#### CANADA

TREATY SERIES, 1947 No. 14

# SUPPLEMENTARY FINANCIAL AGREEMENT

BETWEEN

#### CANADA AND CHINA

Signed at Ottawa, May 28, 1947

Effective May 28, 1947



OTTAWA EDMOND CLOUTIER, C.M.G., B.A., L.Ph., KING'S PRINTER AND CONTROLLER OF STATIONERY 1948 32 756 539 6 1633454

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### SUPPLEMENTARY FINANCIAL AGREEMENT BETWEEN CANADA AND CHINA one off to toppert and toppert

Signed at Ottawa, May 28, 1947

SUPPLEMENTARY AGREEMENT ENTERED INTO THIS 28TH DAY 1. In this agreement the term 7947, TAM FO tees" has the meaning assignt

to it by the Export Credits Insurance Act of Canada or any regulations main BETWEEN:

# THE MINISTER OF FINANCE OF CANADA

he Minister to the Govern hereinafter referred to as "the Minister", and and to toold of the First Part, and

# THE GOVERNMENT OF CHINA

represented by Mr. Tien Pao-Sheng, Chargé d'Affaires ad interim of China in Canada,

of the Second Part:

by the Ambassador of China to Canada. WHEREAS by an agreement, dated February 7, 1946, (hereinafter called the "Principal Agreement")\* the Government of Canada agreed to lend to the Government of China amounts not exceeding Sixty Million Dollars (\$60,000,000) Canadian;

AND WHEREAS the Government of China has requested and the Govern-Ment of Canada, subject to provisions hereof, has agreed, that the proceeds of loan granted under the Principal Agreement may, in addition to the purchases set out in the Principal Agreement, also be used to pay the cost of Canadian services; 4. Without restricting the operation of clause six of the Princips

AND WHEREAS by chapter forty-nine of the Statutes of Canada of 1946, the Export Credits Insurance Act was amended to authorize the Minister to Chable borrowing countries to use proceeds of any loan granted under the said Act to pay the cost of Canadian services;

AND WHEREAS the Principal Agreement provides that any portion of the Sixty Million Dollars (\$60,000,000) Canadian that may be lent thereunder Which has not been requisitioned by the Government of China in accordance with the Draw to Been requisitioned by the Government of China in accordance with the provisions of the said Agreement on or before the 31st day of December, 1947; shall lapse and be no longer payable by the Minister unless the parties to the Principal Agreement mutually agree otherwise;

AND WHEREAS the Government of China has represented that because of the shortage of supplies available for purchase in Canada it will not be possible to expend the whole of the said amount before the said date for the purchase of supplies available for purchase in Canada it with the purchase of supplies available for purchase accordingly requested purchase of most urgently required commodities, and has accordingly requested that the that the period during which the said loan may be requisitioned by it under the Principal during which the said loan may be requisitioned by it under the Principal Agreement be extended until December 31, 1948;

\* For the text of the Principal Agreement see Canada Treaty Series, 1946, No. 20. 3284-11

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AND WHEREAS it has been mutually agreed that the said period be so extended and it is necessary in consequence thereof to make provision for repayment in respect of the amounts requisitioned during the extended period.

NOW THEREFORE this agreement witnesseth that the parties hereto covenant and agree with each other as follows:---

1. In this agreement the term "Canadian services" has the meaning assigned to it by the Export Credits Insurance Act of Canada or any regulations made thereunder.

2. Notwithstanding anything contained in the Principal Agreement, it is mutually agreed that amounts that may be lent by the Minister to the Government of China thereunder as provided in clause two of the Principal Agreement, may be requisitioned by the Government of China to enable it to pay the cost of Canadian services in addition to the payment of the cost of Canadian produced goods exported or to be exported from Canada to China, as provided in the said clause two, and the Government of China agrees to expend the moneys received by it by way of loans under the Principal Agreement and this agreement, solely for the purpose of purchasing from exporters and paying the cost of Canadian-produced goods exported or to be exported from Canada or the cost of Canadian services in accordance with a program to be agreed upon from time to time by the Canadian Minister of Trade and Commerce and the Canadian Minister of Finance and by representatives of the Government of China designated by the Ambassador of China to Canada.

3. Pursuant to clause seven of the Principal Agreement, it is mutually agreed that any portion of the Sixty Million Dollars (\$60,000,000) Canadian referred to in clause two of the Principal Agreement which has not been requisitioned by the Government of China in accordance with the said clause two on or before December 31, 1947, may be requisitioned by the Government of China on or before December 31, 1948, and the Minister will pay the amounts so requisitioned in the manner provided in the Principal Agreement in respect of amounts so requisitioned.

4. Without restricting the operation of clause six of the Principal Agree ment, which shall have full operation of clause six of the Principal Agent into the account of the Communication in respect of amounts paid by the Minister into the account of the Government of China for the credit of the Chinase Government during the period therein mentioned, the Government of China agrees that amounts paid by the Main mentioned, the Government of China agrees that amounts paid by the Minister into the account of the Government of China for the credit of the Chinese Government pursuant to the Principal Agreement and clause three of this agreement during the period commencing on January 1, 1948 and anding on Development during the period commencing with January 1, 1948, and ending on December 31, 1948, inclusive, together with interest thereon as provided in clause five of the Principal Agreement, shall, at the end of the said period, be consolidated int at the end of the said period, be consolidated into one amount, called in this clause the consolidated debt, and the Children on amount, called in the children on the children of the consolidated debt. clause the consolidated debt, and the Government of China shall thereupon of debt December 31, 1948, pay one-thirtieth of the amount of the consolidated debt, and deliver to the Minister bonds of a face value equal to the remainder of the consolidated debt, which bonds shall constitute the remainder of boolute the consolidated debt, which bonds of a face value equal to the remainder and unconditional obligations of the Constitute valid, binding, absolute and unconditional obligations of the Government of China; the said bonds shall bear interest at the rate of three present bear interest at the rate of three percentum per annum, payable semi-annually on the 30th day of June and the 31st day of D on the 30th day of June and the 31st day of December, and shall mature serially in twenty-nine equal annual amounts of December, and shall mature serially of in twenty-nine equal annual amounts of principal payable on the 31st day of December 1949, and on the 31st day of D December 1949, and on the 31st day of December in each year thereafter up to and including the year 1977 and including the year 1977. Tor the text of the Principal Agreement see Canada Treaty Series. 1916. No. 20.

1947. No. 14

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<sup>5</sup>. This agreement and the Principal Agreement shall be read and construed <sup>1</sup> One agreement and all provisions of the Principal Agreement not inconsistent this agreement shall apply in respect of amounts lent under the Principal greement and this agreement.

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

Witness:

W. K. CHOW.

D. C. Abbott. Minister of Finance of Canada.

R. B. BRYCE. TIEN PAO-SHENG, For the Government of China.



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mutual biomen's total and the contained in the Principal Agreement ment of China thereunder as provided in clause two of the Principal Agreement may be requisitioned by the Garenment of China to enable in the principal of Canadian environment of China to enable in the principal produced would be the manufacture of the payment of the cost of Canain the said clause two, and the Government of China agrees to expemontys received by it by way of loans under the Principal Agreement agreement, solely for the purpose of purchasing from experters and the cost of Canadian services in accordance with a program to be agree from time to time by the Canadian Minister of Trane and Commerce Canadian Minister of Finance and by representatives of the Government China designated by the Ambassedor of China to Canada.

Alternation to a side of the Principal Agreement, it is meaning a Dollars (\$60,000,000) Canadian once which has not been required ace with the suid clause two on inned by the Government of Cha the meaning provided in the Principal Agreement in respect of con quantitored.

most, which shall have full operation of clause six of the Process into the account of the Government of China for the oradit of jus-Government during the period therein mentioned, the Government agrees that amounts paid by the Minister into the account of the fer of China for the credit of the Chinese Government pursuant to the Agreement and clause three of this agreement during the period come famary 1, 1948, and ending on December 31, 1948, inclusive, used interest thereou as provided in clause five of the Principal Agreement a the can of the rand period, be consolidated into one affectuate come clause the consolidated debt, and the Government of China shall the proceeder 31, 1948 pay one-theriteth of the remount of the enterland and deliver to the Minister bonds of a face value equal to the reftue oppositional obligations of the Government of China; the calter uncreast at the rate of three period shall constitute valid, bindit and deliver to the Minister bonds of a face value equal to the refand deliver to the Minister bonds of a face value equal to the reftue oppositional obligations of the Government of China; the calter uncreast at the rate of three period that shall constitute valid, bindit and the 20th day of June and the Stat day of December and shall not been uncreast at the rate of three periodicities period while and and a two the 30th day of June and the Stat day of December and shall not becomber 1949, and any the 31st day of December in each war thereit and including the year 1977.