

20% of the consolidated debt shall be evidenced by six year bonds maturing at the end of eight years from the date of the first payment by the Minister into the special account as provided for under clause three of the Principal Agreement;

20% of the consolidated debt shall be evidenced by seven year bonds maturing at the end of nine years from the date of the first payment by the Minister into the special account as provided for under clause three of the Principal Agreement;

5. The Czechoslovak Republic agrees that the amounts paid by the Minister into the account of the Czechoslovak Republic for the credit of the Czechoslovak Republic pursuant to the Principal Agreement and clause three of this agreement during the period commencing on November 27, 1947, and ending on December 31, 1948, inclusive, together with interest thereon as provided in clause four of the Principal Agreement, shall, at the end of the said period be consolidated into one amount, called in this clause the consolidated debt, and the Czechoslovak Republic shall thereupon deliver to the Minister bonds of a face value equal to the consolidated debt which bonds constitute valid, binding, absolute and unconditional obligations of the Czechoslovak Republic. The bonds shall bear interest at the rate of two and one-half ($2\frac{1}{2}$) per cent per annum payable semi-annually on the first day of July and the first day of January, and shall mature serially in five equal annual amounts of principal payable on the 27th day of November, 1950, and on the 27th day of November in each year thereafter up to and including the year 1954, with interest aforesaid thereon to the said days.

6. Payments made by the Czechoslovak Republic under the Principal Agreement and this agreement or under bonds issued pursuant thereto, during a period when Canadian foreign exchange control laws and regulations permit Canadian exports to Czechoslovakia to be paid for in Canadian dollars derived from specified or restricted sources may be made in Canadian dollars derived from the same specified or restricted sources.

7. This agreement shall be read and construed as one with the Principal Agreement but clauses three, four, and five of this agreement shall have full effect notwithstanding anything contained in the Principal Agreement.

IN WITNESS WHEREOF the parties hereto have caused these presents to be signed on the day and year first above mentioned

Witness:

R. B. BYRCE,
KAREL BALA.

D. C. ABBOTT,
Minister of Finance of Canada.

FRANTISEK NEMEC,
*For the Government of the
Czechoslovak Republic.*