

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto covenant and agree with each other as follows:—

1. In this Agreement the terms "exporters", "Canadian-produced goods", "cost of Canadian-produced goods" and "Canadian Services" have the meaning assigned to them by The Export Credits Insurance Act of Canada or any regulations made thereunder.

2. Subject to the terms and conditions of this Agreement, the Minister on behalf of the Government of Canada agrees to lend to the Government of Belgium such amounts not exceeding \$37,000,000, Canadian, as may from time to time be requisitioned from the Minister by the Government of Belgium.

3. The Minister will pay amounts requisitioned under paragraph 2 of this Agreement into the account of the National Bank of Belgium with the Bank of Canada, for the credit of the Government of Belgium.

4. The Government of Belgium agrees that any monies received by it by way of loan as herein provided will be used by it or by persons ordinarily resident in Belgium to whom it transfers any of such monies only for the purpose of paying the cost of Canadian services or Canadian-produced goods purchased from exporters and exported or to be exported to Belgium, the Grand Duchy of Luxembourg or the Belgian Congo.

5. The Government of Belgium agrees to pay interest at the rate of three (3) per centum per annum on each amount paid by the Minister into the said special account from the date when it is paid into that account until the day in respect of which bonds for the consolidated amount thereof are issued in accordance with paragraph 6 of this Agreement or of payment, whichever is earlier.

6. The Government of Belgium agrees that the amounts paid by the Minister into the account of the National Bank of Belgium for the credit of the Government of Belgium, pursuant to this Agreement, and interest thereon as provided in paragraph 5 of this Agreement, shall, subject to any repayment made as provided in paragraph 10 of this Agreement, be consolidated into one amount called the consolidated debt on December 31, 1948, and the Government of Belgium shall thereupon deliver to the Minister bonds in respect of the amount of the consolidated debt owing on December 31, 1948, of a face value equal thereto, which bonds shall constitute valid, binding, absolute, and unconditional obligations of the Government of Belgium, shall bear interest from December 31, 1948, at the rate of three (3) per centum per annum payable semi-annually on the 30th day of June and the 31st day of December, and shall mature serially in twenty-eight equal annual amounts of principal payable on June 30, 1949, and on June 30 in each year thereafter up to and including the year 1976.

7. Any portion of the credit of \$37,000,000, Canadian, which has not been requisitioned by the Government of Belgium in accordance with paragraph 2 of this Agreement on or before December 31, 1948, shall lapse and be no longer payable by the Minister.