

was devalued 30.5 p.c. and the Canadian dollar about 9 p.c. relative to the United States dollar. The results of devaluation, which were very widespread, were felt soon after the event occurred. Devaluation, coupled with the further restrictions on imports and the late 1949 rising level of United States demand for Sterling Area raw materials, effected an almost immediate improvement in the balance of payments position of the Sterling Area. For Canada also, devaluation caused an improvement in the trading position with the United States.

Loans to the United Kingdom and to Other Countries

The United Kingdom Financial Agreement Act approved the financial Agreement signed on Mar. 6, 1946, between the Governments of Canada and the United Kingdom. Under this Agreement, Canada extended to the United Kingdom, for the purchase of goods and services in Canada, a credit of \$1,250,000,000 to assist the United Kingdom to meet transitional post-war deficits in its current balance of payments, to maintain adequate reserves of gold and dollars, and to assume the obligations of multilateral trade.

Part II of the Export Credits Insurance Act, 1944, as amended, enabled the Governor in Council, at any time before Jan. 1, 1948, on the recommendation of the Minister of Finance and the Minister of Trade and Commerce, to authorize the Minister of Finance to enter into Agreements with foreign governments or their agencies, at their request, either to provide credits for the purchase of Canadian goods and services by them, or to purchase or guarantee securities or guarantee contractual obligations issued or undertaken by them for the purchase of Canadian goods and services.

The following Statement gives the total loans authorized and the net amounts drawn under the various Agreements. All lending operations under Part II of the Export Credits Insurance Act terminated on or before Dec. 31, 1948. Repayments of principal amounted to \$11,000,000 in 1949 and these were received from France, Belgium and China. Drawings by the United Kingdom under the United Kingdom Financial Agreement Act amounted to \$120,000,000 in 1949.

I.—POST-WAR LOANS AND ADVANCES TO OTHER COUNTRIES BY THE CANADIAN GOVERNMENT

(Millions of dollars)

Country	Export Credit Loans Authorized	Net Amounts Drawn ¹			
		1945	1946	1947	1948
A. EXPORT CREDITS—					
France.....	242.5	34.9	108.9	54.6	35.4
Netherlands.....	125.0	29.8	34.2	40.6	8.4
Belgium.....	100.0	22.5	30.1	12.3	+1.1 ²
China.....	60.0	—	16.5	16.1	18.4
Norway.....	30.0	6.2	10.2	3.6	3.3
Czechoslovakia.....	19.0	0.7	3.2	8.2	4.3
Indonesia.....	15.0	0.6	4.8	4.6	5.0
Union of Soviet Socialist Republics.....	3.0	9.9	1.8	—	—
TOTALS, FOREIGN COUNTRIES.....	594.5	104.6	209.7	140.0	73.7
B. LOAN TO UNITED KINGDOM.....	1,250.0	—	540.0	423.0	52.0

¹ Net amounts drawn include interim advances as well as drawings on Export Credit Loans less repayments of interim advances and loans. All interim advances had been repaid by Dec. 31, 1949, with the exception of \$8,700,000 to the Union of Soviet Socialist Republics. Accrued interest amounting to \$19,500,000, settled by funding, has been excluded.

² Net repayment.