

Inquiries of the Ministry

The instalments of interest and principal that are deferred are to be paid, in succession, in the years immediately following the end of the present schedule of repayment, that is to say, beginning in 2001. In the meantime they will bear interest at the rate of 2 per cent, payable annually. This is the rate already written into the agreement.

The 1956 interest payment is to be treated as an additional deferment.

Our negotiations leading to this new agreement have been closely associated with concurrent negotiations between the United Kingdom and the United States, and a new agreement along the same lines as ours between these two governments is being presented to the United States congress today.

The original agreement between Canada and the United Kingdom was submitted to parliament and approval was granted in the form of an act. I shall be submitting an amending bill covering this new agreement. In the meantime, I am tabling the agreement so that the house may study it.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to thank the minister for giving me a so much more adequate answer to my question than he gave yesterday. This is a good deal better than his one-syllable reply of yesterday. I note that this agreement is to be submitted to the house for approval and I think further comment can be deferred until then. I note also that it is apparently tied in with the arrangements with the United States.

Some hon. Members: Order.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, would the minister permit a question? Will these interest payments that are deferred until the year 2001 and after bear interest in the meantime? If so, the United Kingdom will be bankrupt by that time.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to ask a supplementary question of the Minister of Finance. In view of this agreement and payments being deferred until the year 2001, may I ask why we as a senior dominion of the British commonwealth do not cancel the whole thing as a contribution to our mother country? That was a serious question, Mr. Speaker, and it was seriously put.

Mr. Harris: It may have been a serious question, Mr. Speaker, but it is one which is seeking to obtain opinions of the government about policy and not about fact. I want to emphasize again that the question period is for the purpose of eliciting information and not opinions.

Mr. Winch: Mr. Speaker, I am not asking for policy but information as to why we should not make this contribution now to our mother country.

Mr. Speaker: May I suggest that we have not reached the question time yet. We are still dealing with motions.

[*Later:*]

On the orders of the day:

Mr. Macdonnell: Mr. Speaker, I wish to direct a question to the Minister of Finance. I hold in my hand the agreement which he summarized a few moments ago and I notice that article 2 says:

This agreement shall become effective at such times as shall be agreed upon by the two governments.

I do not know whether the minister commented on that. If he did not, I wonder whether he would tell us whether other things have to be done before this agreement becomes effective or whether this is just a formal reservation.

Mr. Harris: The provision was put in there so that the Canadian parliament might pass on the wisdom of the agreement, and when we bring the bill forward and it passes through the house then, if it is approved, orders in council will be passed bringing the agreement into effect.

[*Later:*]

SUGGESTED CANCELLATION OF LOAN TO
GREAT BRITAIN

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Finance based on the statement he made just a short while ago with regard to the repayment of the principal and interest of the loan to Great Britain, which country is in debt to both Canada and the United States. Can the Minister of Finance inform us whether or not consideration has been given, in view of the economic situation of Great Britain and her contribution to the peace of the world, and considering the financial position of Canada, to forgiving and forgetting that loan as a contribution by Canada to our mother country?

Hon. W. E. Harris (Minister of Finance): This seems to be a matter of opinion. I must say that this is the first time it has been suggested I believe that this loan be forgiven. I had better deal with the question and the reasons that might have prompted the hon. member to ask it when we are discussing the bill amending the agreement.