

APPENDIX

EXCHANGE OF NOTES BETWEEN CANADA AND FRANCE RELATING TO THE FINANCIAL AGREEMENT SIGNED AT OTTAWA, APRIL 9, 1946

I

*The Canadian Minister of Finance
to the French Ambassador*

OTTAWA, April 9, 1946.

EXCELLENCY:

I am writing to place on record our understandings in respect of certain matters relating to the credit agreement which you and I have signed to-day on behalf of the Government of France and the Government of Canada.

I wish first to record our understanding that the Government of Canada has no intention at present of selling, pledging, or otherwise negotiating the bonds to be given by the Government of France in accordance with Article 6 of the Agreement, and that if the Government of Canada should later desire to sell, pledge or otherwise negotiate any of these bonds, it will give the Government of France at least six months' notice of its intention to do so, unless the Government of France expressly waives its right to such notice.

I wish secondly to record our understanding that the bonds to be given by the Government of France in accordance with Article 6 of the Agreement will be in a form acceptable to both Governments, and will each contain a provision that such bond is one of a series given under the Agreement, and that if the principal amount of any one of these bonds is not paid on or before the date on which it is due, the principal of each bond in the series not already paid will immediately become due and payable, if the holder so decides.

I wish thirdly to record that I agree to the use for the payment of interest or the redemption of the bonds to be given under the Agreement of any Canadian dollars held by the Government of France, the Bank of France, or French nationals, which are or have been acquired by any one of them from the sale in Canada of Canadian securities or property owned by any one of them or from the earnings on such securities or property, and in particular I agree to the use, for this purpose, of any Canadian dollars acquired by the Government of France from the requisitioning, in accordance with the laws of France, of Canadian dollar balances or Canadian securities held by nationals or residents of France. It is understood, of course, that the sale of Canadian securities is subject to the Foreign Exchange Control Order of Canada and any subsequent law to the same or similar effect. I wish also to record that I agree to the use for the payment of interest or the redemption of the bonds to be given under the Agreement, of any Canadian dollars accruing to France from the proceeds of French exports to Canada, or from other current account transactions between France and Canada. In speaking of France in this paragraph I mean to include the whole French area to which our Credit Agreement relates.

I should also record here again, for convenience, the understanding reached between M. Jean Monnet and myself last September and embodied in our exchange of letters at that time concerning the program of purchases to be made by the Government of France in Canada, which are to be financed under this credit. In accordance with later conversations, and the terms of the