

There remains, finally, the determination of a permanent policy with respect to military relief. The arguments for giving such relief supplies without payment are as follows:

1. Canada might thereby obtain some voice in the disposition of such supplies through membership, for instance, on the combined Civil Affairs Committee of the Combined Chiefs of Staff. If we sell such supplies, we have obviously no claim to control their disposition and a weaker claim to membership on the above Committee.

2. In so far as the United Kingdom is concerned, payment will be difficult in any case; impossible, in respect of Canadian food supplies in existing overseas stockpiles and now earmarked by the United Kingdom authorities for military relief.

Should we make a distinction between the U.S. and U.K. in this matter? Is it, in fact, merely extending the existing situation? Is there not a distinction between selling the USA a gun or a tank for her armies and food to be distributed to destitute Europeans by those armies.

3. There may be strong commercial reasons for participating in military relief. In the case of manufactured goods, the products, whoever distributes them, will be identified as Canadian and they may lay the basis for post-war trade. The fact that non-identifiable products will be credited to the Army distributing them will be an advantage to Canada when her own army is doing the distributing even if it is a disadvantage when the distribution is by United States or United Kingdom forces.

4. Arrangements can be worked out whereby Canada obtains a fair share of the local currency received from the sale of supplies. These currencies might be used for the expense of her troops in those areas. In this connection, it should be remembered that 95% of the military relief supplies distributed in Italy have been sold through commercial channels.

5. We are members of the C.P.R.B. and C.F.B. and therefore have control over any recommendations from them for military relief supplies from Canada. If our members on those Boards accept such recommendations, does not that mean we also accept financial responsibility for them?

6. If we try to sell military relief supplies to the U.S.A., this will merely result in the United Kingdom drawing more heavily and the U.S. less heavily on Canada for such supplies.

The arguments *against* giving military relief supplies are as follows:

(1) Canada would have no voice in their control or disposition. This might, of course, be remedied as pointed out in (1) above.

(2) The U.S.A. has never previously questioned the fairness of our policy in selling her war materials. Why should she question it in the case of military relief supplies to be dispensed by her own armies?

(3) Canada would get no moral credit or commercial advantage from the gift, which would be distributed by the U.S. and U.K. armies. (This argument is partly answered in 3 above.)