 1948.

The Mission, headed by Sir Percivale Liesching, Permanent Secretary of the Ministry of Food, arrived in Ottawa on the 25th November. There has since been held with them a series of most valuable and comprehensive discussions covering the whole field of our trade with the United Kingdom, and I am happy to announce that as a result of the exchanges which have taken place agreement has now been reached with the United Kingdom Government on all matters under review.

Both countries at the present time face a common difficulty, namely, a shortage of United States dollars. From the Canadian standpoint, this and other factors limit the extent to which the balance of the credit, provided for under the Financial Agreement Act of 1946, can be drawn on in order to make supplies available to the United Kingdom. Canada has made a very great effort - not exceeded by that of any

other state - to assist in the restoration and reconstruction of countries damaged and destroyed by war. But she cannot continue indefinitely to export on credit, and import for cash. From the United Kingdom standpoint, her own shortage of hard currency equally limits the extent to which she can afford at this time to make payment in dollars for goods supplied from Canada.

The discussions with the United Kingdom Mission centered around (1) the necessity for Canada of maintaining a balanced agricultural programme and (2) the basic dollar difficulty in both countries. However, though there may have been a shortage of dollars on both sides, there has been also on both sides a surplus of good will and mutual understanding. Also, if there has been a common difficulty, there has been a common objective, the maintenance at this time and the extension in the future of a stable and steady market in the United Kingdom for Canadian farm produce. This means a restored and vigorous economy in the United Kingdom and a steady rise in her industrial production and exports. It means also a prosperous Canadian agriculture, the value of which has become increasingly realized in the United Kingdom during the war and post-war years. Canada wishes to continue to send to the United Kingdom all those supplies of foodstuffs and raw materials which are playing such a vital