

CANADA AND EUROPEAN RECOVERY PROGRAM

12-MONTH AVAILABILITIES \$1,600,000,000:
Estimates of the wide variety of products that can be made available by Canada to countries participating in the European Recovery Program have been announced by the Right Hon. C.D. Howe, Minister of Trade and Commerce. He emphasized the fact that the estimated quantities depend on many factors. For instance, the weather may effect agricultural production, the availability of steel will affect the production of manufactures, and the extent to which manufacturers may have made prior commitments.

The Minister also explained that the statement was not exhaustive, nor a forecast of Canada's exports to ERP countries. The important recovery items have been included in accordance with the specific request of the Economic Co-operation Administration, in Washington, but information regarding a number of other commodities is being constantly made available to participating countries through Canadian Trade Commissioners and to ECA officials in Washington through the Canadian Embassy.

ALREADY COMMITTED. \$250,000,000

Canada's availabilities for the twelve months ended June 30, 1949, are valued at just over \$1,600,000,000. Of this total, goods valued at over \$250,000,000 have already been committed, either by Government contracts or private trade arrangements, to specific countries. Program figures listed in the summary are of a minimal nature, however, as it is reasonable to believe that other commitments have been undertaken by Canadian exporters, which would not be known to the Government. Estimates have been prepared on contract prices or those current in May, 1948.

Certain aspects of the European Recovery Program were outlined by the Minister in announcing availabilities.

It is just over a year ago that the United States offered to assist the countries of Europe, if they, in turn, would pledge themselves to a program of mutual assistance. Sixteen Western European countries immediately accepted this offer and met in Paris to form a Committee on European Economic Co-operation. Hurriedly, they reviewed their combined resources and requirements and placed the results of their studies in the hands of the United States Government. These requirements were carefully reviewed by competent authorities in the United States, and on April 3 of this year, the United States Congress passed the Foreign Assistance Act of 1948. In order to administer this foreign aid, the U.S. Government established the Economic Co-operation Administration, generally known as ECA. In the meantime, the Committee of European countries which had met in Paris had created a body known as the Organization for European Economic Co-operation.

The President of the United States has appointed Mr. Hoffman to administer the Foreign Assistance Act. The Administrator's terms of reference indicate, very specifically, what his power shall be. For example, he may obtain from any source any commodity required; he may process, store, transport and repair any commodity. He must, however, ensure, as far as possible, that at least 50 per cent of the gross tonnage of commodities procured in the United States shall be transmitted in United States flag vessels and he must use private trade channels wherever possible.

WORKINGS OF ECA

It is well to remember when studying the workings of ECA that it bears very little similarity to UNRRA. The latter was an international administration to which we all contributed and from which we were all justified in seeking a certain amount of the orders. UNRRA placed emphasis on relief, whereas, ERP places emphasis on those commodities that will help bring permanent recovery to Europe. One of the fundamental principles of ERP is that the participating European countries must so integrate their economy as to help themselves to the greatest extent possible before employing ECA dollars for purchases in the Western Hemisphere.

In order to implement the provisions of ECA, each of the participating countries has been invited to draw up a list of their requirements on a three-month basis and also an over-all list of requirements for the United States fiscal year July 1, 1948-June 30, 1949. In these lists, countries are asked to show their total import requirements, the source from which they prefer to secure these commodities and whether or not they wish to have them paid for with ECA dollars or with their own earnings.

These national programs are screened in Paris by the countries themselves, which meet in Committee, and at that stage an effort is made to ensure that, not only are the total requests kept within the limits of the monies appropriated by ECA, but also to ensure that in no case are countries seeking imports from the Western Hemisphere, if the commodities are available in any of the participating countries. The consolidated import requirements of the participating countries are then forwarded to Washington and reviewed by the ECA officials before approval is granted in whole or in part. These import programs are in general terms and the requirements are listed under fifty-three headings.

The United States Government has also invited other Western Hemisphere countries to participate in this great scheme to assist in the recovery of Europe and the Canadian Government has taken constructive steps actively to develop this co-operation. The Canadian Gov-