

6. The Government of the Netherlands agrees that, with respect to amounts paid by the Minister into the said special account during the twelve months period commencing one year from the date of execution of this agreement, there shall be a consolidation of the amounts so paid, and interest thereon as provided for in paragraph 4 of this agreement, at the end of the said twelve months period and the Government of the Netherlands shall thereupon acknowledge such consolidated debt by delivery to the Minister of bonds of a face value equal to such consolidated debt which bonds shall constitute valid, binding, absolute and unconditional obligations of the Government of the Netherlands; the bonds shall bear interest at the rate of two and one-quarter per centum per annum payable semi-annually on the first day of January and the first day of July and shall be for such terms as will result in 10% of the bonds maturing respectively at the end of 5½ years, 6 years, 6½ years, 7 years, 7½ years, 8 years, 8½ years, 9 years, 9½ years and 10 years from the date of execution of this agreement.

7. Any portion of the credit of TWENTY-FIVE MILLION DOLLARS (\$25,000,000), Canadian, which has not been requisitioned by the Government of the Netherlands and paid by the Minister into the special account in the Bank of Canada pursuant to paragraph 2 of this agreement at the end of two years from the date of execution of this agreement shall be deemed to have lapsed and be no longer payable by the Minister, unless the Parties hereto mutually agree otherwise.

8. It is mutually agreed by the Parties hereto that if the Government of the Netherlands fails to acknowledge the consolidated debt at the end of any of the periods referred to in paragraph 5 or 6 of this agreement, or fails to redeem any of the bonds on maturity, the whole amount of the loan shall thereupon become due and payable.

9. It is mutually agreed by the Parties hereto that payments by the Government of the Netherlands shall be in Canadian dollars or fine gold at the option of the Government of the Netherlands. The value of fine gold shall be calculated on the basis of the buying price for gold of the Canadian Foreign Exchange Control Board (or successor agency) on the day of its delivery. During such period as foreign exchange regulations in Canada require that exports from Canada to the Netherlands result in the sale of a specified foreign currency to an Authorized Dealer of the Foreign Exchange Control Board (or successor agency) and permit Canadian importers of goods from the Netherlands to make payment therefor in such specified foreign currency, any Canadian dollars used by the Government of the Netherlands to effect payments under this agreement shall be acquired by the sale through an Authorized Dealer of the Canadian Foreign Exchange Control Board (or successor agency) of such specified foreign currency at the published official buying rate, or in such other manner as may be mutually agreed upon by the Government of the Netherlands and the Minister.

10. The Minister agrees that the Government of the Netherlands shall have the right to redeem any or all of the bonds prior to their maturities at par plus accrued interest if the Government of the Netherlands tenders payment in fine gold or Canadian dollars acquired in the manner provided by paragraph 9 of this agreement.

WITNESS:

W. C. CLARK

R. B. BRYCE

J. L. ILSLEY,  
Minister of Finance for Canada.

SNUCK HURGRONJE,  
For the Government of the Netherlands.