

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

WHEREAS India desires to purchase Canadian wheat and flour for consumption in India over and above the amounts supplied by Canada on a grant basis under the Colombo Plan; and

WHEREAS Canada has agreed that, to supplement its economic assistance to India under the Colombo Plan, it will make loans to India for the purpose aforesaid.

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Subject to this Agreement, Canada will pay from time to time, at the request of India, to The Canadian Wheat Board, on behalf of India, such amounts not exceeding in the aggregate Twenty-Five Million Dollars (\$25,000,000.) as are required to pay for wheat and flour purchased (pursuant to the Contract dated the 7th day of January, 1958 between The India Supply Mission, Washington, D.C., for and on behalf of the President of India and The Canadian Wheat Board) by the India Supply Mission, Washington, D.C., from The Canadian Wheat Board, f.o.b. a port within the territorial limits of Canada.
2. No payment will be made by Canada under clause 1 with respect to wheat or flour purchased by India after the 31st day of July 1958.
3. India will pay to Canada, in Canadian dollars, in seven (7) equal instalments, an amount equal to the total amount paid by Canada on its behalf under clause 1; the first such instalment to be paid on the 31st day of March 1961 and subsequent instalments on the 31st day of March of each of the years 1962 to 1967 inclusive; but India may, at its option, accelerate, without notice or bonus, all payments under this clause.
4. India will pay annually to Canada, in Canadian dollars, interest at the rate of four and one-quarter ($4\frac{1}{4}$) per cent per annum on each payment made by Canada on its behalf under clause 1 from the date on which the payment is made by Canada to the date of payment by India to Canada of payments required to be made under clause 3; the first payment of interest to be made on the 31st day of March 1959.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

SIGNED IN DUPLICATE at Ottawa, this 20th day of February 1958.

For the Government of Canada:
DONALD M. FLEMING

For the Government of India:
M. A. RAUF