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CANADA'S FINANCIAL AID TO OTHER COUNTRIES

Canada's proposed loan of \$1,250,000,000 to the United Kingdom brings to \$7,617,237,331 the amount of wartime and post-war financial aid Canada has so far extended to Britain and other countries. This is made up as follows.

Repatriation of British-held securities....(approximately)	\$800,000,000
Interest-free loan to U.K.....	700,000,000
Purchase of British interests in war plants.....	200,000,000
Contribution for purchase of war supplies by U.K.....	1,000,000,000
Mutual Aid.....	2,575,104,000
Credit to U.S.S.R. to purchase wheat.....	10,000,000
Export credits (agreed on).....	502,500,000
" " (tentative).....	142,000,000
Proposed loan to U.K.....	1,250,000,000
Cancellation of U.K.'s B.C.A.T.P. indebtedness.....	425,000,000
Gifts of wheat to Greece.....	12,633,331
TOTAL	\$7,617,237,331

EARLY FINANCIAL AID TO UNITED KINGDOM

From the beginning of the war it was evident that Britain would have difficulty in obtaining sufficient Canadian dollars to purchase the war supplies needed from Canada. In the House of Commons on March 20, 1941, Finance Minister Ilesley made clear Canada's determination that no shortage of Canadian dollars would impede the movement of necessary supplies to the United Kingdom:

"It has been, and will continue to be, the policy of the government to see that United Kingdom purchases in this country are not hampered by reason of any lack of Canadian dollars. We have seen, and will continue to see, that the problem of the deficit is solved."

Special financial measures were taken by Canada to assist the United Kingdom prior to the inception of Mutual Aid in 1943.

The first was the repatriation of Canadian government and government-owned Canadian National Railways securities formerly held by residents of the United Kingdom. These securities were purchased by the British government from the British residents for sterling, a unit used for foreign exchange purposes. The Canadian government, or in some instances the Canadian National Railways, then either repurchased or paid off these securities for Canadian dollars, thereby placing at the disposal of the British government in Canada the equivalent value in Canadian dollars. The amount of such transactions finally totalled approximately \$700,000,000. In effect, Canada was by this means paying off its debts to Britain before they were due in order that Britain could use such funds in meeting its Canadian requirements. A further \$100,000,000, approximately, was provided to Britain through the sale in Canada of other securities owned by British investors and purchased from them by the British government.