

SCHEDULE.

FINANCIAL AGREEMENT BETWEEN THE GOVERNMENT
OF CANADA AND THE GOVERNMENT OF THE
UNITED KINGDOM.

The Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland agree as follows:—

ARTICLE 1.

Credit.

The Government of Canada will extend to the Government of the United Kingdom a credit of \$1,250,000,000 which may be drawn upon at any time prior to December 31, 1951.

ARTICLE 2.

Purpose of the Credit.

The purpose of the credit is to facilitate purchases by the United Kingdom of goods and services in Canada and to assist in making it possible for the United Kingdom to meet transitional post-war deficits in its current balance of payments, to maintain adequate reserves of gold and dollars and to assume the obligations of multilateral trade.

ARTICLE 3.

Amortization and Interest.

(i) The amount of the credit drawn by December 31, 1951, shall be repaid in 50 annual instalments beginning on December 31, 1951, with interest at the rate of 2 per cent per annum. Interest for the year 1951 shall be computed on the amount outstanding on December 31, 1951, and for each year thereafter interest shall be computed on the amount outstanding on January 1 of each such year.

Forty-nine annual instalments of principal repayments and interest shall be equal, calculated at the rate of \$3,182,300 for each \$100,000,000 of the credit drawn by December 31, 1951, and the fiftieth annual instalment shall be at the rate of \$3,184,073.665 for each such \$100,000,000. Each instalment shall consist of the full amount of the interest due and the remainder of the instalment shall be the principal to be repaid in that year. Payments required by this Article are subject to the provisions of Article 4.

(ii) The Government of the United Kingdom may accelerate repayment of the amount drawn under this credit.