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Lease-Lend Act. In fact, the United States is requiring Britain to sell her marketable securities in that country to a greater degree than Canada is doing, but the American public appears not to be cognizant of this repatriation or tends to overlook it in concentrating attention on the large measure of assistance that is being given under the Lease-Lend Act. There is therefore some danger of Canada's attitude being misunderstood or misrepresented in the United States. In the second place, too severe a repatriation program would be likely to make the United Kingdom Government, or its representatives, adopt or maintain a more rigorous bargaining attitude in their negotiations for the purchasing of materials and other supplies in Canada. This is particularly important in the case of our farm and fishery products, where great difficulty has been experienced in trying to persuade Britain to pay prices which are sufficient to cover cost of production and to bring forward the supplies required. This has forced the Dominion Government (and in certain cases Provincial Governments as well) into supplementing British contract prices by subsidies to producers. These subsidies are an illogical and unsound method of assisting Britain, will tend to lead Canada further and further into unsound economic policies, and are apt to create a dangerous heritage of post-war difficulties. Finally, there is the further danger that this bargaining attitude on the part of the United Kingdom may lead her, perhaps unconsciously, to divert orders elsewhere which may result in less than a full utilisation of Canadian resources in the prosecution of the war.

If sterling balances are left to accumulate rapidly and in huge amounts for some sort of settlement later, this in itself will cause the British Government some anxiety and will