



AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Not for Publication -- Not for Distribution in Canada

Vol. 7, No. 130

Friday, July 15, 1949.

Marshall Plan Report: The Canadian Press reported in part as follows this morning on the effects of the Marshall Plan in Canada:

Ottawa, July 14 -- (CP) -- The Marshall Plan has brought approximately \$500,000,000 in scarce American dollars into Canada in its first 15 months of operation.

This figure, from an authoritative source, is a rough estimate of the value of goods bought in the Dominion by the 16 countries participating in the Economic Co-operation Administration and paid for with American dollars.

Up to the beginning of July the United States had allotted money for Marshall Plan countries to buy \$762,619,776 worth of goods in Canada. The figure is contained in a report on E.C.A. authorizations for purchases in the Dominion, made public here today.

However, up to the present it is estimated that only 70 per cent of the authorized purchases have been completed to the point where the American dollars have actually come to Canada.

The way in which Canada benefits from E.C.A. is this: The 16 Marshall Plan countries have worked out among themselves just how they are going to divide the \$6,364,762,967 thus far authorized for over-all purchases.

After that the countries decided individually on what things they would like to buy in Canada and pay for with the Marshall Plan money.

Up to May 31 E.C.A. had given the green light for those countries to use \$742,767,776 for buying various commodities from Canada.

Today's report shows that during the month of June there were further authorizations of \$19,852,000 -- bringing the total at July 1 to the figure of \$762,619,776....

U.K. Imports Curtailment: Following is partial text of the Canadian Press report this morning on the possible effects of the United Kingdom's curtailment of dollar-area imports:

Ottawa, July 14 -- (CP) -- An informed official said today that dollar-area import slashes by the United Kingdom may lead to some Canadian industry curtailing activity, possibly engendering a reduction in staff.

He said the industries likely to be affected would be copper, aluminum, pulp and paper and possibly tobacco.

He estimated that on the basis of Sir Stafford Cripps' announcement in London, cutting the U.K.'s 1949 dollar imports by 25 per cent, Canada would lose between \$60,000,000 and \$80,000,000 this year.

"If the slashes continue, then next year -- 1950 -- will be the crucial year," the official said. A continued 25-per-cent cut next year in Canadian exports to the U.K. would mean a loss of more than \$100,000,000.

While not unexpected here, the U.K.'s import slashes come at a time when Canada finds herself struggling out of a trade deficit with the United States and searching incessantly for more export markets to take a big supply of manufactured goods off her hands.

Trade Minister Howe said he wanted a few days to think over the import cuts before commenting. Yesterday he told a press conference the Government is planning reimposition of rigid controls on U.S. imports to help right the unfavourable trade balance with the U.S....

(over)