

'A' supplies we are already participating through our military relief arrangements. In the case of Category 'B' supplies, however, the memorandum reports (page 3) that no funds are at present available for the financing of such supplies from Canada. To the best of our knowledge this memorandum correctly states the position with respect to procurement of supplies from Canada. If Canada is to participate (for commercial or other reasons) in the rehabilitation of Italian industry or in the programs for supplementing civilian supplies brought in by the military, the time has clearly arrived for the making of whatever arrangements the Canadian authorities consider desirable and for the notification of these arrangements to CLAC(S), the Allied Commission and presumably the Italian Government.

I think you will find this memorandum helpful as a statement of the nature of the facilities which have been made available by the U.S. and U.K. authorities for enabling the Italian Government to finance such procurement in those countries.

It is intended that this memorandum shall be transmitted to the Allied Commission for guidance as soon as it is approved by CLAC(S). If, therefore, the Italian Government (through the Allied Commission) is to be informed of the arrangements for procuring supplies from Canada it is essential that we be provided with a statement of the changes necessary in this memorandum to take account of any decisions which the Canadian Government has made, or may make, to permit the use of Canada as a source of imports. If this information is not received in time for incorporation into this memorandum we shall not be in a position to participate in the extensive supply programs which the Allied Commission is submitting.

The interested Canadian officials in Washington will be discussing these arrangements within the next few days and may have some suggestions to make but we feel that the decisions in Ottawa should certainly not be delayed until our suggestions are received as clearly any suggestion which we may make will relate more to procedure than to policy.

Yours sincerely,

A. E. RITCHIE

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*Mémorandum de la direction économique²¹² au sous-secrétaire d'État
aux Affaires extérieures*

*Memorandum from Economic Division²¹² to Under-Secretary of State
for External Affairs.*

Ottawa, March 25, 1945

NON-MILITARY SUPPLIES FOR ITALY

A procedure has been developed for handling Italian essential imports other than those furnished by the military. The requisitions covered are those

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