

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Vol. 4 No. 46

September 23, 1949

INDEX TO INSIDE PAGES

Field Crop Estimates Lowered	2	Medical Services Advisory Board	7
Population 13,545,000	2-3	Fisheries Commissioner	7
Services' Communications	3	Mr. Pearson Elected Chairman	8
Export and Import Prices	4	Harvesting Report	8
To Commemorate BCAIP	4	New Housing Programme Announced	9-10
"Noronic" Disaster Probe	5	Foreign Ministers' Visits	10

WEEK'S EVENTS IN REVIEW

DEVALUATION OF THE DOLLAR: The following is the complete text of the statement made by the Minister of Finance, Mr. Abbott, in the House of Commons, on Monday evening, September 19, on the devaluation of the Canadian dollar:

Honourable members are aware, of course, of the details of the important announcement which was made yesterday afternoon (September 18) by the Chancellor of the Exchequer of the United Kingdom, and which has been followed by announcements from other capitals.

As the Chancellor has said, the United States and Canadian representatives to the tripartite discussions in Washington were informed at the outset of the ministerial talks that the Government of the United Kingdom had taken the decision to devalue the pound sterling. However, at that time the United Kingdom Government had not yet decided what the extent of the devaluation would be. The proposed new parity of the pound sterling was communicated to us in a message from Mr. Attlee to the Prime Minister on Friday.

The Government had immediately to consider Canadian policy in the light of this development. It was clearly not possible to give full consideration to this matter until we had more knowledge of how many, and what countries, would follow the action taken by the United Kingdom and the extent of the exchange rate adjustment, if any, that they would put into effect. We felt it desirable to await the more

complete information which would be available during the course of today. Consequently, I issued the following statement last evening:-

"In view of the decision reached by the United Kingdom Government, to devalue the pound sterling by 30%, and of similar action which has already been taken by a number of other countries, the Government of Canada has instructed the Chairman of the Foreign Exchange Control Board to advise all authorized dealers and agents of the Board not to deal in foreign exchange in Canada until the rates effective as from the opening of business Tuesday, September 20, are communicated to them by the Board."

Before I go on to inform honourable members of the decision of the Canadian Government, I should like to say a word of comment in regard to the British action itself. For some time it has been clear that a fairly radical re-alignment of some currencies was a necessary element in the re-adjustments required to balance international trade. The decision, however, was one which the countries concerned had themselves to take. The action which the United Kingdom has now taken constitutes a courageous and positive effort by the British people to do their part in the common endeavours that are necessary to provide the basis for a real and enduring recovery of world trade.