



Treaty Series No. 50 (1947)

Agreement

between the Government of the United Kingdom
and the Government of Norway

Supplementary to the Monetary Agreement of 8th November, 1945

[With Exchange of Letters]

London, 27th June, 1947

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

LONDON

HIS MAJESTY'S STATIONERY OFFICE

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Cmd. 7162

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF NORWAY SUPPLEMENTARY TO THE MONETARY AGREEMENT OF 8TH NOVEMBER, 1945, WITH EXCHANGE OF LETTERS

London, 27th June, 1947

THE Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Royal Norwegian Government (hereinafter referred to as "the Norwegian Government"),

Desiring to extend the scope of the arrangements resulting from the Monetary Agreement signed in London on 8th November, 1945⁽¹⁾ (hereinafter referred to as the "principal Agreement"), with a view to facilitating trade and payments and the avoidance of unnecessary restrictions,

Have agreed as follows:—

ARTICLE I

The following shall be substituted for Article 2 of the principal Agreement:—

(i) The Bank of England (acting as agents of the Government of the United Kingdom) shall sell sterling to Norges Bank (acting as agents of the Norwegian Government) as may be required for payments which residents of Norway, under the exchange regulations in force in Norway, are permitted to make to residents of the sterling area—

- (a) against Norwegian kroner to be credited at the official rate to the Bank of England's No. 1 Account with Norges Bank, provided that the balance standing to the credit of that account is not thereby increased above a maximum of 100,000,000 Norwegian kroner, or
- (b) if the balance standing to the credit of the Bank of England's No. 1 Account with Norges Bank amounts to 100,000,000 Norwegian kroner, against gold to be set aside in the Bank of England's name at Norges Bank, Oslo.

(ii) Norges Bank (acting as agents of the Norwegian Government) shall sell Norwegian kroner to the Bank of England (acting as agents of the Government of the United Kingdom) as may be required for payments which residents of the sterling area, under the exchange regulations in force in that area, are permitted to make to residents of Norway—

- (a) against sterling to be credited at the official rate to Norges Bank's No. 1 Account with the Bank of England, provided that the balance standing to the credit of that account is not thereby increased above a maximum of £5,000,000, or
- (b) if the balance standing to the credit of Norges Bank's No. 1 Account with the Bank of England amounts to £5,000,000 against gold to be set aside in the name of Norges Bank at the Bank of England, London.

(1) "Treaty Series No. 10 (1945)," Cmd. 6697.

Norges Bank shall have the right to request the Bank of England to purchase under the conditions laid down in Article VIII Section 4 (a) of the Articles of Agreement of the International Monetary Fund any sterling which the first named bank may hold.

ARTICLE II

(i) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of Norges Bank for making payments for current transactions to residents of countries outside Norway. These payments shall be deemed to be authorised in pursuance of Article 4 (i) (c) of the principal Agreement.

(ii) The Norwegian Government shall not restrict the acceptance by residents of Norway of sterling at the disposal of residents outside Norway in settlement for current transactions.

ARTICLE III

Article 3 (i) and (ii) of the principal Agreement shall read as follows:

(i) The Bank of England shall have the right at any time to sell to Norges Bank, against all or part of the sterling balances held by that bank, either Norwegian kroner at the official rate acquired if necessary under the regulations of the International Monetary Fund or gold to be set aside at the Bank of England in London.

(ii) Norges Bank shall have the right at any time to sell to the Bank of England, against all or part of the Norwegian kroner balances held by that bank, either sterling at the official rate acquired if necessary under the regulations of the International Monetary Fund or gold to be set aside at Norges Bank in Oslo.

ARTICLE IV

After the coming into force in the United Kingdom of the Exchange Control Act, 1947,⁽²⁾ the expression "sterling area" wherever it occurs in this Agreement and the principal Agreement shall be deemed to have been replaced by the expression "scheduled territories," which shall have the meaning from time to time assigned to it under the aforesaid Exchange Control Act, 1947.

ARTICLE V

The present Agreement shall come into force on 1st July, 1947. It shall cease to have effect three months after the date on which either contracting party has given notice to the other of their intention to terminate the Agreement.

In witness whereof, the undersigned, duly authorised by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

Done in London, in duplicate, the 27th day of June, 1947.

(L.S.)

O. G. SARGENT.

(L.S.)

P. PREBENSEN.

⁽²⁾ 10 and 11 Geo. VI, c. 14.

EXCHANGE OF LETTERS

No. 1

*Mr. Hugh Dalton to M. Erik Brofoss**Treasury Chambers,
Great George Street, S.W. 1,
27th June, 1947*

My dear Minister,

I WRITE to record certain understandings reached with reference to the Supplementary Agreement to the Anglo-Norwegian Monetary Agreement, which has been signed to-day.

1. It has been agreed that the Norwegian Government shall maintain sterling balances in London during the year to 30th April, 1948, of approximately £20 million, and that within a period of twelve months the two Governments shall discuss at what level the balances are to be maintained thereafter, and any other questions arising from the operation of this Monetary Agreement.

2. The Government of the United Kingdom have agreed that the sterling balances of the Norges Bank, other than those included in the amount referred to in paragraph 1, shall be at their disposal in accordance with the provisions of the said Supplementary Monetary Agreement.

Yours sincerely,
(Sd.) HUGH DALTON.

No. 2

*M. Erik Brofoss to Mr. Hugh Dalton**Norwegian Ministry of Finance,
Oslo, 30th June, 1947*

My dear Chancellor,

I HAVE the honour to acknowledge receipt of your letter of 27th June, reading as follows:—

[As in No. 1]

I have much pleasure in confirming that your letter correctly sets out the understandings reached between us in regard to the foregoing matters.

Yours sincerely,
(Sd.) ERIK BROFOSS.

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