

4. (1) Every person who violates any regulation, or any order, rule or regulation made by any board or agency under this act with reference to the marketing of an agricultural product in inter-provincial and export trade, is guilty of an offence and is liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment.

(2) In any prosecution for an offence under this act, the act or omission complained of, in respect of which the prosecution was instituted, shall unless the accused proves the contrary, be deemed to relate to the marketing of an agricultural product in interprovincial and export trade.

Amendment agreed to.

Clause as amended agreed to.

Bill reported, read the third time by leave and passed.

UNITED KINGDOM FINANCIAL AGREEMENT ACT

AMENDMENT RESPECTING DEFERMENT OF ANNUAL INSTALMENTS OF PRINCIPAL AND INTEREST

Hon. W. E. Harris (Minister of Finance) moved the second reading of Bill No. 238, to amend the United Kingdom Financial Agreement Act, 1946.

Mr. Macdonnell: Is the minister going to make any comment on this?

Mr. Harris: No, Mr. Speaker; I made a statement on the date of the signing of the agreement, which I think covers all the essential matters of the bill.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to make a very brief comment on this measure because it seems important and worth while very briefly to recall to our minds the circumstances under which this transaction was first carried out. I wish to read very briefly from what was said by Mr. Ilsley in this house on April 9, 1946, at the time the original agreement was made, in speaking of the circumstances of the granting of the credit and the reason for doing so. I am reading from page 765 of *Hansard*:

During the five years from 1946 to 1950, the United Kingdom will be going through a period of transition and reconstruction, both in its domestic and in its international economic affairs. In this period it will be endeavouring to revive and establish its export trade, which was so seriously curtailed during the war when all Britain's manpower was mobilized for war service, war production and only the most essential civilian purposes. It will take time for British exports to get back to their pre-war volume, although the progress made over the past few months is encouraging.

And so on. Then, I wish to read a very brief word of my own in the same debate. I am reading from page 776 of *Hansard*:

As the Minister of Finance has said, one of the aims is that we should give the British a breathing spell; give them a chance to get on their feet;

United Kingdom Financial Agreement Act

give them a chance to pay us this loan, and in doing so be able to increase and increase and increase their foreign trade, so that we shall be able to sell them more and more goods.

When this agreement was originally made it was made on the basis that it was good business for us to assist Great Britain, whom we hoped would become again, as she had been in the past, one of our best customers. The agreement pursued its course until last autumn, when we remember that the British, pursuant to the terms of the original agreement, asked for a waiver. We remember that there was some considerable discussion about the granting of the waiver. They got into some difficulties in the congress of the United States and, as a result, new agreements were entered into which amended the original agreement and substantially altered the rights of the United Kingdom. Instead of having merely the right to ask for a waiver of interest, they were granted the right to several occasions on which they could ask for a deferment, both of principal and interest. That is the agreement we have before us. I wish to read very briefly from what was said in the British House of Commons when the matter arose. On March 6, when the act was passed, Mr. Thorneycroft, chancellor of the exchequer, said this:

In the view of Her Majesty's government these agreements fulfil in a satisfactory manner the aim that appropriate modifications of the language of the existing agreements should be made to carry out the spirit of their original intention.

Under the new arrangements Her Majesty's government will pay all the annuities in full and with interest, even if it claims any deferments. No question can therefore arise of any default on our obligations.

I should like to draw one other thing to the attention of the house. Under the original agreement the right of the British government to ask for a concession depended on a certificate from the international monetary fund, whereas under the present agreement the wording is such that the government of the United Kingdom can reach its own conclusion and make its own request without any reference to the international monetary fund.

I think there are one or two questions that I should like to ask when we get into committee, but I thought I would put on the record briefly what I have said just as a reminder of the background of this legislation.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Agreement approved.*

Mr. Macdonnell: The question I wish to ask the minister is this. Under the original agreement made with the United States in