

United Kingdom Financial Agreement Act

the autumn of 1945, as I understand it, there was a clause which provided that no other loan agreement should be made with any commonwealth member on better terms than the one made in the autumn of 1945. As a result the action had to be a sort of three-cornered action, United Kingdom, United States and Canada. That arrangement has been carried through; that is to say, our agreement says that the United Kingdom may require this to be done if the government of the United Kingdom defers the payment required to be made in the same calendar year under the financial agreement between the government of the United States of America and the government of the United Kingdom, signed at Washington. The question I wish to ask is this. It would have been more satisfactory, perhaps, certainly in the view of some people, if we had an agreement which was not conditioned on the other agreement. Will the minister explain whether that was really out of the question and whether the agreement had to be carried through on the original three-cornered basis?

Mr. Harris: Mr. Chairman, the original agreement, as my hon. friend has said, provided for a three-way understanding, so to speak. That is to say we could not have made an arrangement with the United Kingdom nor could the United Kingdom have made an arrangement with another commonwealth country more advantageous than that being contemplated by the United States agreement. Under those circumstances when there were only three of us concerned and since the original loan was negotiated for a sum of money which represented about the amount that the United Kingdom felt they would require at that time it was made up of a certain sum from the United States and a certain sum from Canada. The problems that have arisen under the two loan agreements have always been common problems and have been considered by the three countries as one.

It is true that there was one matter that was perhaps concerned only with Canada and the United Kingdom rather than the United States but that does not enter into these matters. When the United Kingdom felt that they would be obliged to ask for a deferment or a waiver of the payments due in December they did it on the basis of an emergency, as it were, at that moment, and seized the opportunity to ask for renegotiation of both agreements having in mind that over the period of eight or nine years the situation had changed. It was by an unanimous conclusion, and I think without any consultation, so to speak, that all three countries assumed

[Mr. Macdonnell.]

they should continue negotiations on a tripartite basis as they always had and to come to a common agreement if at all possible.

Whether or not it would have been possible to negotiate separately is another matter, but as I say none of us thought we should do so. It is true that we did not meet as three persons around a table or anything like that but the negotiations went on with all three parties being aware of the position of the other two parties on every point until an agreement was reached. We felt that that was a proper course; indeed, I think it led to an earlier settlement than any other course that might have been followed would have done. I am satisfied that all three governments feel that this is the proper way to continue the business of the repayment of the two loans.

Mr. Macdonnell: Did I understand the minister to say that there was no suggestion from any quarter that it should be on any basis other than a tripartite basis?

Mr. Harris: Mr. Chairman, I am sorry but I did not hear the opening words of my hon. friend's question.

Mr. Macdonnell: Did I understand the minister to say that in the renegotiation there was no suggestion from any of the three parties that it should be other than on a tripartite basis as in the past?

Mr. Harris: No, no one suggested that we should deal separately.

Mr. Macdonnell: Am I correct in thinking that this was the first request for any waiver since the commencement of the agreements? Something the minister said made me doubt that this was the case but it had always been my understanding. Is it correct?

Mr. Harris: That is correct.

Clause agreed to.

Schedule agreed to.

Title agreed to.

Bill reported, read the third time and passed.

ATOMIC ENERGY**APPROVAL OF STATUTE OF INTERNATIONAL AGENCY**

The house resumed, from Monday, April 8, consideration of the motion of Mr. Pearson:

That it is expedient that the houses of parliament approve the statute of the international atomic energy agency signed by Canada at New York on October 26, 1956, and that this house do approve the same.