



Treaty Series No. 84 (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

[with Exchange of Letters]

London, 24th November, 1947

*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, 24th November, 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 modify the arrangements resulting from the Monetary Agreement signed in London on 6th March, 1945 (hereinafter referred to as the "principal Agreement"),⁽¹⁾

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 has opened 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 scheduled territories :—

(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 ;

provided that these limits shall not be operative until after 30th April, 1948, and that until 30th December, 1949, the figure of 115,880,000 Swedish kronor shall be substituted for the figure of 72,425,000 Swedish kronor in subparagraphs (a) and (b) above.

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

⁽¹⁾ "Sweden No. 1 (1945)," Cmd. 6604.

residents of the scheduled territories, under the exchange regulations in force in those territories, 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 £5,000,000, or
- (b) if the balance standing to the credit of Sveriges Riksbank's No. 1 Account with the Bank of England amounts to £5,000,000, against gold to be set aside in the name of Sveriges Riksbank at the Bank of England, London ;

provided that these limits shall not be operative until after 30th April, 1948, and that until 30th December, 1949, the figure of £8,000,000 shall be substituted for the figure of £5,000,000 in sub-paragraphs (a) and (b) above.

ARTICLE 3

Swedish kronor held by the Bank of England on the No. 1 Account at Sveriges Riksbank and sterling held by Sveriges Riksbank on the No. 1 Account at the Bank of England shall be covered by a Reciprocal Exchange Guarantee on terms to be agreed between the Bank of England and Sveriges Riksbank. Such Reciprocal Exchange Guarantee may also be extended to cover other Swedish kronor accounts of the Bank of England and other sterling accounts of Sveriges Riksbank by agreement between the Contracting Governments.

ARTICLE 4

(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 such countries outside Sweden and the scheduled territories as may be agreed between the Contracting Governments.

(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 such countries outside Sweden and the scheduled territories as may be agreed between the Contracting Governments.

(c) As opportunity offers, the Contracting Governments shall seek with the consent of the other interested parties to enable residents of countries outside the scheduled territories and Sweden to use sterling at their disposal to make payments of a current nature to residents of Sweden, and to use Swedish kronor at their disposal to make payments of a current nature to residents of the scheduled territories.

ARTICLE 5

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 6

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

ARTICLE 7

For the purposes of the present Agreement the expression "scheduled territories" shall have the meaning from time to time assigned to it under the Exchange Control Act, 1947.

The expression "sterling area" wherever it occurs in 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 8

The Agreement between the Government of the United Kingdom and the Government of Sweden supplementary to the Monetary Agreement of the 6th March, 1945, and signed between the two Governments in London on the 14th July, 1947,⁽²⁾ is hereby abrogated.

ARTICLE 9

The present Agreement shall come into force on the 25th November, 1947. 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 on 31st December, 1949, unless the two Contracting Governments agree otherwise.

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 24th day of November, 1947

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

(L.S.) ERIK BOHEMAN.

EXCHANGE OF LETTERS

No. 1

Sir Stafford Cripps to M. Erik Boheman

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

Your Excellency,

24th November, 1947.

I wish to place on record certain understandings reached between our two Governments with reference to the Anglo-Swedish Supplementary Monetary Agreement signed to-day.

1. The provisions of the letter addressed to my predecessor by the Swedish Minister of Finance on the 14th July, 1947, and of Mr. Dalton's reply of the following day⁽²⁾, shall remain in force until the 31st December, 1949.

2. If, between the 1st May and the 1st October, 1948, either party should give notice to the other of termination of the Supplementary Monetary Agreement under Article 9 of that Agreement, then the limits laid down in Articles 2 (1) and 2 (2) of that Agreement shall be reduced from £8,000,000

⁽²⁾ "Treaty Series No. 55 (1947)," Cmd. 7170.

and Sw. kr. 115,880,000 to £5,000,000 and Sw. kr. 72,425,000 respectively on the 31st December, 1948, instead of the 31st December, 1949.

3. The prices at which the Bank of England and Sveriges Riksbank will deal in gold for the purposes of Article 2 of the Supplementary Monetary Agreement and Article 3 of the principal Agreement will be those based on 173/8·367*d.* per fine ounce, which is the equivalent of the gold content of the pound sterling as declared by His Majesty's Government to the International Monetary Fund, and Sw. kr. 4,044·57 per kilog. fine. This latter price is the equivalent of the gold content of the pound sterling converted at the official rate of exchange.

Yours sincerely,

(Signed) R. STAFFORD CRIPPS.

No. 2

M. Erik Boheman to Sir Stafford Cripps

Swedish Embassy, 27/29, Portland Place, W.1.

My dear Chancellor,

24th November, 1947.

I HAVE the honour to acknowledge the receipt of your letter of to-day's date, reading as follows:—

[As in No. 1]

I have much pleasure in informing you that your letter correctly sets out the understandings reached between our two Governments in regard to the foregoing matters.

Yours sincerely,

(Signed) ERIK BOHEMAN.

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