



Treaty Series No. 78 (1950)

Loan Agreements
between the
Government of the United Kingdom and
the Export-Import Bank of Washington
[with Annexes]

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of His Majesty*

LONDON
HIS MAJESTY'S STATIONERY OFFICE
SIXPENCE NET

Cmd. 8126

LOAN AGREEMENTS BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE EXPORT- IMPORT BANK OF WASHINGTON

No. 1

Washington, 26th October, 1948

This Agreement made and entered into as of the 26th day of October, 1948, by and between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and Export-Import Bank of Washington (hereinafter referred to as "Eximbank"), an agency of the United States of America,

Witnesseth :

Whereas, the Administrator for Economic Co-operation (hereinafter referred to as "Administrator") has advised Eximbank that in accordance with the provisions of the Economic Co-operation Act of 1948 a determination has been made to extend assistance to the Government of the United Kingdom on credit terms in the amount not exceeding three hundred and ten million dollars (\$310 million) for financing the acquisition of such commodities and services as are approved by the Administrator; and whereas, the Administrator has allocated funds to Eximbank for the purpose and in the amount aforesaid by the issuance of a promissory note to the Secretary of the Treasury of the United States, and has specified after consultation with the National Advisory Council on International Monetary and Financial Problems, the terms upon which Eximbank shall make and administer the credit; now, therefore, it is agreed that:—

1. Eximbank hereby establishes in favour of the Government of the United Kingdom a line of credit of not exceeding three hundred and ten million dollars (\$310 million) to assist the Government of the United Kingdom in financing the acquisition of such commodities and services as shall be from time to time approved by the Administrator.

2. Simultaneously with the execution of this Agreement the Government of the United Kingdom has executed in favour of and delivered to Eximbank a promissory note in the principal amount of three hundred and ten million dollars (\$310 million), or so much thereof as may be advanced under the credit hereby established; a copy of which promissory note is attached hereto as exhibit A.

3. Eximbank will make disbursements for the account of the Government of the United Kingdom under the credit in such amounts and at such times as shall be specified by the Administrator.

4. If at any time or from time to time the parties hereto determine that it would be in their common interests because of adverse economic conditions or for any other reason to postpone or provide for the postponement of any instalments of interest or principal, or to alter or provide for the alteration of any provisions of the aforesaid promissory note relating to payment of interest and principal, or to modify the aforesaid promissory note in any other respect, they may by mutual agreement in writing provide for any such postponement or alteration or other modification.

5. Prior to and as a condition precedent to the first disbursement under the credit, Eximbank shall be furnished with:—

- (a) Evidence of authority of the person who has executed this agreement and the promissory note and otherwise acts as the representative of the Government of the United Kingdom in connexion with the credit :
- (b) An opinion of His Majesty's Procurator General and Solicitor for the Affairs of His Majesty's Treasury demonstrating to the satisfaction of Eximbank that the Government of the United Kingdom has taken all action necessary to authorise the contracting of the credit and that the promissory note given to evidence the credit constitutes the valid and binding obligation of the Government of the United Kingdom in accordance with its terms.

In witness whereof, the Government of the United Kingdom of Great Britain and Northern Ireland and Export-Import Bank of Washington have caused this Agreement to be duly executed in duplicate at Washington, District of Columbia, United States of America, on the date first above mentioned.

For the Government of the United Kingdom of
Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

For the Export-Import Bank of Washington:

(Sd.) WM. McC. MARTIN,

Chairman.

PROMISSORY NOTE

*Washington, D.C.,
26th October, 1948.*

U.S. \$310,000,000

1. For value received the Government of the United Kingdom hereby promises to pay to Export-Import Bank of Washington, an agency of the United States of America, its successors or assigns, the principal sum of Three Hundred and Ten Million Dollars (U.S. \$310,000,000), or so much thereof as may be advanced against this note, in instalments as herein set forth, and to pay interest at the rate of two and one-half percent (2½%) per annum on the unpaid principal balance hereof from time to time outstanding from 30th June, 1952; such interest to be payable semi-annually thereafter beginning on 31st December, 1952.

2. The principal of and interest on this promissory note are payable at the office of Export-Import Bank of Washington, Washington, D.C., in lawful money of the United States of America, unless the parties hereto mutually agree otherwise.

3. The principal of this promissory note shall be paid in semi-annual instalments, beginning 30th June, 1956, in the amounts and at the times set forth below:—

<i>Date</i>	<i>Amount</i> \$	<i>Date</i>	<i>Amount</i> \$
30th June, 1956 ...	387,500	30th June, 1970 ...	5,812,500
31st December, 1956	387,500	31st December, 1970	5,812,500
30th June, 1957 ...	775,000	30th June, 1971 ...	6,200,000
31st December, 1957	775,000	31st December, 1971	6,200,000
30th June, 1958 ...	1,162,500	30th June, 1972 ...	6,587,500
31st December, 1958	1,162,500	31st December, 1972	6,587,500
30th June, 1959 ...	1,550,000	30th June, 1973 ...	6,975,000
31st December, 1959	1,550,000	31st December, 1973	6,975,000
30th June, 1960 ...	1,937,500	30th June, 1974 ...	7,362,500
31st December, 1960	1,937,500	31st December, 1974	7,362,500
30th June, 1961 ...	2,325,000	30th June, 1975 ...	7,750,000
31st December, 1961	2,325,000	31st December, 1975	7,750,000
30th June, 1962 ...	2,712,500	30th June, 1976 ...	8,137,500
31st December, 1962	2,712,500	31st December, 1976	8,137,500
30th June, 1963 ...	3,100,000	30th June, 1977 ...	8,525,000
31st December, 1963	3,100,000	31st December, 1977	8,525,000
30th June, 1964 ...	3,487,500	30th June, 1978 ...	8,912,500
31st December, 1964	3,487,500	31st December, 1978	8,912,500
30th June, 1965 ...	3,875,000	30th June, 1979 ...	9,300,000
31st December, 1965	3,875,000	31st December, 1979	9,300,000
30th June, 1966 ...	4,262,500	30th June, 1980 ...	9,687,500
31st December, 1966	4,262,500	31st December, 1980	9,687,500
30th June, 1967 ...	4,650,000	30th June, 1981 ...	10,075,000
31st December, 1967	4,650,000	31st December, 1981	10,075,000
30th June, 1968 ...	5,037,500	30th June, 1982 ...	10,462,500
31st December, 1968	5,037,500	31st December, 1982	10,462,500
30th June, 1969 ...	5,425,000	30th June, 1983 ...	8,525,000
31st December, 1969	5,425,000	31st December, 1983	8,525,000

If less than the face amount of this note shall be advanced hereunder, proportionate adjustments will be made in the amounts of the respective instalments of principal, after final advance hereunder.

4. The Government of the United Kingdom may prepay on any interest date without penalty or premium all or any part of the principal of this promissory note, any such prepayment to be applied to the above instalments of principal in the inverse order of their maturity.

5. Upon default in the prompt and full payment of any instalment of principal of or any interest on this promissory note the entire unpaid principal hereof and interest thereon to the date of payment shall immediately become due and be payable at the option and upon demand of the holder hereof. The non-exercise by the holder hereof of such right with respect to any particular default shall not constitute a waiver of such right with respect to such default or any other default.

6. This note is issued pursuant to the provisions of that certain Loan Agreement between the parties hereto dated 26th October, 1948, and is subject to all of the terms and conditions thereof.

For the Government of the United Kingdom of
Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

Washington, 16th February, 1949

This Agreement made and entered into as of the 16th day of February, 1949; by and between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and Export-Import Bank of Washington (hereinafter referred to as "Eximbank"), an Agency of the United States of America, amendatory of and supplementary to that certain agreement between the Government of the United Kingdom and Eximbank dated as of the 26th day of October, 1948,⁽¹⁾

Witnesseth:

Whereas, by agreement dated as of the 26th day of October 1948, Eximbank established a line of credit of not exceeding Three Hundred and Ten Million Dollars (\$310,000,000) in favour of the Government of the United Kingdom pursuant to the provisions of the Economic Cooperation Act of 1948 and, simultaneously with the execution of said agreement, the Government of the United Kingdom executed in favour of and delivered to Eximbank a promissory note dated 26th October, 1948, to evidence liability for advances to be made under the credit; and

Whereas, Eximbank has made advances in the amount of Eighty One Million Four Hundred Thousand Dollars (\$81,400,000) under the credit and against the aforesaid promissory note; and

Whereas, the Administrator for Economic Cooperation has advised Eximbank that, in accordance with the provisions of the Economic Cooperation Act of 1948, a determination has been made to increase the credit to Three Hundred and Thirteen Million Dollars (\$313,000,000) and the Administrator has allocated funds to Eximbank for the purpose by the issuance of a promissory note to the Secretary of the Treasury of the United States;

Now, therefore, it is agreed that:—

1. The line of credit established by Eximbank in favour of the Government of the United Kingdom by the aforesaid agreement of 26th October, 1948, is hereby increased from not exceeding Three Hundred and Ten Million Dollars (\$310,000,000) to not exceeding Three Hundred and Thirteen Million Dollars (\$313,000,000).

2. Simultaneously with the execution of this agreement, the Government of the United Kingdom has executed in favour of and delivered to Eximbank a promissory note in the principal amount of Three Hundred and Thirteen Million Dollars (\$313,000,000), a copy of which promissory note is attached hereto as Exhibit A, and Eximbank has surrendered to the Government of the United Kingdom the aforesaid promissory note dated 26th October, 1948.⁽¹⁾

3. The advances in the amount of Eighty One Million Four Hundred Thousand Dollars (\$81,400,000) heretofore made under the credit shall be charged as advances under the note executed and delivered to Eximbank simultaneously with the execution of this agreement.

4. No disbursements will be made under the credit in excess of the original amount of Three Hundred and Ten Million Dollars (\$310,000,000) unless and until Eximbank shall be furnished:—

(a) Evidence of the authority of the person who has executed this agreement and the promissory note on behalf of the Government of the United Kingdom to contract for the increase in the credit herein provided for;

⁽¹⁾ Document No. 1.

(b) An opinion of His Majesty's Procurator-General and Solicitor for the Affairs of His Majesty's Treasury demonstrating to the satisfaction of Eximbank that the Government of the United Kingdom has taken all action necessary to authorise the contracting of the credit in the increased amount herein provided for and that the promissory note in the principal amount of Three Hundred and Thirteen Million Dollars (\$313,000,000) given to evidence liability for advances under the credit constitutes the valid and binding obligation of the Government of the United Kingdom in accordance with its terms.

5. All provisions of the agreement of 26th October, 1948,⁽²⁾ which are not changed hereby, including without limitation paragraphs 3 and 4 of said agreement, shall remain in full force and effect and shall apply to the credit in the increased amount herein provided for.

In witness whereof, the Government of the United Kingdom of Great Britain and Northern Ireland and Export-Import Bank of Washington have caused this agreement to be duly executed in duplicate at Washington, District of Columbia, United States of America, on the date first above mentioned.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

His Majesty's Ambassador Extraordinary and Plenipotentiary at Washington.

For the Export-Import Bank of Washington:

(Sd.) HERBERT E. GASTON,

Chairman.

PROMISSORY NOTE

*Washington, D.C.,
16th February, 1949.*

U.S. \$313,000,000

1. For value received the Government of the United Kingdom hereby promises to pay to Export-Import Bank of Washington, an Agency of the United States of America, its successors or assigns, the principal sum of Three Hundred and Thirteen Million Dollars (U.S. \$313,000,000), or so much thereof as may be advanced against this note, in instalments as herein set forth, and to pay interest at the rate of two and one-half percent (2½%) per annum on the unpaid principal balance hereof from time to time outstanding from 30th June, 1952; such interest to be payable semi-annually thereafter beginning on 31st December, 1952.

2. The principal of and interest on this promissory note are payable at the office of Export-Import Bank of Washington, Washington, D.C., in lawful money of the United States of America, unless the parties hereto mutually agree otherwise.

(2) Document No. 1.

3. The principal of this promissory note shall be paid in semi-annual instalments, beginning 30th June, 1956, in the amounts and at the times set forth below:—

<i>Date</i>	<i>Amount</i> \$	<i>Date</i>	<i>Amount</i> \$
30th June, 1956 ...	391,250	30th June, 1970 ...	5,868,750
31st December, 1956	391,250	31st December, 1970	5,868,750
30th June, 1957 ...	782,500	30th June, 1971 ...	6,260,000
31st December, 1957	782,500	31st December, 1971	6,260,000
30th June, 1958 ...	1,173,750	30th June, 1972 ...	6,651,250
31st December, 1958	1,173,750	31st December, 1972	6,651,250
30th June, 1959 ...	1,565,000	30th June, 1973 ...	7,042,500
31st December, 1959	1,565,000	31st December, 1973	7,042,500
30th June, 1960 ...	1,956,250	30th June, 1974 ...	7,433,750
31st December, 1960	1,956,250	31st December, 1974	7,433,750
30th June, 1961 ...	2,347,500	30th June, 1975 ...	7,825,000
31st December, 1961	2,347,500	31st December, 1975	7,825,000
30th June, 1962 ...	2,738,750	30th June, 1976 ...	8,216,250
31st December, 1962	2,738,750	31st December, 1976	8,216,250
30th June, 1963 ...	3,130,000	30th June, 1977 ...	8,607,500
31st December, 1963	3,130,000	31st December, 1977	8,607,500
30th June, 1964 ...	3,521,250	30th June, 1978 ...	8,998,750
31st December 1964	3,521,250	31st December, 1978	8,998,750
30th June, 1965 ...	3,912,500	30th June, 1979 ...	9,390,000
31st December, 1965	3,912,500	31st December, 1979	9,390,000
30th June, 1966 ...	4,303,750	30th June, 1980 ...	9,781,250
31st December, 1966	4,303,750	31st December, 1980	9,781,250
30th June, 1967 ...	4,695,000	30th June, 1981 ...	10,172,500
31st December, 1967	4,695,000	31st December, 1981	10,172,500
30th June, 1968 ...	5,086,250	30th June, 1982 ...	10,563,750
31st December, 1968	5,086,250	31st December, 1982	10,563,750
30th June, 1969 ...	5,477,500	30th June, 1983 ...	8,607,500
31st December, 1969	5,477,500	31st December, 1983	8,607,500

If less than the face amount of this note shall be advanced hereunder, proportionate adjustments will be made in the amounts of the respective instalments of principal, after final advance hereunder.

4. The Government of the United Kingdom may prepay on any interest date without penalty or premium all or any part of the principal of this promissory note, any such prepayment to be applied to the above instalments of principal in the inverse order of their maturity.

5. Upon default in the prompt and full payment of any instalment of principal of or any interest on this promissory note the entire unpaid principal hereof and interest thereon to the date of payment shall immediately become due and be payable at the option and upon demand of the holder hereof. The non-exercise by the holder hereof of such right, with respect to any particular default, shall not constitute a waiver of such right with respect to such default or any other default.

6. This note is issued pursuant to the provisions of that certain Loan Agreement between the parties hereto dated 16th February, 1949, and is subject to all of the terms and conditions thereof.

For the Government of the United Kingdom of
Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

Washington, 26th January, 1950

This Agreement made and entered into as of the 26th day of January, 1950, by and between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and Export-Import Bank of Washington (hereinafter referred to as "Eximbank"), an Agency of the United States of America, amendatory of and supplementary to that certain agreement between the Government of the United Kingdom and Eximbank dated as of the 26th day of October, 1948.⁽³⁾ as amended the 16th day of February, 1949.⁽⁴⁾

Witnesseth :

Whereas, by agreement dated as of 26th October, 1948, Eximbank established a line of credit of not exceeding Three Hundred and Ten Million Dollars (\$310,000,000) in favour of the Government of the United Kingdom pursuant to the provisions of the Economic Co-operation Act of 1948, and simultaneously with the execution of said agreement, the Government of the United Kingdom executed in favour of and delivered to Eximbank a promissory note dated 26th October, 1948, in like amount to evidence liability for advances to be made under the credit ; and

Whereas, by agreement dated as of 16th February, 1949, Eximbank increased the line of credit to not exceeding Three Hundred and Thirteen Million Dollars (\$313,000,000) in favour of the Government of the United Kingdom pursuant to the provisions of the Economic Co-operation Act of 1948, and simultaneously with the execution of said agreement, the Government of the United Kingdom executed in favour of and delivered to Eximbank a promissory note dated 16th February, 1949, in like amount to evidence liability for advances to be made under the credit ; and

Whereas Eximbank has made advances in the amount of Three Hundred and Thirteen Million Dollars (\$313,000,000) under the credit and against the aforesaid promissory note ; and

Whereas, the Administrator for Economic Co-operation has advised Eximbank that, in accordance with the provisions of the Economic Co-operation Act of 1948, it has been decided to increase the credit to Three Hundred and Twenty-Two Million Seven Hundred Thousand Dollars (\$322,700,000) and the Administrator has allocated funds to Eximbank for the purpose by the issuance of a promissory note to the Secretary of the Treasury of the United States ;

Now, therefore, it is agreed that:—

1. The line of credit established by Eximbank in favour of the Government of the United Kingdom by the aforesaid agreement of 26th October, 1948, as amended 16th February, 1949, is hereby increased from not exceeding Three Hundred and Thirteen Million Dollars (\$313,000,000) to not exceeding Three Hundred and Twenty-two Million Seven Hundred Thousand Dollars (\$322,700,000).

2. Simultaneously with the execution of this agreement, the Government of the United Kingdom has executed in favour of and delivered to Eximbank a promissory note in the principal amount of Three Hundred and Twenty-two

⁽³⁾ Document No. 1.

⁽⁴⁾ Document No. 2

Million Seven Hundred Thousand Dollars (\$322,700,000), a copy of which promissory note is attached hereto as Exhibit A, and Eximbank has surrendered to the Government of the United Kingdom the aforesaid promissory note dated 16th February, 1949. Accompanying the new note is evidence of authority of the person who has executed this agreement and the new note, and also an opinion of His Majesty's Procurator-General, and Solicitor for the Affairs of His Majesty's Treasury or other legal counsel, satisfactory to Eximbank, demonstrating to the satisfaction of Eximbank that the new note is the valid and binding obligation of the Government of the United Kingdom.

3. The advances in the amount of Three Hundred and Thirteen Million Dollars (\$313,000,000) heretofore made under the credit shall be charged as advances under the note executed and delivered to Eximbank simultaneously with the execution of this agreement.

4. All provisions of the agreement of 26th October, 1948,⁽⁵⁾ as amended 16th February, 1949,⁽⁶⁾ which are not changed hereby, including without limitation paragraphs 3 and 4 of the said agreement, shall remain in full force and effect and shall apply to the credit in the increased amount herein provided for.

In witness whereof, the Government of the United Kingdom of Great Britain and Northern Ireland and Export-Import Bank of Washington have caused this agreement to be duly executed in duplicate at Washington, District of Columbia, United States of America, as of the date first above mentioned.

For the Government of the United Kingdom of
Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

For the Export-Import Bank of Washington:

(Sd.) HERBERT E. GASTON,

Chairman.

⁽⁵⁾ Document No. 1.

⁽⁶⁾ Document No. 2.

PROMISSORY NOTE

Washington, D.C.,
26th January, 1950.

U.S. \$322,700,000

1. For value received the Government of the United Kingdom hereby promises to pay to Export-Import Bank of Washington, an Agency of the United States of America, its successors or assigns, the principal sum of Three Hundred and Twenty-two Million Seven Hundred Thousand Dollars (U.S. \$322,700,000), or so much thereof as may be advanced against this note, in instalments as herein set forth, and to pay interest at the rate of two and one-half percent (2½%) per annum on the unpaid principal balance hereof from time to time outstanding from 30th June, 1952: such interest to be payable semi-annually thereafter beginning on 31st December, 1952.

2. The principal of and interest on this promissory note are payable at the office of Export-Import Bank of Washington, Washington, D.C., in lawful money of the United States of America, unless the parties hereto mutually agree otherwise.

3. The principal of this promissory note shall be paid in semi-annual instalments, beginning 30th June, 1956, in the amounts and at the times set forth below:—

<i>Date</i>	<i>Amount</i> \$	<i>Date</i>	<i>Amount</i> \$
30th June, 1956 ...	403,375	30th June, 1970 ...	6,050,625
31st December, 1956	403,375	31st December, 1970	6,050,625
30th June, 1957 ...	806,750	30th June, 1971 ...	6,454,000
31st December, 1957	806,750	31st December, 1971	6,454,000
30th June, 1958 ...	1,210,125	30th June, 1972 ...	6,857,375
31st December, 1958	1,210,125	31st December, 1972	6,857,375
30th June, 1959 ...	1,613,500	30th June, 1973 ...	7,260,750
31st December, 1959	1,613,500	31st December, 1973	7,260,750
30th June, 1960 ...	2,016,875	30th June, 1974 ...	7,664,125
31st December, 1960	2,016,875	31st December, 1974	7,664,125
30th June, 1961 ...	2,420,250	30th June, 1975 ...	8,067,500
31st December, 1961	2,420,250	31st December, 1975	8,067,500
30th June, 1962 ...	2,823,625	30th June, 1976 ...	8,470,875
31st December, 1962	2,823,625	31st December, 1976	8,470,875
30th June, 1963 ...	3,227,000	30th June, 1977 ...	8,874,250
31st December, 1963	3,227,000	31st December, 1977	8,874,250
30th June, 1964 ...	3,630,375	30th June, 1978 ...	9,277,625
31st December, 1964	3,630,375	31st December, 1978	9,277,625
30th June, 1965 ...	4,033,750	30th June, 1979 ...	9,681,000
31st December, 1965	4,033,750	31st December, 1979	9,681,000
30th June, 1966 ...	4,437,125	30th June, 1980 ...	10,084,375
31st December, 1966	4,437,125	31st December, 1980	10,084,375
30th June, 1967 ...	4,840,500	30th June, 1981 ...	10,487,750
31st December, 1967	4,840,500	31st December, 1981	10,487,750
30th June, 1968 ...	5,243,875	30th June, 1982 ...	10,891,125
31st December, 1968	5,243,875	31st December, 1982	10,891,125
30th June, 1969 ...	5,647,250	30th June, 1983 ...	8,874,250
31st December, 1969	5,647,250	31st December, 1983	8,874,250

If less than the face amount of this note shall be advanced hereunder, proportionate adjustments will be made in the amounts of the respective instalments of principal, after final advance hereunder.

4. The Government of the United Kingdom may prepay on any interest date without penalty or premium all or any part of the principal of this promissory note, any such prepayment to be applied to the above instalments of principal in the inverse order of their maturity.

5. Upon default in the prompt and full payment of any instalment of principal of or any interest on this promissory note the entire unpaid principal hereof and interest thereon to the date of payment shall immediately become due and be payable at the option and upon demand of the holder hereof. The non-exercise by the holder hereof of such right, with respect to any particular default shall not constitute a waiver of such right with respect to such default or any other default.

6. This note is issued pursuant to the provisions of that certain Loan Agreement between the parties hereto dated 26th January, 1950, and is subject to all of the terms and conditions thereof.

For the Government of the United Kingdom of
Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

No. 4

Washington, 20th September, 1950

This Agreement made and entered into as of the 20th day of September, 1950, by and between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and Export-Import Bank of Washington (hereinafter referred to as "Eximbank"), an Agency of the United States of America,

Witnesseth:

Whereas, the Administrator for Economic Co-operation (hereinafter referred to as "Administrator") has advised Eximbank that in accordance with the provisions of the Economic Co-operation Act of 1948, as amended, a determination has been made to extend assistance to the Government of the United Kingdom on credit terms in an amount not exceeding Fourteen Million Two Hundred Thousand dollars (\$14,200,000) for financing the acquisition of such commodities and services as are approved by the Administrator; and

Whereas, the Administrator has allocated funds to Eximbank for the purpose and in the amount aforesaid by the issuance of a promissory note to the Secretary of the Treasury of the United States, and has specified, after consultation with the National Advisory Council on International Monetary and Financial Problems, the terms upon which Eximbank shall make and administer the credit;

Now, therefore, it is agreed that:—

1. Eximbank hereby establishes in favour of the Government of the United Kingdom a line of credit of not exceeding Fourteen Million Two

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Hundred Thousand Dollars (\$14,200,000) to assist the Government of the United Kingdom in financing the acquisition of such commodities and services as shall be from time to time approved by the Administrator.

2. Simultaneously with the execution of this agreement the Government of the United Kingdom has executed in favour of and delivered to Eximbank a promissory note in the principal amount of Fourteen Million Two Hundred Thousand Dollars (\$14,200,000), or so much thereof as may be advanced under the credit hereby established; a copy of which promissory note is attached hereto as Exhibit A.

3. Eximbank will make disbursements for the account of the Government of the United Kingdom under the credit in such amounts and at such times as shall be specified by the Administrator.

4. If at any time or from time to time the parties hereto determine that it would be in their common interests because of adverse economic conditions or for any other reasons to postpone, or provide for the postponement of, any instalments of interest or principal, or to alter or provide for the alteration of any provisions of the aforesaid promissory note relating to payment of interest and principal, or to modify the aforesaid promissory note in any other respect, they may by mutual agreement in writing provide for any such postponement or alteration or other modification.

5. Prior to and as a condition precedent to the first disbursement under the credit, Eximbank shall be furnished with:—

- (a) Evidence of authority of the person who has executed this agreement and the promissory note and otherwise acts as the representative of the Government of the United Kingdom in connexion with the credit;
- (b) An opinion of His Majesty's Procurator-General and Solicitor for the Affairs of His Majesty's Treasury demonstrating to the satisfaction of Eximbank that the Government of the United Kingdom has taken all action necessary under its constitutional laws to authorise the contracting of the credit and that the promissory note given to evidence the credit constitutes the valid and binding obligation of the Government of the United Kingdom in accordance with its terms.

In witness whereof, the Government of the United Kingdom of Great Britain and Northern Ireland and Export-Import Bank of Washington have caused this agreement to be duly executed in duplicate at Washington, District of Columbia, United States of America, on the date first above mentioned.

For the Government of the United Kingdom of
Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

For the Export-Import Bank of Washington:

(Sd.) HERBERT E. GASTON,

Chairman.

PROMISSORY NOTE

Washington, D.C.,

20th September, 1950.

U.S. \$14,200,000

1. For value received, the Government of the United Kingdom hereby promises to pay to Export-Import Bank of Washington, an Agency of the United States of America, its successors or assigns, the principal sum of Fourteen Million Two Hundred Thousand Dollars (\$14,200,000) or so much thereof as may be advanced against this note, in instalments as herein set forth, and to pay interest at the rate of two and one-half percent (2½%) per annum on the unpaid principal balance hereof from time to time outstanding from 30th June, 1952; such interest to be payable semi-annually thereafter beginning on 31st December, 1952.

2. The principal of and interest on this promissory note are payable at the office of Export-Import Bank of Washington, Washington, D.C., in lawful money of the United States of America, unless the parties hereto mutually agree otherwise.

3. The principal of this promissory note shall be paid in semi-annual instalments, beginning 30th June, 1956, in the amounts and at the times set forth below:—

<i>Date</i>	<i>Amount</i> \$	<i>Date</i>	<i>Amount</i> \$
30th June, 1956 ...	17,750	30th June, 1970 ...	266,250
31st December, 1956	17,750	31st December, 1970	266,250
30th June, 1957 ...	35,500	30th June, 1971 ...	284,000
31st December, 1957	35,500	31st December, 1971	284,000
30th June, 1958 ...	53,250	30th June, 1972 ...	301,750
31st December, 1958	53,250	31st December, 1972	301,750
30th June, 1959 ...	71,000	30th June, 1973 ...	319,500
31st December, 1959	71,000	31st December, 1973	319,500
30th June, 1960 ...	88,750	30th June, 1974 ...	337,250
31st December, 1960	88,750	31st December, 1974	337,250
30th June, 1961 ...	106,500	30th June, 1975 ...	355,000
31st December, 1961	106,500	31st December, 1975	355,000
30th June, 1962 ...	124,250	30th June, 1976 ...	372,750
31st December, 1962	124,250	31st December, 1976	372,750
30th June, 1963 ...	142,000	30th June, 1977 ...	390,500
31st December, 1963	142,000	31st December, 1977	390,500
30th June, 1964 ...	159,750	30th June, 1978 ...	408,250
31st December, 1964	159,750	31st December, 1978	408,250
30th June, 1965 ...	177,500	30th June, 1979 ...	426,000
31st December, 1965	177,500	31st December, 1979	426,000
30th June, 1966 ...	195,250	30th June, 1980 ...	443,750
31st December, 1966	195,250	31st December, 1980	443,750
30th June, 1967 ...	213,000	30th June, 1981 ...	461,500
31st December, 1967	213,000	31st December, 1981	461,500
30th June, 1968 ...	230,750	30th June, 1982 ...	434,875
31st December, 1968	230,750	31st December, 1982	434,875
30th June, 1969 ...	248,500	30th June, 1983 ...	434,875
31st December, 1969	248,500	31st December, 1983	434,875

If less than the face amount of this note shall be advanced hereunder, adjustment shall be made, after final advance hereunder as follows: if the deficiency be more than 10 per cent. of the principal face amount of this

note, proportionate adjustment shall be made in the amounts of the respective instalments of principal ; if the deficiency shall be less than 10 per cent. of the principal face amount of this note, adjustment shall be made for such deficiency by making deduction from the last instalment or instalments of principal.

4. The Government of the United Kingdom may prepay on any interest date without penalty or premium all or any part of the principal of this promissory note, any such prepayment to be applied to the above instalments of principal in the inverse order of their maturity.

5. Upon default in the prompt and full payment of any instalment of principal of or any interest on this promissory note the entire unpaid principal hereof and interest thereon to the date of payment shall immediately become due and be payable at the option and upon demand of the holder hereof. The non-exercise by the holder hereof of such right, with respect to any particular default shall not constitute a waiver of such right with respect to such default or any other default.

6. This note is issued pursuant to the provisions of that certain Loan Agreement between the parties hereto dated 20th September, 1950, and is subject to all of the terms and conditions thereof.

For the Government of the United Kingdom of
Great Britain and Northern Ireland:

(Sd.) OLIVER FRANKS,

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

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