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**U.K. AID LISTED; RUSSIANS DEAL WITH DOMINION**

**Ilsey gives Break-down of Supplies Sent British; Reds Negotiate for Lend-Lease**

**Ottawa, May 11.** – Two announcements in the House of Commons today set Canada in the front rank of the fighting nations as a contributor of fighting tools as well as fighting men.

1. Finance Minister Ilsey gave a breakdown of the munitions and supplies provided under the \$1,000,000,000 gift to the United Kingdom last year. Using “arbitrary” figures, as it was difficult to establish the financing procedure for any individual item sent, the Minister said munitions of war had taken \$689,000,000 of the total, and foodstuffs and raw materials \$311,000,000.

2. Prime Minister Mackenzie King announced a protocol setting forth the supplies to be furnished Russia by the United States, United Kingdom and Canada now is under negotiation. Hitherto supplies have been furnished Russia by the United Kingdom and United States and most of the supplies which have gone from Canada have been included in the commitments of these country.

Now the nations have agreed “it is appropriate for Canada as an important producer of war supplies for the U.S.S.R. to become a direct party to the protocol now under negotiation”.

The house spent the afternoon in discussion of the \$ 1,000,000,000 mutual aid bill under which the Dominion will make contributions to the Allied cause where needed.

**ILSLEY ANSWERS CRITIC**

Mr. Ilsey, sponsor of the bill termed “a figment of the imagination” the suggestion of J. G. Diefenbaker (Prog. Con. Lake Centre) that the measure gave the government wide powers to enter into trade agreements which might not be revealed to the House.

Sitting in committee, the House started its review of the bill clause by clause. Second reading was given the measure Monday night.

Explaining the financing arrangements under the 1942 \$1,000,000,000 gift, Mr. Ilsey said the Canadian assistance had been paid into the account of the United Kingdom government in Canada supplementing the dollar resources of the United Kingdom. The dollars thus had been placed in a common fund and it was impossible to say money taken from this fund had come from one source rather than another.

In addition to the portion of sterling area purchases attributed to the \$1,000,000,000 gift Mr. Ilsey said other sources of financing had covered commodity exports valued at \$219,000,000 and services costs of \$221,000,000.

Of the total Canada knew that \$51,000,000 in fighting equipment had been transferred to Russia and \$71,000,000 in mechanical transport to Australia, New Zealand and other parts of the sterling area, although they were part of the gift to Britain.

In the fiscal year 1942-43, the sterling area Canadian dollar requirements were \$1,908,000,000. These requirements were met only in part by the \$1,000,000,000 gift. The additional amount required to meet sterling areas purchases was made up by receipts from Canadian imports from the sterling area, Canadian war expenditures in the sterling area, repatriation of securities transfer of United States dollars from Britain to Canada, and special transactions.

Mr. Ilsley stressed the divisions made in estimating the supplies sent under the \$1,000,000,000 gift were “purely arbitrary”.

### **MONEY SPENT IN CANADA**

The Minister told Hon. R. B. Hanson (Prog. Con. York-Sudbury) that all the money granted to the United Kingdom, plus the supplementary amount it was able to obtain, had been spent in Canada.

T. L. Church (Prog. Con. Toronto Broadview) said the more the gift was examined the more it became evident that a large part of it was not a gift to Britain at all. Britain had paid Canada prior to the gift nearly the value of all the munitions and food received.

“I fail to see it was much of a gift in view of the protection given this country (by Britain)”, Mr. Church.

L. P. Picard (Lib., Bellechasse) said he supported the Government in assisting Canada’s Allies by giving them the implements of war, but the interests of Canada must be considered. The \$1,000,000,000 gift probably would weight more heavily on Canadians than it would on the British people. He would expect compensation in some tangible form so the further burden placed on Canadians would have some return.

Britain had \$3,000,000,000 invested in the Argentine and part of this sum might be turned over to Canada and assist her in obtaining a trade foothold in South America after the war. There should be further repatriation of Canadian securities in the United Kingdom.

Mr. Diefenbaker said he did not believe that commercial considerations, should be the chief point in time of war. Mutual aid had won the North African victories. He gave the bill absolute support as far as it concerned a contribution to the United Nations.

Parliament was without information on whether there had been collaboration between Canada, the United Kingdom and the United States on a scheme for after the war, within the United Nations framework. The bill laid the foundation of the United Nations after the war.

Mr. Diefenbaker questioned Canada’s position in respect to the United Nations production and distribution organization, and her representation on boards making decisions on these matters.

There should be a statement on whether negotiations were under way to have Canada produce only certain materials or munitions of war.

After months of tooling and preparation for the production of Lancaster bombers in a factory in Canada there had been a discontinuance of production without explanation.

“Was that due to the fact that a new plan has been evolved among the United Nations whereby Canada’s production will be devoted to agricultural products, certain munitions and shipping?” he asked.

### **“BRICK ON BRICK”**

Mr. Ilsley said he congratulated Mr. Diefenbaker on his imagination and he had piled “brick after brick” on a “great edifice of apprehension”.

Provisions had been made that Parliament would be kept informed of steps under the bill when information could be given without aid to the enemy.

The suggestion that the bill prevented telling the House about commercial trade agreements was “so far-fetched that it is hardly worthy of serious consideration”.

Canada had not approached the matter of mutual aid with thought of trade advantage, but there had been thought of certain equipment which might be of value after the war, along with

some equipment such as merchant ships which might be returned to Canada. There would be nothing harsh, unreasonable or niggardly in such an attitude.

There was no authority in the bill to enter into a trade agreement with the United States, and renewal of the treaty with that country would have to be made in the ordinary way. It would be subject to approval by Parliament.

Dr. Pierre Gauthier (Bloc Populaire, Portneuf) said he would have voted against second reading of the bill had he been in the House last night. He did not like to see members speaking against the bill for which they had voted.

“We are far from that free, voluntary and moderate effort which was promised us at the beginning of this war by a party at its first act of treachery”, said Dr. Gauthier.