



Treaty Series No. 30 (1952)

Loan Agreement

between the Government of
the United Kingdom of Great Britain and
Northern Ireland and the Export-Import
Bank of Washington

[With Annex]

Washington, 27th March, 1952

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of Her Majesty
June 1952*

LONDON
HER MAJESTY'S STATIONERY OFFICE

FOURPENCE NET

**LOAN AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND AND THE EXPORT-IMPORT BANK OF WASHINGTON**

Washington, 27th March, 1952

AGREEMENT

This Agreement made and entered into as of the 27th day of March, 1952, 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 Director for Mutual Security (hereinafter referred to as "Director") has advised Eximbank that in accordance with the provisions of the Economic Co-operation Act of 1948, as amended, and the Mutual Security Act of 1951, a determination has been made to extend assistance to the Government of the United Kingdom on credit terms in an amount not exceeding Forty-Seven Million Nine Hundred Thousand Dollars (\$47,900,000) for financing the acquisition of such commodities and services as are approved by the Director; and

WHEREAS, the Director has allocated funds to Eximbank for the purpose and in the amount aforesaid 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 Forty-Seven Million Nine Hundred Thousand Dollars (\$47,900,000) 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 Director.
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 Forty-Seven Million Nine Hundred Thousand Dollars (\$47,900,000) or so much thereof as may be advanced under the credit hereby established: a copy of which promissory note is attached⁽¹⁾ hereto as Exhibit A.
3. Advances under this credit will be disbursements for the account of the Government of the United Kingdom which may be made from time to time by the Director and allocated to this credit. Periodic statements of such disbursements will be made by the Director to the Government of the United Kingdom and Eximbank. The aggregate amount of the disbursements shown on each such statement as having been allocated to this credit shall be deemed to be an advance as of the date of such statement. Eximbank shall endorse upon the aforesaid promissory note the amount of each such advance.
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

⁽¹⁾ See Annex.

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 Her Majesty's Procurator-General and Solicitor for the Affairs of Her 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 and Export-Import Bank of Washington have caused this Agreement to be duly executed in duplicate in 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:

OLIVER FRANKS,
Her Majesty's Ambassador Extraordinary and Plenipotentiary at Washington.

Export-Import Bank of Washington:

HERBERT E. GASTON,
Chairman.

ANNEX

PROMISSORY NOTE

Washington, D.C.

27th March, 1952.

U.S. \$47,900,000.

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 Forty-Seven Million Nine Hundred Thousand Dollars (\$47,900,000), 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 per cent. (2½%) per annum on the unpaid principal balance hereof from time to time outstanding from 30th June, 1956; such interest to be payable semi-annually thereafter beginning on 31st December, 1956.

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.

The principal of this promissory note shall be paid in semi-annual instalments, beginning 30th June, 1960, in the amounts and at the times set forth below:—

<i>Date</i>	<i>Amount</i> \$	<i>Date</i>	<i>Amount</i> \$
30th June, 1960 ...	59,875	30th June, 1974 ...	898,125
31st December, 1960 ...	59,875	31st December, 1974 ...	898,125
30th June, 1961 ...	119,750	30th June, 1975 ...	958,000
31st December, 1961 ...	119,750	31st December, 1975 ...	958,000
30th June, 1962 ...	179,625	30th June, 1976 ...	1,017,875
31st December, 1962 ...	179,625	31st December, 1976 ...	1,017,875
30th June, 1963 ...	239,500	30th June, 1977 ...	1,077,750
31st December, 1963 ...	239,500	31st December, 1977 ...	1,077,750
30th June, 1964 ...	299,375	30th June, 1978 ...	1,137,625
31st December, 1964 ...	299,375	31st December, 1978 ...	1,137,625
30th June, 1965 ...	359,250	30th June, 1979 ...	1,197,500
31st December, 1965 ...	359,250	31st December, 1979 ...	1,197,500
30th June, 1966 ...	419,125	30th June, 1980 ...	1,257,375
31st December, 1966 ...	419,125	31st December, 1980 ...	1,257,375
30th June, 1967 ...	479,000	30th June, 1981 ...	1,317,250
31st December, 1967 ...	479,000	31st December, 1981 ...	1,317,250
30th June, 1968 ...	538,875	30th June, 1982 ...	1,377,125
31st December, 1968 ...	538,875	31st December, 1982 ...	1,377,125
30th June, 1969 ...	598,750	30th June, 1983 ...	1,437,000
31st December, 1969 ...	598,750	31st December, 1983 ...	1,437,000
30th June, 1970 ...	658,625	30th June, 1984 ...	1,496,875
31st December, 1970 ...	658,625	31st December, 1984 ...	1,496,875
30th June, 1971 ...	718,500	30th June, 1985 ...	1,556,750
31st December, 1971 ...	718,500	31st December, 1985 ...	1,556,750
30th June, 1972 ...	778,375	30th June, 1986 ...	1,616,625
31st December, 1972 ...	778,375	31st December, 1986 ...	1,616,625
30th June, 1973 ...	838,250	30th June, 1987 ...	1,317,250
31st December, 1973 ...	838,250	31st December, 1987 ...	1,317,250

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 ten per cent. (10%) 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 be less than ten per cent. (10%) 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.

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.

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.

This note is issued pursuant to the provisions of that certain Loan Agreement between the parties hereto dated as of the 27th March, 1952, and is subject to all of the terms and conditions of said Agreement and any amendments thereto.

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

OLIVER FRANKS,

Her Majesty's Ambassador Extraordinary and Plenipotentiary at Washington.

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