

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 Norway; the bonds shall bear interest at the rate of two and three-quarters ($2\frac{3}{4}$) 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 11-1/9% of the bonds maturing respectively at the end of 6 years, 7 years, 8 years, 9 years, 10 years, 11 years, 12 years, 13 years and 14 years from the date of execution of this agreement.

7. Any portion of the credit of Thirteen Million Dollars (\$13,000,000), Canadian, which has not been requisitioned by the Government of Norway 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 Norway fails to acknowledge the consolidated debt at the end of any of the periods referred to in paragraphs 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 Norway shall be in Canadian dollars or fine gold at the option of the Government of Norway. 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 Norway 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 Norway to make payment therefor in such specified foreign currency, any Canadian dollars used by the Government of Norway to effect payments under this agreement shall be acquired by the sale to 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 Norway and the Minister.

10. The Minister agrees that the Government of Norway 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 Norway tenders payment in fine gold or Canadian dollars acquired in the manner provided by paragraph 9 of this agreement.

Witness:

H. M. MCKENNA.

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

DITLIEF KNUDSEN.

DANIEL STEEN,
For the Government of Norway.