

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.

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

Yours very truly,

J. L. ILSLEY,

*Canadian Minister of Finance.*

## II

*The Vice-Chairman of the Board for the Netherlands Indies, Surinam and Curacao to the Canadian Minister of Finance*

NEW YORK, October 18, 1945.

Dear Sir,—I have the honour to acknowledge receipt of your note of October 9, 1945, containing the following communication:—

In requesting a credit, which has been furnished under the above mentioned agreement, you asked originally for a total amount of \$65 million, to be provided over a period of 5 years. Unfortunately our legislation does not permit us to enter into an agreement for as long a period as this, nor permit the Government at present to provide a credit of this magnitude. I wish to assure you, however, that it is the intention of the Canadian Government that a second agreement should be entered into with the Bank for the Netherlands Indies to provide an additional credit of fifty million to be available to the Bank over a total period of 5 years from the date of the first agreement, with the same rate of interest and dates of repayment as are stipulated in the agreement now signed. It is our intention that this second agreement be made as soon as the necessary amendments in the legislation are enacted by the Canadian Parliament. I understand it is also the intention of your Government and the Bank for the Netherlands Indies that such a further agreement will be entered into as soon as our legislation is amended to make this possible. I wish also to record that it is our understanding that if, owing to unforeseen difficulties, it should unhappily prove to be impossible to conclude a second agreement along the lines indicated in the preceding paragraph, your Government and the Bank for the Netherlands Indies