

Northwest Territories

the matter, I believe our hopes are well founded. They may help the Eskimos, and that is a good thing.

Mr. Macdonnell: The minister has this great advantage over me; he has experts at his elbow. I have only the hon. member for Vancouver-Quadra.

Mr. Lesage: The hon. member for Vancouver-Quadra is an expert.

Mr. Green: Hon. members seem inclined to treat this matter with some levity, but I was greatly impressed by the remarks of the Prime Minister and the Leader of the Opposition with regard to the potentialities of Canada's north. This may be one of the most important subjects this parliament will be dealing with in the years that lie ahead. I hope the minister will not be discouraged at all if there does not seem to be a great deal of interest at the present time in such things as this reindeer project or any other project that will develop the north. Stefansson is no fool. He is one of the most experienced Arctic explorers, and is a great Canadian. We know there have been tremendous developments in Siberia by the Soviet government which probably far surpass anything that has been done in northern Canada. We cannot be too optimistic about the possibilities of developing northern Canada. I was somewhat concerned about the minister's suggestion that his department is interested in reindeer only as a means of helping the Eskimo.

Mr. Lesage: Oh, no; I did not say that.

Mr. Green: That is a very worthy aim.

Mr. Lesage: Helping the economy of the north—

Mr. Green: The minister did not say that.

Mr. Lesage:—including the Eskimo.

Mr. Green: That is a worthy objective. In his remarks the minister mentioned only that it was to help the Eskimo. If Stefansson is within miles of being correct it may be one of the main methods of developing the whole economy of northern Canada. I hope the minister will keep that point in mind.

Mr. Lesage: I just said that.

Resolution reported, read the second time and concurred in.

Mr. Lesage thereupon moved for leave to introduce Bill No. 77, to amend the acts respecting the Northwest Territories.

Motion agreed to and bill read the first time.

[Mr. Lesage.]

UNITED KINGDOM FINANCING, 1953**APPROVAL OF AGREEMENT RESPECTING PAYMENT OF OUTSTANDING BALANCE OF LOANS**

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to approve the financial agreement between the government of Canada and the government of the United Kingdom, signed at Ottawa on the thirteenth day of August, 1953, respecting the repayment of the outstanding balance of the loans made to the government of the United Kingdom under the War Appropriation (United Kingdom Financing) Act, 1942.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Abbott: Mr. Chairman, if we can turn now from the much more interesting topic of our great north country and the reindeer that inhabit it to mundane financial matters, perhaps I might explain that the bill to be founded on this resolution is to approve the financial agreement between the government of Canada and the government of the United Kingdom signed at Ottawa on the 13th of August, 1953, respecting repayment of the outstanding balance of the \$700 million loan made to the government of the United Kingdom under the War Appropriation (United Kingdom Financing) Act, 1942. This agreement prescribes, that is, the new agreement, new arrangements for the repayment of the interest-free loan and supersedes all previous arrangements with respect to this loan.

The terms of the new agreement call for the loan to be repaid in full by December 1, 1958, and it will continue to be free of interest until final redemption at that time. The United Kingdom agreed to make an immediate lump sum payment to reduce the amount outstanding under the loan to \$150 million. This provision of the agreement was fulfilled on August 14 of this year by a United Kingdom payment of \$38,648,118.84. The \$150 million still to be paid on the loan will be settled by twenty quarterly instalments of \$7½ million each, payable on the 1st days of March, June, September and December of each year, the first instalment to be paid on March 1, 1954, and the final payment to be made on December 1, 1958.

The \$700 million loan to the United Kingdom was made in 1942 under the War Appropriation (United Kingdom Financing) Act of that year. In the early part of the war, the committee will recall, and prior to the mutual aid arrangements, the large British deficit with Canada was financed by repatriating Canadian securities held by British investors and by the accumulation by Canada of large