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**AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM TO AMEND THE
FINANCIAL AGREEMENT SIGNED AT OTTAWA MARCH 6, 1946**

The Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland, desiring to amend the Financial Agreement signed at Ottawa, March 6, 1946,* agree as follows:

ARTICLE I

Article 4 of the said Agreement and the heading thereto are revoked and the following substituted therefor:

"Deferment of Annual Instalments

- (i) In any calendar year after December 31, 1956, in which the Government of the United Kingdom advises the Government of Canada that it finds that a deferment is necessary in view of the present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves, the Government of the United Kingdom may defer the payment of the annual instalment for that year of principal and interest required to be made under Article 3 if the Government of the United Kingdom defers the payment required to be made in the same calendar year under the Financial Agreement between the Government of the United States of America and the Government of the United Kingdom signed at Washington, December 6, 1945. No more than seven such annual instalments may be so deferred. The first of any such deferred instalments shall be paid on December 31, 2001, and the others shall be paid annually thereafter, in order.
- (ii) In addition to the foregoing, the instalment of interest, in respect of the year 1956, is hereby deferred in lieu of any right of waiver hitherto existing. This instalment of interest shall be paid on December 31 of the year immediately following the year in which the last of all other instalments, including instalments deferred under the preceding paragraph, is due.
- (iii) Deferred instalments shall bear interest at the rate of two per cent per annum payable annually on December 31 of each year following that in which deferment occurs.
- (iv) Payment of deferred instalments may be accelerated, in whole or in part, at the option of the Government of the United Kingdom".

ARTICLE II

This Agreement shall become effective at such time as shall be agreed upon by the two Governments.

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, 1957.

For the Government of Canada:
W. E. HARRIS.

For the Government of the
United Kingdom:
J. J. SAVILLE GARNER.

* Canada Treaty Series 1946, No. 9.