

APPENDIX

EXCHANGE OF NOTES (JUNE 25, 1945) BETWEEN CANADA AND NORWAY RELATING TO THE FINANCIAL AGREEMENT SIGNED FOR THEM AT OTTAWA, JUNE 25, 1945.

I

*The Canadian Minister of Finance
to the Minister of Norway*

OTTAWA, June 25, 1945.

DEAR SIR,

In signing the agreement with you to-day for the provision of credit of \$13,000,000 to the Government of Norway under the Export Credits Insurance Act, I desire to place on record our understanding regarding our intention to proceed subsequently with an amendment to this agreement to increase the amount of the credit provided, and also our understanding regarding the purchases which Norway will make in Canada to be financed in other ways.

In requesting a credit which has been furnished under the above-mentioned agreement, you asked originally for a total credit of \$30,000,000. Unfortunately our legislation does not permit the Government at present to provide a credit of this magnitude. I wish to assure you, however, that it is the intention of the Canadian Government that an amendment should be made to this agreement with your Government to increase the amount of credit provided thereby to a total of \$30,000,000 if and when the necessary amendment to the legislation is enacted by the Canadian Parliament. I can inform you that it is my intention that an amendment of this kind in the legislation will be sought as early as possible at the next session of Parliament. I understand it is also the intention of your Government to amend the agreement in this way as soon as our legislation makes this possible.

I wish also to note that it is the intention of the two Governments that a certain proportion of the Canadian dollar requirements of Norway shall be covered by the purchase from Canada of Canadian dollars against gold or foreign exchange convertible into gold. To implement this intention it is understood that the Government of Norway, through one of its official agencies or through the Bank of Norway, will at the end of each quarter, commencing on or after to-day's date, during which the credits referred to in this letter are drawn upon, acquire Canadian dollars by the sale to Canada of gold or foreign exchange convertible into gold in an amount such that the total amount of Canadian dollars so acquired from the date of the agreement up to the end of such quarter shall be equal to or greater than 20 per cent of the amount of credit which has been utilized up to that date. It is also understood that the Canadian dollars so acquired will be used either to meet the current requirements of Norway in Canada, or to make repayments of the credits, or to redeem the bonds provided for under the agreement dated to-day.

Yours very truly,

J. L. ILSLEY,
Canadian Minister of Finance.