

pressing economic reasons on an ad hoc basis, with a view to ensuring that any limited credits available may be put to the best possible use."

3. In order that the interested Departments of the Canadian Government might be informed of the extent and purpose of this supply program I am now enclosing a paper prepared by the Italian Government in collaboration with the Allied Commission on "The Program of Essential Italian Imports 1945." This report contains a letter from Prime Minister Bonomi to the Chief Commissioner of the Allied Commission indicating that the program is accepted by the Italian Government as a proper charge upon its funds. The purpose of the program is to "attack" the three factors at present limiting production in Italy:

- (a) transportation
- (b) electric power
- (c) imported production materials and equipment

4. The present report summarizes and discusses briefly the standards and levels of economic life implied in the program.

5. The individual requisitions comprising this program have now been received in Washington and are being classified and assembled for consideration by the Operating Subcommittee of the Combined Liberated Areas Committee and by the supply authorities of the U.S., U.K. and Canadian Governments.

I have etc.

L. B. PEARSON

1274.

DEA/8799-40

*Le sous-ministre du Commerce au sous-secrétaire d'État  
aux Affaires extérieures*

*Deputy Minister of Trade and Commerce to Secretary of State  
for External Affairs*

Ottawa, April 25, 1945

I wish to refer to Mr. Pearson's despatch of April 5th, on the subject of Allied Policy towards Italy, a copy of which you so kindly supplied me.

It is noted that the proposed policy provides for the preparation of a supply programme designed to rehabilitate Italian industry apart from supplies to be provided as a military responsibility.

The officers in my Department directly interested in this phase of our export trade have given careful study to the programme of essential Italian imports as prepared by the Italian Government in collaboration with the Allied Commission. Under the three main headings for which supplies will be required to assist Italian industry, we find that there are many commodities which Canada might supply not only as a relief measure, but as a means of introducing Canada as a source of supply and Canadian manufacturers to a postwar market. I am informed that the requisitions covering this program have been received in Washington for screening by the supply authorities of the