



Treaty Series No. 10 (1945)

MONETARY AGREEMENT

BETWEEN

THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE ROYAL NORWEGIAN GOVERNMENT

LONDON, 8th NOVEMBER, 1945

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

LONDON
HIS MAJESTY'S STATIONERY OFFICE

ONE PENNY NET

MONETARY AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND AND THE ROYAL NORWEGIAN GOVERNMENT.

London, 8th November, 1945.

THE Government of the United Kingdom of Great Britain and Northern Ireland of the one part, and the Royal Norwegian Government of the other part, have agreed as follows:—

ARTICLE 1.

(i) The rate of exchange between the Norwegian krone and the £ sterling shall be Norwegian kroner 20 = £1.

(ii) This rate (hereinafter referred to as "the official rate") shall not be varied by either of the contracting Governments except after giving to the other as much notice as may be practicable.

(iii) In all territories where they have jurisdiction the contracting Governments shall enforce the use of the official rate as the basis of all transactions involving a relationship between the two currencies.

(iv) The Bank of England and Norges Bank, as agents of their respective Governments, shall fix by mutual agreement the maximum spread above or below the official rate which will be authorised on the markets which they control.

ARTICLE 2.

(i) The Bank of England (acting as agents of the Government of the United Kingdom) shall sell to Norges Bank (acting as agents of the Royal Norwegian Government), against Norwegian kroner to be credited at the official rate to the Bank of England's No. 1 Account with Norges Bank, sterling 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.

(ii) Norges Bank (acting as agents of the Royal Norwegian Government) shall sell to the Bank of England (acting as agents of the Government of the United Kingdom), against sterling to be credited at the official rate to Norges Bank No. 1 Account with the Bank of England, Norwegian kroner 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.

ARTICLE 3.

(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 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 or gold to be set aside at Norges Bank in Oslo.

(iii) Gold set aside in Oslo in accordance with the provisions of this Article shall be at the Bank of England's free disposal and may be exported.

(iv) Gold set aside in London in accordance with the provisions of this Article shall be at Norges Bank's free disposal and may be exported.

ARTICLE 4.

(i) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of Norway for making—

- (a) transfers to other residents of Norway;
- (b) payments to residents of the sterling area; or
- (c) transfers to residents of countries outside Norway and the sterling area to the extent to which these may be authorised by the United Kingdom Government under the arrangements contemplated in Article 7 (iii) hereof.

(ii) The Royal Norwegian Government shall not restrict the availability of Norwegian kroner at the disposal of residents of the sterling area for making—

- (a) transfers to other residents of the sterling area;
- (b) payments to residents of Norway; or
- (c) transfers to residents of countries outside the sterling area and Norway to the extent to which these may be authorised by the Royal Norwegian Government under the arrangements contemplated in Article 7 (iii) hereof.

ARTICLE 5.

The contracting Governments shall co-operate with a view to assisting each other in keeping capital transactions within the scope of their respective policies, and in particular with a view to preventing transfers which do not serve direct and useful economic or commercial purposes.

ARTICLE 6.

Any sterling held by Norges Bank shall be held and invested only as may be agreed by the Bank of England, and any Norwegian kroner held by the Bank of England shall be held and invested only as may be agreed by Norges Bank.

ARTICLE 7.

(i) If, during the currency of this Agreement, either of the contracting Governments adheres to a general international monetary agreement, the terms of the present Agreement shall be reviewed with a view to making any amendments that may be required.

(ii) While the present Agreement continues in force the contracting Governments shall co-operate to apply it with the necessary flexibility according to circumstances. The Bank of England and Norges Bank, as agents of their respective Governments, will maintain contact on all technical questions arising out of the Agreement and will collaborate closely on exchange control matters affecting the sterling area and Norway.

(iii) As opportunity offers the contracting Governments shall seek, with the consent of the other interested parties—

- (a) to make Norwegian kroner at the disposal of residents of the sterling area and sterling at the disposal of residents of Norway available for making payments of a current nature to residents of countries outside the sterling area and Norway; and
- (b) to enable residents of countries outside the sterling area and Norway to use sterling at their disposal to make payments of a current nature to residents of Norway and to use Norwegian kroner at their disposal to make payments of a current nature to residents of the sterling area.

(iv) Notwithstanding that each of the contracting Governments shall be alone responsible for its monetary relations with third parties, they shall maintain contact wherever the monetary relations of the one affect the interests of the other.

ARTICLE 8.

For the purposes of the present Agreement—

(i) the expression “ the sterling area ” shall have the meaning from time to time assigned to it by the exchange control regulations in force in the United Kingdom;

(ii) transactions between the Bank of England and Norges Bank are to be considered as transactions between the sterling area and Norway;

(iii) transactions entered into by the Government of any territory within the sterling area or by the Royal Norwegian Government are to be considered as transactions entered into by a resident of the sterling area or Norway, respectively.

ARTICLE 9.

The present Agreement, which shall be subject to review and adjustment after mutual consultation, shall come into force on the date of signature. At any time thereafter either contracting Government may give written notice to the other of its intention to terminate the Agreement and the Agreement shall cease to have effect three months after the date of such notice. It shall terminate five years after the date of its coming into force unless the two contracting Governments agree otherwise.

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

Done in London in duplicate this 8th day of November, 1945.

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

(L.S.) ERNEST BEVIN.

For the Royal Norwegian Government:

(L.S.) ERIK COLBAN.

LONDON

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