



Treaty Series No. 34 (1938)

PAYMENTS AGREEMENT

between His Majesty's Government in
New Zealand and the
Government of the German Reich

Wellington, September 30, 1937

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

LONDON

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PAYMENTS AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN NEW ZEALAND AND THE GOVERNMENT OF THE GERMAN REICH.

Wellington, September 30, 1937.

THE Government of New Zealand and the Government of the German Reich, desiring to facilitate payments for the exchange of goods between New Zealand and Germany, have concluded the following Agreement:—

ARTICLE 1.

For the purchase of goods produced or manufactured in New Zealand the Government of the German Reich shall make available the foreign exchange accruing from exports to New Zealand of goods produced or manufactured in Germany.

The amount of the foreign exchange accruing from German exports to New Zealand shall be ascertained by the Reichsbank, which will examine regularly the foreign exchange declarations (Export-valuta-Erklärungen) submitted by the German exporters as to their shipments to New Zealand and compute the total amount of foreign exchange accruing therefrom.

At the beginning of each quarter the Government of the German Reich shall inform the Government of New Zealand as to the amount of the foreign exchange accrued from the German exports to New Zealand during the previous three months.

If it should appear that there exists a considerable discrepancy between the amount of foreign exchange accrued from the German exports to New Zealand, as notified quarterly by the German Government, and the corresponding figures of the German export statistics and the New Zealand import statistics, both contracting parties shall jointly investigate the reason for such discrepancies and shall determine the figure to give effect to the first paragraph hereof.

ARTICLE 2.

The amount of foreign exchange to be made available for the purchase of products of New Zealand shall be fixed in accordance with the provisions of the first paragraph of Article 1 for each quarter.

This amount will correspond to the receipts of foreign exchange during the previous three months computed in accordance with the provisions of the second paragraph of Article 1.

The amount of foreign exchange to be made available for the purchase of products of New Zealand in the first quarter of 1938 shall be calculated upon the sum of all payments (viz., foreign exchange and payments out of New Zealand Aski) for German exports to New Zealand received during the last three months of 1937.

ARTICLE 3.

The German Import Control Boards (Überwachungsstellen) shall be empowered by the Reich Foreign Exchange Control Administration (Reichsstelle für Devisenbewirtschaftung) to issue to German importers foreign exchange certificates for the payment of goods, produced or manufactured in New Zealand, up to the amounts provided for in Article 2, taking into account the agreements between the two contracting parties as to certain classes of goods.

The German Import Control Boards shall regularly be informed in advance of the amount up to which the Foreign Exchange Certificates can be issued during each quarter. The amount of these limits (Wertgrenzen) shall at first be estimated, and shall then be adjusted during the course of the quarter, according to the amount of foreign exchange actually accrued during the previous quarter from German exports to New Zealand.

The amount up to which any limits have not been exhausted during one quarter shall be added to the limits of the following quarter; any excess over and above the limits of one quarter shall be deducted from the limits of the following quarter.

ARTICLE 4.

Since an orderly execution of this Agreement is assured only if German exports to New Zealand are paid for in foreign exchange, the Government of the German Reich shall no longer permit any other kind of payments for the German exports to New Zealand, such as compensation, Aski or blocked marks, except with the consent of the New Zealand Government.

Notwithstanding the foregoing, the Government of the German Reich will permit the liquidation of any balances held by or on behalf of New Zealand exporters in respect of exports from New Zealand to Germany.

ARTICLE 5.

The provisions of this Agreement shall apply only to goods the produce or manufacture of New Zealand which are shipped or sent direct from New Zealand to Germany, whether or not through ports in third countries, and whether or not through, in the name of, or for the account of, persons resident in third countries. This restriction does not apply to dairy produce sold by the Primary Products Marketing Department of New Zealand or fruit sold under the control of the New Zealand Fruit Export Control Board.

Likewise the provisions of this Agreement shall apply only to articles, the produce or manufacture of Germany, which are shipped or sent direct from Germany to New Zealand, whether or not through ports in third countries, and whether or not through, in the name of, or for the account of, persons resident in third countries.

The Government of the German Reich, on representations from the Government of New Zealand, agree, however, to give special consideration to the inclusion in the total credits which accrue to

Germany from the sale to New Zealand of goods, the produce or manufacture of Germany, of the amount accruing to Germany from exports to New Zealand through other countries. In connection with any such representations due regard shall be had to purchases by Germany of goods the produce or manufacture of New Zealand from stocks held in other countries.

ARTICLE 6.

In the event of the economic benefits anticipated by both contracting parties on concluding the present Agreement not being attained, or in the event of either of the contracting parties considering itself at a disadvantage through developments unfavourable to its interests or through the adoption by the other party of measures of an economic nature, either of the contracting parties may request that negotiations be commenced without delay with a view to effecting a mutually satisfactory adjustment of the matter. If such negotiations should not lead to a satisfactory settlement within three months from the date of receipt of the request, the party which considers itself at a disadvantage shall have the right to terminate the present Agreement six weeks from the date of the receipt by the other party of notification of termination.

ARTICLE 7.

This Agreement shall come into force on the 1st January, 1938; and shall be binding for a period of two years from the date of coming into force, subject to the provisions of Article 6. In case either of the contracting parties shall have given notice to the other three months before the expiration of that period of its intention to terminate the present Agreement, it shall remain in force thereafter until the expiration of three months from the date on which either of the contracting parties shall have given to the other notice of its intention to terminate the Agreement.

In any event this Agreement shall cease to have effect from the date of the termination of the Trade Agreement⁽¹⁾ concluded on this day between the Government of New Zealand and the Government of the German Reich.

In witness whereof this Agreement has been duly signed by Michael Joseph Savage, Prime Minister of New Zealand, on behalf of the Government of New Zealand, and by Walter Hellenenthal, Consul of Germany in New Zealand, on behalf of the Government of the German Reich.

Done in duplicate at Wellington, in English and German texts, both authentic, this thirtieth day of September, 1937.

(L.S.) M. J. SAVAGE.

(L.S.) HELLENTHAL.

⁽¹⁾ "Treaty Series No. 35 (1938)," Cmd. 5733.