

APPENDIX

**EXCHANGE OF LETTERS (NOVEMBER 26, 1947) BETWEEN CANADA  
AND CZECHOSLOVAKIA, RELATING TO THE SUPPLEMENTARY  
FINANCIAL AGREEMENT SIGNED AT OTTAWA, NOVEMBER 26,  
1947.**

I

*The Minister of Finance*

*to the Minister of Czechoslovakia*

Ottawa, November 26, 1947.

DEAR SIR:

In signing with you today an agreement supplementary to the financial agreement dated March 1, 1945, as amended, for the purpose of extending the period during which the balance of the credit made available under the original agreement may be used and to broaden the purposes for which that credit may be used, I wish to place on record our understanding regarding that portion of the purchases of Czechoslovakia in Canada which is to be financed from cash resources during this extended period.

It is the intention of our two governments that at least one-half of the payments made by Czechoslovakia for purchases in Canada during the year from November 27, 1947, to December 31, 1948, will be made from the proceeds of Canadian dollars acquired by the sale to Canada of gold or foreign exchange convertible into gold. To implement this intention it is understood that the Government of the Czechoslovak Republic will, during or at the end of each quarter of the year subsequent to November 27, 1947, acquire Canadian dollars by the sale to Canada of gold or foreign exchange convertible into gold in amounts such that the total Canadian dollars so acquired up to that date shall be equal to or greater than the total amount of credit funds which has been requisitioned by the Czechoslovak Government and paid into its account with the Bank of Canada from November 27, 1947, to the same date. The sale of such gold or foreign exchange convertible into gold will be effected through the Bank of Canada or a Canadian chartered bank acting as an authorized dealer of the Canadian Foreign Exchange Control Board.

It is further understood that the Canadian dollars acquired in the manner outlined in the preceding paragraph will be used, in addition to credit funds, to pay for Canadian-produced goods and Canadian services purchased in Canada by Czechoslovakia or residents of Czechoslovakia during this period.

Yours very truly,

D. C. ABBOTT.