

- 1 An additional amount of \$75,000,000 has been tentatively agreed with Belgium on the same terms.
- 2 An additional amount of \$50,000,000 has been promised to the Netherlands East Indies on the same terms.
- 3 An additional amount of \$17,000,000 has been promised to Norway on the same terms.

PROPOSED LOAN TO U.K.

In addition to all these measures, Prime Minister King disclosed on March 7, 1946, that a credit of \$1,250,000,000 would be extended to the United Kingdom by Canada. The credit will carry interest at 2% from January 1, 1951, and will be repayable over 50 years, beginning at the end of 1951. As in the case of the United Kingdom-United States financial agreement, there is an article providing for the waiver of interest payments in defined circumstances. The carrying out of another provision of the agreement will involve the cancellation of the indebtedness of the government of the United Kingdom in respect of the Commonwealth Air Training Plan. The amount of this indebtedness is \$425,000,000.

A supplementary agreement was also arranged between the two governments for the settlement of all remaining claims which each has against the other arising out of the war effort of the two countries. Under this supplementary agreement the United Kingdom agreed to make a payment to Canada of \$150,000,000 and to cancel all its claims on the Canadian government outstanding as at February 28, in return for which the Canadian government cancelled all its outstanding claims on the United Kingdom not otherwise dealt with, including the cost of food and other supplies delivered by the Canadian government to the United Kingdom between V-J day and the end of February, 1946. Payment to Canada in gold of \$150,000,000 has already been made by the United Kingdom in fulfilment of the agreement.

On April 11, 1946, the bill providing for the loan of \$1,250,000,000 to the United Kingdom was given second reading in the House of Commons at Ottawa. When the House adjourned for Easter recess on April 17 the bill had not been given final approval by Parliament. It will again be taken up when the House reopens April 29.

(May 7, 1946 -- The bill was passed by the House of Commons by a vote of 167 to 6 on this date. Senate approval is now necessary).