

APPENDIX

EXCHANGE OF NOTES (FEBRUARY 5 AND MARCH 6, 1946) BETWEEN CANADA AND THE NETHERLANDS RELATING TO THE FINANCIAL AGREEMENT SIGNED FOR THEM AT OTTAWA, FEBRUARY 5, 1946.

I

The Canadian Minister of Finance to the Minister of the Netherlands

OTTAWA, February 5, 1946.

Dear Sir,

In signing the agreement with you dated today for the provision to the Government of the Netherlands of an amount of \$125,000,000 under The Export Credits Insurance Act, I desire to place on record our understanding with regard to certain of the payments provisions under this agreement, and regarding the purchases which the Netherlands would make in Canada, to be financed in other ways.

I wish to record that I am prepared to agree to the redemption under paragraph 10 of the agreement of the bonds to be given in accordance with the agreement, out of any Canadian dollars accruing to the Netherlands from current transactions between Canada and the Netherlands and from the sale of Canadian securities held by residents of the Netherlands, as authorized during the period in question by the Foreign Exchange Control Board (or successor agency). I am also prepared to agree to the use in the repayment of the credits advanced under the agreement, of Canadian dollars acquired by the Netherlands from the International Monetary Fund or the International Bank for Reconstruction and Development.

I wish to note also that it is the intention of the two Governments that a certain proportion of the Canadian dollar requirements of the Netherlands shall be covered by purchase from Canada of Canadian dollars, against gold or foreign exchange convertible into gold. To implement this intention, the Netherlands Government shall, between 1st April, 1945, and 1st May, 1948, acquire Canadian dollars by the sale to Canada of gold or foreign exchange convertible into gold, in an amount not less than 20 per cent of the credit provided and drawn upon under the agreement of today's date. It is understood that the Canadian dollars so acquired will be used to meet the current requirements of the Netherlands in Canada.

I would appreciate it if you could confirm the understandings set forth above.

Yours very truly,

J. L. ILSLEY,
Canadian Minister of Finance.