

CANADA

TREATY SERIES, 1947

No. 31

SUPPLEMENTARY
FINANCIAL AGREEMENT

BETWEEN
CANADA AND NORWAY

Signed at Ottawa, November 10, 1947

Effective November 10, 1947

(Together with the Agreement of June 6, 1946 amending the
Financial Agreement of June 25, 1945)



OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
KING'S PRINTER AND CONTROLLER OF STATIONERY
1948

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APPENDIX

Canada and Norway

TREATY SERIES 1947

No. 31

SUPPLEMENTARY

FINANCIAL AGREEMENT

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1917-7284

SUPPLEMENTARY FINANCIAL AGREEMENT BETWEEN CANADA AND NORWAY

AGREEMENT ENTERED INTO THIS TENTH DAY OF NOVEMBER, 1947

BETWEEN:

THE MINISTER OF FINANCE OF CANADA hereinafter referred to as
"the Minister"

OF THE FIRST PART,

AND

THE GOVERNMENT OF NORWAY represented by its Minister
Plenipotentiary to Canada

OF THE SECOND PART:

WHEREAS by an Agreement dated June 25, 1945,* as amended on June 6, 1946,** which is later referred to in this Agreement as the "Principal Agreement", the Government of Canada agreed to lend amounts not exceeding \$30,000,000 to the Government of Norway to finance in part a program of purchases being made by Norway in Canada, such amounts to be advanced from time to time as requisitioned by the Government of Norway and any amounts thereof not so requisitioned on or before June 24, 1947, to lapse and be no longer payable unless otherwise agreed; and

WHEREAS an amount of \$11,144,000 was not requisitioned on or before June 24, 1947, and therefore lapsed; and

WHEREAS it has been requested by the Government of Norway and it is in the interests of both Canada and Norway that the said amount of \$11,144,000 should again be made available for borrowing by the Government of Norway on or before June 24, 1948; and

WHEREAS by Order in Council P.C. 4529 dated November 7, 1947, the Minister has been duly authorized under The Export Credits Insurance Act to make the loans hereinafter referred to, on behalf of the Government of Canada; and

WHEREAS the Minister Plenipotentiary of Norway to Canada, Mr. Daniel Steen, has been duly authorized to execute this Agreement on behalf of the Government of Norway.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto covenant and agree with each other as follows:—

1. In this Agreement the terms "exporters", "Canadian-produced goods", and "cost of Canadian-produced goods" have the meaning assigned to them by The Export Credits Insurance Act of Canada or any regulations made thereunder.

2. Subject to the terms and conditions of this Agreement, the Minister, on behalf of the Government of Canada agrees to lend to the Government of Norway such amounts not exceeding \$11,144,000, Canadian, as may from time to time be requisitioned from the Minister by the Government of Norway.

* For the text of this Agreement, see *Canada Treaty Series, 1945, No. 27.*

** For the text of the amendment, see Appendix B.

3. The Minister will pay amounts requisitioned under paragraph 2 of this Agreement into the account of the Government of Norway with the Bank of Canada.

4. The Government of Norway will expend monies received by it by way of loan under this Agreement solely for the purpose of purchasing from exporters and paying the cost of Canadian-produced goods exported or to be exported to Norway.

5. The Government of Norway agrees to pay interest at the rate of two and three-quarters ($2\frac{3}{4}\%$) per centum per annum on each amount paid by the Minister into the said special account from the date when it is paid into the said special account until the day in respect of which bonds for the consolidated amount thereof are issued in accordance with paragraph 6 of this Agreement, or of payment whichever is earlier.

6. The Government of Norway agrees that the amounts paid by the Minister into the special account of the Government of Norway with the Bank of Canada, pursuant to this Agreement, and interest thereon as provided in paragraph 5 of this Agreement, shall, subject to any repayment made as provided in paragraph 10 of this Agreement, be consolidated into one amount called the consolidated debt on June 25, 1948, and the Government of Norway shall thereupon deliver to the Minister bonds in respect of the amount of the consolidated debts owing on June 25, 1948, of a face value equal thereto, which bonds shall constitute valid, binding, absolute, and unconditional obligations of the Government of Norway, shall bear interest from June 25, 1948, at the rate of two and three-quarters ($2\frac{3}{4}\%$) per centum per annum payable semi-annually on the first day of January and the first day of July, and shall mature serially in nine equal annual amounts of principal payable on June 25, 1951, and on June 25 in each year thereafter up to and including the year 1959.

7. Any portion of the credit of \$11,144,000, Canadian, which has not been requisitioned by the Government of Norway and paid by the Minister into the special account in the Bank of Canada pursuant to paragraph 3 of this Agreement on or before June 24, 1948, shall lapse and be no longer payable by the Minister.

8. It is mutually agreed by the parties hereto that if the Government of Norway fails to acknowledge the consolidated debt at the time referred to in paragraph 6 of this Agreement, or fails to redeem any of the bonds on maturity, the whole amount of the loan shall thereupon become due and payable.

9. It is mutually agreed by the parties hereto that payments by the Government of Norway under this Agreement or under bonds issued pursuant thereto shall be in Canadian dollars or fine gold at the option of the Government of Norway. The value of fine gold shall be calculated on the basis of the buying price for gold of the Canadian Foreign Exchange Control Board (or successor agency) on the day of its delivery. During such period as foreign exchange regulations in Canada require that exports from Canada to Norway shall be paid for in Canadian dollars from certain specified or restricted sources or in a specified foreign currency, then any Canadian dollars used by the Government of Norway to effect payments under this Agreement may be obtained by the Government of Norway from such specified or restricted sources or shall be obtained through the sale of such specified foreign currency to an authorized dealer of the Foreign Exchange Control Board (or successor agency) at the published official buying rate, or in such other manner as may be mutually agreed upon by the Government of Norway and the Minister.

10. The Minister agrees that the Government of Norway shall have the right to repay any amount required to be consolidated under this Agreement, or any part thereof, before the consolidation thereof with interest to the day of payment or to redeem any or all of the bonds prior to their maturities at par plus accrued interest if in either case the Government of Norway makes payment in fine gold or in Canadian dollars acquired in the manner provided by paragraph 9 of this Agreement.

WITNESS:

R. B. BRYCE.

D. C. ABBOTT,
Minister of Finance of Canada.

HARTLEY ANTONSEN.

DANIEL STEEN,
For the Government of Norway.

The Export Credits Insurance Act for the provision of a credit to the Government of Norway not to exceed \$11,141,000, representing the amount of the credit which had not been utilized under the Principal Agreement of June 25, 1946, as amended, I wish to place on record our understanding that it is the intention of the two governments that a certain portion of the Canadian dollar requirements of Norway during the twelve month period from June 25, 1947, shall be covered by the purchase from Canada of Canadian dollar requirements 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 year repurchase Canadian dollars by the sale to the Bank of Canada or a Canadian chartered bank acting as an authorized dealer of the Canadian Foreign Exchange Council of gold or foreign exchange convertible into gold in an amount not exceeding the total amount of Canadian dollars so acquired from June 25, 1947, up to the end of such quarter year shall be equal to or greater than the amount of the credit which has been utilized under this supplementary agreement 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 refund the bonds provided for under the agreement. I wish also to record our understanding that payments by the Government of Norway under bonds issued pursuant to the agreement dated June 25, 1946, as amended on June 8, 1946, may be made in like manner as provided for under paragraph 9 of the supplementary agreement dated today.

D. C. ABBOTT.

J. L. HUSLEY,
Minister of Finance of Canada.

DANIEL STEEN,
For the Government of Norway.

APPENDIX A

**LETTER DATED NOVEMBER 10, 1947 FROM THE CANADIAN
MINISTER OF FINANCE TO THE MINISTER OF NORWAY TO
CANADA**

OTTAWA, November 10, 1947.

His Excellency DANIEL STEEN,
Minister for Norway,
Royal Norwegian Legation,
Ottawa.

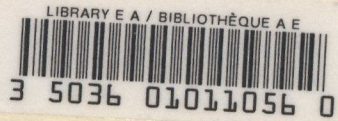
DEAR SIR:

In signing with you today a supplementary financial agreement under The Export Credits Insurance Act for the provision of a credit to the Government of Norway not to exceed \$11,144,000, representing the amount of the credit which had not been utilized under the Principal Agreement of June 25, 1945, as amended, I wish to place on record our understanding that it is the intention of the two governments that a certain portion of the Canadian dollar requirements of Norway during the twelve months' period from June 25, 1947, 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 year acquire Canadian dollars by the sale to the Bank of Canada, or a Canadian chartered bank acting as an authorized dealer of the Canadian Foreign Exchange Control Board, of gold or foreign exchange convertible into gold in an amount such that the total amount of Canadian dollars so acquired from June 25, 1947, up to the end of such quarter year shall be equal to or greater than the amount of the credit which has been utilized under this supplementary agreement 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 redeem the bonds provided for under the agreement.

I wish also to record our understanding that payments by the Government of Norway under bonds issued pursuant to the agreement dated June 25, 1945, as amended on June 6, 1946, may be made in like manner as provided for under paragraph 9 of the supplementary agreement dated today.

Yours very truly,

D. C. ABBOTT.



APPENDIX B

AGREEMENT BETWEEN CANADA AND NORWAY AMENDING THE FINANCIAL AGREEMENT BETWEEN THE TWO COUNTRIES SIGNED AT OTTAWA JUNE 25, 1945.

AGREEMENT ENTERED INTO THIS 6th DAY OF JUNE 1946

BETWEEN:

THE MINISTER OF FINANCE OF CANADA

OF THE FIRST PART,

AND

THE GOVERNMENT OF NORWAY, represented by its Minister Plenipotentiary to Canada,

OF THE SECOND PART:

WHEREAS by agreement dated the twenty-fifth day of June, 1945, the Government of Canada agreed to make a loan to the Government of Norway not exceeding THIRTEEN MILLION DOLLARS (\$13,000,000);

WHEREAS the Government of Norway has requested the Government of Canada to increase the amount of the loan from THIRTEEN MILLION DOLLARS (\$13,000,000) to THIRTY MILLION DOLLARS (\$30,000,000);

WHEREAS by Order in Council P.C. 339 of 31st January, 1946, the Minister of Finance was authorized to enter into an agreement with the Government of Norway amending the said agreement of 25th day of June, 1945, to provide that the aggregate amount of the loan shall be THIRTY MILLION DOLLARS (\$30,000,000); and

WHEREAS the Minister Plenipotentiary of Norway to Canada, Mr. Daniel Steen, has been duly authorized by the Government of Norway to execute this agreement on behalf of the Government of Norway.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto covenant and agree with each other as follows:—

- 1. The said agreement dated the twenty-fifth day of June, 1945, is hereby amended by striking out the amount "THIRTEEN MILLION DOLLARS (\$13,000,000)" where it appears in Clauses 1, 2 and 7 of the said agreement of 25th June, 1945, and substituting therefor "THIRTY MILLION DOLLARS (\$30,000,000)".

IN WITNESS WHEREOF the parties hereto have caused these presents to be signed on the day and year above mentioned.

WITNESS:

A. L. WICKWIRE.

KNUTT ORRE.

J. L. ILSLEY, Minister of Finance of Canada.

DANIEL STEEN, For the Government of Norway.

