

will be prepared to amend the agreement bearing today's date, to provide that the rate of interest payable on the credits obtained under that agreement will be $2\frac{1}{2}\%$ rather than $2\frac{1}{4}\%$, as is now provided.

I wish also 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 Government of the Netherlands Indies from current account transactions between the Netherlands Indies and Canada and from the sale of Canadian securities held by residents of the Netherlands Indies, as authorized, during the period in question, by the Foreign Exchange Control Board (or successor agency).

I wish also to note that it is the intention of the two Governments that a certain proportion of the Canadian dollar requirements of the Netherlands Indies shall be covered by the purchase from Canada of Canadian dollars against gold or foreign exchange convertible into gold. To implement this intention, it is understood that the Government of the Netherlands Indies, through the Bank for the Netherlands Indies, will, at the end of each quarter year commencing on or after today's date during which the credits referred to in this letter are drawn upon, acquire Canadian dollars by the sale to Canada of gold or foreign exchange convertible into gold in an amount not less than 20% of the amount of credit drawn during each such quarter year, after deducting Canadian dollars already acquired after the 9th of October, 1945, by the Government of the Netherlands Indies through the Bank for the Netherlands Indies through the sale of gold or foreign exchange convertible into gold. It is also understood that the Canadian dollars so acquired will be used either to meet the current requirements of the Netherlands Indies in Canada or to make repayments of the credits or to redeem the bonds provided for under the agreement dated today or the subsequent agreement referred to in this letter.

In reply I have the honour to confirm on behalf of the Government of the Netherlands Indies, the understandings set forth in your note.

Yours very truly,

E. C. ZIMMERMAN,
*Vice-Chairman of the Board for the Netherlands Indies,
Surinam and Curacao.*

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