

recognized that the economic recovery of Europe was necessary for the re-establishment of a world economy within which Canada could trade satisfactorily but added that, in the absence of a sufficiently large current surplus in Canadian over-all international transactions, these loans had resulted in a serious depletion of Canadian exchange reserves. Mr. Towers held that it was "not realistic" to expect a complete halt to the extension of credit by Canada to Europe and stated that, if Canada is to make further loans, and at the same time, to increase its foreign exchange reserves, it must have a current account surplus larger than its loans. The size of Canada's over-all current surplus is thus the core of the exchange problem, he said.

Canada's share in E.C.A. Authorizations:

The following is a résumé of the total E.C.A. authorizations on August 16, 1948, showing Canada's share as being a very important one:

Total authorizations:

Commodities	\$1,078,062,035	
Ocean & Inland Freight	<u>153,044,630</u>	
		\$1,231,106,665
Total off-shore authorizations		449,641,442
Total Canadian authorizations		199,696,293
Canadian percentage of total off-shore authorizations		44%
Canadian percentage of total authorizations		16%

Over and above this were general authorizations, i.e. Canada and the U.S.A. shown as a source of supply for \$10,318,048. It is reasonable to assume that a good percentage of this amount will be allocated to Canada.

II. POST-WAR HELP:

Norman M. Littell, member of the District of Columbia Bar, Washington, D.C. in a prepared statement before the Foreign Relations Committee of the United States Senate on January 29, 1948, and before the Foreign Affairs Committee of the House of Representatives on February 3, 1948, gave some details about Canada's past aid.

He said "almost without debate, and certainly without delay, Canada, having the second strongest economy in the world, adopted its own 'Marshall plan' and acted to its fullest capacity in the gigantic task of helping Europe."

He went on to say that Canada had extended a credit of \$1,250,000,000 to the United Kingdom, another \$607,300,000 to France, the Netherlands, Belgium and Norway, as well as giving a direct financial contribution of \$154,000,000 to UNRRA, a total of \$2,011,300,000. (The figure of \$607,300,000 presumably comes from the addition of direct credits authorized under the Export Credits Insurance Act totalling \$594,500,000 and the Canadian Government commitment to guarantee bank loans to a Chinese corporation to a maximum amount of \$12,750,000. Under this Act other credits were also made to China, and in lesser amounts to Czechoslovakia, the Netherlands Indies and the U.S.S.R.)

Mr. Littell stated that on the basis of comparative population, this Canadian amount would be equivalent to about \$25,543,000,000 of grants and loans by the United States, or \$33,000,000,000, on the basis of comparative national production in 1946. He continued:

"Actually, the United States in the same period granted and loaned about \$11,502,000,000, or proportionately less than one half of Canada's contribution.