

war supplies available to any of the United Nations."

The \$1,000,000 provided for Britain had meanwhile been exhausted, and the new arrangement was to take its place.

Introducing this measure on May 6, Finance Minister Ilesley outlined a four-point policy.

"(1) We wish to provide the war supplies which we are able to produce, over and above the requirements of our own forces, to our allies on the basis of strategic need, and we do not want any shortage.. of Canadian dollars on their part to make it impossible for them to obtain such supplies. In the term 'war supplies' we include farm products and raw materials, which are necessary either for the production of munitions or for the maintenance of the services or civilian population of our allies.

"(2) We propose to enter into whatever reciprocal arrangements are practical, under which our allies will furnish us with supplies or services in return for what we provide, and we also take power to stipulate for the return to us after the war of any supplies or equipment furnished under Mutual Aid which appear likely to have a post-war usefulness.

"We do not propose, however, to provide aid only in those cases where it is possible to arrange for reciprocal aid, because in some cases this may be impracticable or undesirable. As I explained in February, it is an essential feature of this proposal that we may regard it as good and sufficient consideration for transferring war supplies to other United Nations that such supplies are to be used in the joint and effective prosecution of the war.

"(3) We desire to avoid either piling up huge war debts by selling our supplies to our allies for payment after the war, or creating indefinite and uncertain post-war obligations which might arise out of transfers conditional upon undefined post-war considerations.

"It is for this reason that we have set out clearly in the bill the essential feature that the effective use of the war supplies in the prosecution of the war may be deemed good and sufficient consideration for their transfer. Moreover, we intend where any terms and conditions are provided for to have these clearly specified at the time of transfer.

"(4) We propose to deal directly with the various countries requiring Mutual Aid from Canada and not to provide such aid to one country through the agency of another."

Allocations of credit under the new measure will be administered by a board of five cabinet ministers with the necessary staff.

Mr. Ilesley explained that, with Great Britain and the United States both providing aid to their allies on similar principles, Canada desired to assume the responsibilities of its own growing financial and industrial strength. The term "Mutual Aid" had reference to the fact "that this is aid to ourselves as well as our allies."