

- (i) Either the variable rate calculated on each cargo on the basis of the London Inter-Bank Offered Rate/LIBOR/ for 6 months' Eurodollar deposits with the "spread" of one-half of one percent,
- (ii) Or the fixed rate calculated on the basis of the LIBOR for the periods corresponding to the maturity of the respective Bills of Exchange referred to in paragraph (b) i.e. for 2, 2 1/2 and 3 years' Eurodollar deposits (without any "spread") at the time each cargo is shipped. In this case interest shall be calculated for yearly periods. (Article 3 (g) (ii) subject to the Wheat Board being able to provide financing on such conditions).
- (h) All bank charges for negotiating documents, etc., in Canada shall be for account of the Seller. All bank charges for negotiating documents, etc., in Poland shall be for account of the Buyer.

ARTICLE IV

The Buyer will have the right to convert into U.S. dollars the existing debt (Bills of Exchange) expressed in Canadian dollars, resulting from previous shipments made under the Long Term Grain Agreement of 24th November, 1976,⁽¹⁾ as well as under the preceding Grain Agreement⁽²⁾. The corresponding provisions of Article III will then apply to this conversion.

The dates of the conversion, which can be made in the whole or in parts, should be harmonised with the interest periods and maturity dates of the respective Bills of Exchange.

With respect to the Grain Agreement preceding that of 24th November, 1976, the interest will be calculated up to the day of the next interest payment due and this interest payment being effected, the debt will be converted at Buyer's option.

With respect to obligations on which no interest is to be received until 24, 30, 36 months respectively, interest for the six months period in Canadian funds will be calculated and added, together with interest for preceding six months periods, if applicable, to the principal sum outstanding before conversion at the Buyer's option.

ARTICLE V

All quantities shipped after December 1, 1976, shall form part of the overall quantity to be shipped during the first year of this Agreement. The credit terms of this Agreement shall apply to above mentioned shipments.

ARTICLE VI

Quantities of Canadian grain which may be purchased and supplied in excess of the maximum amounts provided for in Article I will be subject to separate negotiations between the two parties on the basis of Buyer's requirements, Seller's supply position, and buying and selling terms, including the possibility of credit, which will be examined in the light of circumstances prevailing at the time.

ARTICLE VII

The Government of the Polish People's Republic shall not divert to another country any grain purchased under these arrangements without obtaining prior approval from the Government of Canada.

ARTICLE VIII

This Agreement shall enter into force on the date of its signature, with retroactive effect from January 1st, 1977, and shall remain in effect for a period of three years.

(1) Not published

(2) Treaty Series 1973 No. 35