

agreement itself, we are extending the period covered by the agreement to June 30, 1947, rather than December 31, 1946, the date to which M. Monnet and I originally agreed. It is our understanding that the amount of the credit used will not exceed 80 per cent of the value of the purchases made by the Government of France in Canada during the period from 20th July, 1945, to June 30, 1947. These purchases will include any items within the program to which your Supply Council has submitted which are ordered subsequent to 19th July, 1945, and delivered prior to 1st July 1947, plus any items ordered during this period for later delivery, such as ships, if these are agreed to be included by your Supply Council and by the Canadian Department of Trade and Commerce. We shall also be prepared to see included in the program any other items ordered during this period which have not been specified in your original program, if these are agreed by your Supply Council with the Department of Trade and Commerce and the Department of Finance. It is further understood that the remaining 20 per cent of the cost of these purchases will be paid by the Government of France in cash, in accordance with the agreement of last August respecting financial settlements between Canada and the franc zone.

I would be glad if you would confirm that your understanding of the points mentioned above is the same as that which I have expressed.

I would like to take this opportunity of noting the pleasure which my colleagues and I have had in making this Agreement with your Government, and to say that we hope that the supplies and equipment which France obtains from Canada will contribute effectively to the rebuilding and development of your great nation. I look forward with pleasure to the closer economic relations between France and Canada to which this will lead, and I hope it will shortly be possible for our two Governments to join in action to reduce the barriers to trade and in other positive measures to promote our mutual welfare.

Yours very truly,

J. L. ILSLEY.

II

*The French Ambassador
to the Canadian Minister of Finance
(Translation)*

OTTAWA, April 9, 1946.

No. 46

MONSIEUR LE MINISTRE,

I have the honour to confirm to you my agreement respecting the different points dealt with in your letter of the 9th of this month with reference to the granting of a credit of \$242,500,000 by the Canadian Government to the French Government in pursuance of the Canadian Export Credits Insurance Act.

The French Government has instructed me on this occasion to inform you that it hoped it would be possible for you to obtain an amendment to the Canadian Export Credits Insurance Act with a view to including in the agreement which has just been signed, in addition to merchandise, services of Canadian origin.

Lastly I wish to state how much the French Government appreciates the assistance which thus is furnished it by the Canadian Government in the difficult period of reconstruction of its economy and which will be a useful contribution to the later development of economic relations between our two countries.

Accept, Sir, the assurance of my high consideration.

J. DE HAUTECLOCQUE.