

to finance such supplies from the Western Hemisphere, the rules provide that net creditors shall facilitate the use of the monies they are putting up for the purchase of necessary goods and, in particular, that all countries should do their best to increase exports of products which it is understood should be supplied within Europe as a corollary to the agreed division of direct aid.

IV.—The United Kingdom Contribution

11. Contributions and drawing rights provided under the Scheme are set out in the table annexed to this note. It will be seen that the United Kingdom has undertaken to make a net contribution of sterling equivalent to \$282 million, divided as follows:—

	<i>\$ million</i>
France	200
Italy	25
Austria	25
Bizone	46½
French Zone	5½
Greece	10
	<hr/>
	312
Belgium (receipt)	30
	<hr/>
	282

12. The net deficit of the other participating countries with the sterling area as a whole was estimated in O.E.E.C. at \$491 million. The \$209 million uncovered by the grants can be financed by existing means of finance, and particularly the drawing down of sterling balances. This will, like the grants, represent supplies of goods and services by the sterling area as a whole without immediate return in the form of goods.

13. This large sterling area surplus underlines the importance which the United Kingdom attaches to the Trade Rules and to the urgent need for European co-operation to right the disequilibrium. It is hoped that substantial progress will be made by the debtor countries in 1948-49 in order to close this gap—and to close it by means which contribute to the United Kingdom's basic economic problem of reducing its dollar deficit.

14. In terms of supplies, the United Kingdom is expecting to export to the other participating countries at a substantially higher level than in 1947. Exports of machinery, ships, tractors, vehicles and other capital equipment are estimated at around \$585 million; exports of steel at around 330,000 tons; exports of coal and coke at around 10 million tons; sales of crude oil and petroleum products by British-controlled companies at around 15 million tons, or \$425 million; shipping services to a value of \$200 million. In each of these fields, except coal, the supplies to be provided by the United Kingdom are comparable in amount to those which will be provided to the other participating countries by the United States.

TABLE SHOWING CONTRIBUTIONS AND DRAWING RIGHTS OF PARTICIPATING COUNTRIES UNDER THE EUROPEAN PAYMENTS SCHEME

	<i>Contributions</i>	<i>Drawing Rights</i>	<i>Net Contribution (minus) or Net Drawing Rights (plus)</i>
	(In millions of U.S. dollars)		
Austria	3.1	66.6	+ 63.5
Belgium-Luxembourg	218.5	11	- 207.5
Denmark	5.1	11.9	+ 6.8
France	9.7	333	+ 323.3
Greece	66.8	+ 66.8
Italy	47.3	27	- 20.3
Netherlands	11.3	83	+ 71.7
Norway	13.5	45.3	+ 31.8
Sweden	34.8	9.8	- 25.0
Turkey	28.5	8.8	- 19.7
United Kingdom	312	30	- 282.0
Bizone	108.8	98.6	- 10.2
French Zone	14.8	15.6	+ .8
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	807.4	807.4	

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