

Canada during the military period. To what extent is Canada willing to pay for allocations from Canadian sources and how far is the burden to be divided between the United States and United Kingdom? This matter is in a state of confusion and at the moment there doesn't appear to be any solution. The problem of building up export markets through the provision of military relief supplies is considerably affected by the degree to which Canada will be required to carry the financial burden involved and by the fact that those supplies will be distributed by the British and United States military authorities. At present, at least, it is not clear how far Canada should press for participation in the provision of such supplies.

Mr. Bateman felt that whatever our policy is there does not seem to be any Canadian machinery for determining its application in specific instances. He urged that such machinery be established as quickly as possible and, in view of the immediate need for military relief supplies, this matter should not be postponed until UNRRA begins to function. If nothing is done the Canadian representatives with the Combined Boards will be helpless with regard to the determination or fulfilment of Canadian allocations.

This emphasizes the need for getting ahead with the setting up of a Canadian relief agency to handle requests for relief supplies from whatever sources they may be received. As it stands now, no one is responsible. If the appropriation for financing Canadian relief contributions is to be made to the Mutual Aid Board, it would seem logical that the administrative organization for the clearance of requests and the carrying out of policy should be set up under the Board along the lines we have discussed earlier.

In view of the fact that the problems of Canadian participation in the provision of relief supplies is upon us now in the form of concrete requirements by the military authorities, it would seem desirable to get on immediately with the job of building up the necessary machinery at the Ottawa end.

J. J. D[EUTSCH]

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*Le sous-secrétaire d'État aux Affaires extérieures  
au sous-ministre des Finances*

*Under-Secretary of State for External Affairs  
to Deputy Minister of Finance*

Ottawa, February 3, 1944

Dear Dr. Clark,

With reference to Canadian participation in the provision of relief supplies to liberated areas, I am enclosing for your information copies of three letters from Mr. Pearson in Washington<sup>†</sup> and a copy of a memorandum on Combined Board procedure for allocation of relief supplies.<sup>†</sup> These documents relate to 1. the difficult problem of financing relief supplies for distribution by the military authorities and the implications for Canada of the plans under consideration in London and Washington, 2. the relationship of the relief activities of the