



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

WHEREAS Ceylon desires to purchase Canadian wheat flour for consumption in Ceylon 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 Ceylon under the Colombo Plan, it will make loans to Ceylon 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 Ceylon, to the Canadian Commercial Corporation, on behalf of Ceylon, such amounts not exceeding in the aggregate Two Million Dollars (\$2,000,000) as are required to pay for the purchase in Canada of not more than 25,000 tons of wheat flour by the Canadian Commercial Corporation on behalf of Ceylon, f.a.s. a port within the territorial limits of Canada.
2. No payment will be made by Canada under clause 1 with respect to wheat flour to be shipped to Ceylon, that is not on board a vessel on or before the 31st day of March, 1959.
3. Ceylon 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 December, 1961, and subsequent instalments on the 31st day of December of each of the years 1962 to 1967 inclusive; but Ceylon may, at its option, accelerate, without notice or bonus, all payments under this clause.
4. Ceylon 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 Ceylon to Canada of payments required to be made under clause 3; the first payment of interest to be made on the 31st day of December, 1959.

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

SIGNED IN DUPLICATE at Ottawa, this 5th day of November, 1958.

For the Government of Canada:

J. M. MACDONNELL.

For the Government of Ceylon:

V. COOMARASWAMY.