

EXCHANGE OF NOTES (MARCH 7 AND 18, 1950) BETWEEN CANADA
AND NORWAY CONSTITUTING AN AGREEMENT CONCERN-
ING SETTLEMENT OF CLAIMS ARISING OUT OF THE WAR.

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*The Minister of Norway to Canada
to the Secretary of State for External Affairs*

ROYAL NORWEGIAN LEGATION

OTTAWA, March 7, 1950.

SIR,

On the 23rd and 24th February, 1950, discussions took place in Oslo between representatives of the Canadian and the Norwegian Governments on the subject of the Canadian Government's claim for reimbursement in respect of Canada's share of the value of supplies distributed to the civilian population of Norway by the combined military authorities under the Supreme Allied Command in 1945.

I have now been instructed to convey to you the following factors which in the view of the Norwegian Government are relevant to these discussions: 1. As you will be aware the original total claim of US \$34 million in respect of Civil Affairs deliveries to Norway has never been accepted by Norway, and the Norwegian Government are of the opinion that a reduction of about 30% would give a fair figure. It is agreed that it is impossible at the present time to ascertain from which of the three supplying countries the various commodities originated.

2. In view of the Norwegian Government the claim cannot be regarded as a dollar claim, and it can in no way be said to contain an exchange guarantee in terms of dollars.

The notes which the Governments of Canada, the United Kingdom and the United States sent to the Norwegian Government in April 1945 contain the following paragraph:

"While as a matter of convenience, these bills will be presented in terms of U.S. dollars, the recipient Governments will be asked to pay in currencies acceptable to the supplying Governments."

In their reply of May 1945 the Norwegian Government answered as follows:

"It is understood that the question of the currency in which payments shall be effected will have to be settled by agreement with each supplying country."

The bills for the goods were not presented until long after the goods had been delivered and sold in Norway at market prices. The billed price totalled 34 million dollars, which, at a rate of exchange of 5 Norwegian kroner to the U.S. dollar equals 170 million kroner. This is a much higher figure than the total amount which the sale of the goods had brought in Canada's share, which was stipulated at 5% of the total, equals 8.5 million kroner, and with the requested reduction of 30% the figure would be brought down to 5.9 million kroner.