



Treaty Series No. 55 (1947)

Agreement

Supplementary to the Monetary Agreement
between the Government of the United Kingdom
of Great Britain and Northern Ireland
and the Swedish Government
dated 6th March, 1945

London, 14th July, 1947

[With Exchange of Letters]

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

LONDON
HIS MAJESTY'S STATIONERY OFFICE

TWOPENCE NET

AGREEMENT SUPPLEMENTARY TO THE MONETARY AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND AND THE SWEDISH
GOVERNMENT DATED 6TH MARCH, 1945

London, 14th July, 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 Government of Sweden,

Desiring to extend the scope of the arrangements resulting from the Monetary Agreement signed in London on 6th March, 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 1

(a) In addition to the No. 1 Accounts opened at the Bank of England and Sveriges Riksbank in accordance with the principal Agreement, other accounts may be opened by agreement between the two contracting Governments.

(b) In accordance with the provisions of paragraph (a) of this Article Sveriges Riksbank shall open a No. 2 Account with the Bank of England. The amount credited to this account shall be maintained at the level agreed between the Government of the United Kingdom and the Government of Sweden.

ARTICLE 2

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

1. The Bank of England (acting as agents of the Government of the United Kingdom) shall sell sterling to Sveriges Riksbank (acting as agents of the Swedish Government) as may be required for payments which residents of Sweden, under the exchange regulations in force in Sweden, are permitted to make to residents of the sterling area—

(a) against Swedish kronor to be credited at the official rate to the Bank of England's No. 1 Account with Sveriges Riksbank, provided that the balance standing to the credit of that account is not thereby increased above a maximum of 72,425,000 Swedish kronor, or

(b) if the balance standing to the credit of the Bank of England's No. 1 Account with Sveriges Riksbank amounts to 72,425,000 Swedish kronor, against gold to be set aside in the Bank of England's name at Sveriges Riksbank, Stockholm.

The Bank of England shall have the right to request Sveriges Riksbank to purchase any Swedish kronor which the former may have accumulated in respect of payments of a current nature, provided that the conversion is required for making payments of a current nature. Sveriges Riksbank shall have the option to pay either in sterling or in gold.

(1) "Sweden No. 1 (1945)," Cmd. 6604.

2. Sveriges Riksbank (acting as agents of the Swedish Government) shall sell Swedish kronor 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 Sweden—

- (a) against sterling to be credited at the official rate to Sveriges Riksbank'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 million, or
- (b) if the balance standing to the credit of Sveriges Riksbank's No. 1 Account with the Bank of England amounts to £5 million against gold to be set aside in the name of Sveriges Riksbank at the Bank of England, London.

Sveriges Riksbank shall have the right to request the Bank of England to purchase any sterling which the former may have accumulated in respect of payments of a current nature, other than the agreed minimum balance on the No. 2 Account at the Bank of England, provided that the conversion is required for making payments of a current nature. The Bank of England shall have the option to pay either in Swedish kronor or in gold.

ARTICLE 3

(a) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of Sveriges Riksbank other than the agreed minimum balance on the No. 2 Account at the Bank of England for making payments for current transactions to residents of countries outside Sweden. These payments shall be deemed to be authorised in pursuance of Article 4 (i) (c) of the principal Agreement.

(b) The Government of Sweden shall not restrict the availability of Swedish kronor at the disposal of the Bank of England for making payments for current transactions to residents of countries outside the sterling area. These payments shall be deemed to be authorised in pursuance of Article 4 (ii) (c) of the principal Agreement.

(c) (i) The Government of the United Kingdom shall not restrict the acceptance by residents of the sterling area of Swedish kronor at the disposal of residents outside that area in settlement for current transactions.

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

ARTICLE 4

If the financial situation in the United Kingdom or in Sweden develops in such a way that the provisions of the present Agreement may be affected, either Government may raise with the other the question of modifying the terms thereof. In any event, they agree to meet for the purpose of reviewing the Agreement not later than twelve months after the date of its coming into force.

ARTICLE 5

In Article 1 (i) of the principal Agreement the figures 14.485 shall be substituted for the figures 16.90.

ARTICLE 6

After the coming into force in the United Kingdom of the Exchange Control Act, 1947, 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 7

The present Agreement shall come into force on 15th 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 14th day of July, 1947.

(L.S.) O. G. SARGENT.

(L.S.) N. E. IHRE.

EXCHANGE OF LETTERS

No. 1

M. Ernst Wigforss to Mr. Hugh Dalton.

Swedish Ministry of Finance,

My Dear Chancellor of the Exchequer, *Stockholm, 14th July, 1947.*

With reference to the Supplementary Anglo-Swedish Monetary Agreement of this day's date, I have the honour to inform your Excellency that the Swedish Government have made the following decisions:—

1. The Swedish Government have taken note of the letter dated 6th March, 1945, from the Governor of Sveriges Riksbank to the Governor of the Bank of England relating to the balance of £3·5 million remaining on special account at 31st December, 1944; and, for their part, are willing to confirm the arrangement then made. The Swedish Government are also willing to confirm that this balance shall be maintained until 31st December, 1949, on the understanding that the rights with regard to its disposal contained in the said letter of 6th March, 1945, namely, that Sveriges Riksbank may, on the termination of the Anglo-Swedish Monetary Agreement of 6th March, 1945, claim from the Bank of England payment in gold in respect of any part of the said balance remaining on special account or the value of any British Government Treasury Bills then held in the said special account, shall be preserved.

2. The Swedish Government agree that Sveriges Riksbank shall transfer a sum of £8,500,000 from their No. 1 Account with the Bank of England to a special account held on behalf of the Riksgäldskontoret. This sum, which shall be deemed to represent that part of the Swedish sterling balances which has been derived from the transfer of sterling from Norwegian accounts in accordance with the provisions of the Agreements concluded between the Swedish Government and the Norwegian Government on 14th June, 1945, shall be subject to the same stipulations as the amounts credited to the No. 2 Account.

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3. The Swedish Government agree that, apart from the sum referred to in paragraph 2, there shall be maintained on the said No. 2 Account of Sveriges Riksbank with the Bank of England a balance of £13 million, under conditions to be agreed between the Bank of England and Sveriges Riksbank.

4. The Swedish Government agree that the balances referred to in paragraphs 1, 2 and 3 shall constitute the minimum balance referred to in Article 1 of the Supplementary Monetary Agreement and that such minimum balance shall be maintained until 31st December, 1949, provided that the Government of the United Kingdom agree that consultations shall take place, not later than 1st July, 1949, with regard to the use after 31st December, 1949, of this minimum balance.

I shall be glad if your Excellency will inform me whether the Government of the United Kingdom are willing to confirm the arrangement referred to in paragraph 1, and that they are in agreement with the foregoing proposals, in which case this letter and your Excellency's reply may constitute an agreement between the two Governments.

Yours sincerely,
(Sgd.) ERNST WIGFORSS.

No. 2

Mr. Hugh Dalton to M. Ernst Wigforss

*Treasury Chambers,
Great George Street, S.W. 1,*

My dear Friend,

I HAVE the honour to acknowledge receipt of your letter of 14th July, reading as follows:—

[As in No. 1]

I have much pleasure in informing you that my Government confirm the arrangement mentioned in paragraph 1 of your letter and that your letter correctly sets out the understandings reached between our two Governments in regard to the foregoing matters.

Yours sincerely,
(Sgd.) HUGH DALTON.

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