



**FINANCIAL AGREEMENT BETWEEN THE GOVERNMENT OF CANADA
AND THE GOVERNMENT OF INDIA.**

WHEREAS a financial agreement was entered into between the Government of Canada and the Government of India on the 20th day of February, 1958,⁽¹⁾ (hereinafter referred to as the "original agreement") pursuant to which Canada undertook to advance to India by payment to the Canadian Wheat Board on behalf of India a sum not exceeding \$25 million to permit India to buy Canadian wheat and flour, and India undertook to repay to Canada all such advances with interest at the rate of 4½ per cent per annum by March 31, 1967;

AND WHEREAS on the 22nd day of October, 1958,⁽²⁾ the Government of Canada and the Government of India entered into a further agreement pursuant to which Canada undertook to advance to India by payment to the Canadian Wheat Board on behalf of India a sum not exceeding \$8,819,349.32 to permit India to buy Canadian wheat and flour, and India undertook to repay to Canada all such advances with interest at the rate of 4½ per cent per annum by December 31, 1967;

AND WHEREAS on March 29, 1966,⁽³⁾ the Government of Canada and the Government of India entered into a further financial agreement amending the original agreement by postponing until March 31, 1967 payment of the amount of \$3,454,378.67 together with interest thereon due and payable to Canada on March 31, 1966 under the original agreement;

AND WHEREAS under the aforesaid agreements, there remains due and payable by India to Canada the principal sum of \$9,428,571.40 together with interest thereon;

AND WHEREAS the Parliament of Canada, pursuant to Vote 36a of the Department of External Affairs set out in Schedule B to Appropriation Act No. 9, 1966, Appropriation Act No. 8, 1966, and Appropriation Act No. 9, 1966, has granted forgiveness of the payment by India to Canada of the said principal sum of \$9,428,571.40 together with interest thereon;

AND WHEREAS by Order in Council P.C. 1967-132 of the 26th day of January, 1967, the Governor in Council authorized the Minister of Finance of Canada on behalf of the Government of Canada to enter into an agreement with the Government of India amending the terms and conditions of the aforesaid agreements to foregive payment to Canada by India of the said principal sum of \$9,428,571.40 together with interest thereon.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto, in consideration of the covenants hereinafter contained, covenant and agree with each other as follows:

1. The following amounts due and payable by India to Canada under certain agreements, namely,

- (a) the principal sum of \$1,259,907.03 due and owing to Canada by India on December 31, 1966, pursuant to an agreement dated October 22, 1958 entered into between the said parties,

(1) Canada Treaty Series 1958 No. 4.

(2) Canada Treaty Series 1958 No. 25.

(3) Canada Treaty Series 1966 No. 5.