



(f) All claims of the Government of Canada in respect of the costs incurred by it under contracts entered into before March 1, 1946, for the manufacture of locomotives and rolling stock in Canada for the Government of India, without prejudice to the right of the Government of the United Kingdom to recover the amount of such claims from the Government of India.

Article 4

(i) The balance in the United Kingdom Suspense Account held by the Bank of Canada on February 28, 1946, shall be paid to the Government of the United Kingdom.

(ii) The balance in the United Kingdom Cash Receipts Account held by the Receiver General of Canada on February 28, 1946, shall be paid to the Government of Canada without prejudice to the right of the Government of the United Kingdom to claim reimbursement from third countries in respect of payments made on their behalf out of the United Kingdom Cash Receipts Account.

Article 5

The settlement covered by this Agreement shall not include the following—

(a) The loan to the Government of the United Kingdom under the War Appropriation (United Kingdom Financing) Act, 1942, which is covered by another agreement;

(b) The amount of \$425,000,000 owing by the Government of the United Kingdom to the Government of Canada with respect to the British Commonwealth Air Training Plan, which is covered by another agreement;

(c) Claims of the two Governments arising out of the sharing of military relief expenditures which are to be dealt with in accordance with the procedures already established or to be established;

(d) Claims arising out of established procedures under which periodical settlements are made in regard to payment of pensions and war service gratuities, reimbursement of expenditures for salaries, pay and allowances, travelling and living expenses of personnel on an individual basis, the transfer of personal funds of prisoners of war and other similar payments of a routine nature;

(e) Claims arising out of the settlement of accounts between postal administrations;

(f) Balances held by departments of either Government on behalf of and to the order of departments of the other Government.

Article 6

Each Government agrees to repay to the other amounts paid since February 28, 1946, in respect of claims cancelled under this Agreement.

Article 7

The two Governments will consult together, through their appropriate departments and representatives, concerning the interpretation and implementation of this Agreement.

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

SIGNED in duplicate at Ottawa this 6th day of March, 1946.

For the Government of Canada:

J. L. ILSLEY,

Minister of Finance.

For the Government of the United Kingdom:

MALCOLM MACDONALD,

High Commissioner for the United Kingdom.