

No. 143

AUSTRALIA
and
SWEDEN

Exchanges of Notes relating to trade and commerce. Canberra, 13 September 1946, and Sydney, 16 September 1946

English official text communicated by the Permanent Representative of Australia to the United Nations. The registration took place on 18 November 1947.

AUSTRALIE
et
SUEDE

Echange de notes au sujet du commerce et des échanges commerciaux entre les deux pays. Canberra, 13 septembre 1946, et Sydney, 16 septembre 1946

Texte officiel anglais communiqué par le représentant permanent de l'Australie auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 18 novembre 1947.

No. 143. EXCHANGE OF NOTES¹ BETWEEN THE GOVERNMENTS OF AUSTRALIA AND SWEDEN RELATING TO TRADE AND COMMERCE. CANBERRA, 13 SEPTEMBER 1946, AND SYDNEY, 16 SEPTEMBER 1946

I

DEPARTMENT OF EXTERNAL AFFAIRS

Canberra, A.C.T.
13th September, 1946

Sir,

I have the honour to inform you that in pursuance of the discussions which have been held between representatives of the Australian and Swedish Governments concerning the trade relations between their respective countries, with especial reference to the year 1st May, 1946 to 30th April, 1947, under the Anglo-Swedish trade arrangement for the same period, the principles agreed upon and the understandings arrived at are set forth hereunder and I have therefore the honour to record my Government's understanding thereof:

SECTION I

MONETARY ARRANGEMENTS IN RELATION TO THE TRADE BETWEEN
AUSTRALIA AND SWEDEN

2. The basis for all financial transactions between Australia and Sweden is provided by the United Kingdom-Sweden Monetary Agreement of 6th March, 1945,² which established the banking procedures for payments between residents of the Sterling Area and residents of Sweden.
3. In connection with the conclusion of the Monetary Agreement it was recognised that, in the early period of resumption of trade between the Sterling Area and Sweden, exports from the Sterling Area to that country would fall short of the level of exports from Sweden to the Sterling Area and that this disequilibrium could only be gradually corrected with the revival of exports from Sterling

¹ Came into force on 16 September 1946, by the exchange of the said notes.

² United Nations, *Treaty Series*, Volume 5, page 241.

Area countries whose capacity for export had been temporarily reduced by war damage and by the necessity for concentration on production of war supplies. As a consequence the accumulation of fairly substantial sterling balances by the Swedish Government was considered inevitable during the early period of the operation of the said Agreement.

4. Since the signature of the Monetary Agreement, discussions have taken place from time to time between representatives of the Swedish and United Kingdom Governments concerning the level of the sterling balances held by the Swedish Government. The most recent series of discussions, which began in London in March, 1946, and were concluded in Stockholm early in May of the same year were concerned with determining the additional amount of sterling which the Swedish Government was prepared to hold in order to cover any deficit in the balance of payments between the Sterling Area and Sweden during the twelve months ending 30th April, 1947.

5. As a result of these negotiations the Swedish Government has agreed to increase its sterling balances, within the general framework of the Monetary Agreement, by a further amount of £stg.15 million (or, in certain circumstances, £stg.16 million) to cover the period from 1st May, 1946, to 30th April, 1947. It was, however, agreed that the determination of such a limit should not in itself prevent the satisfactory development of trade between the Sterling Area and Sweden during the period in question and that the arrangement thus made between the Swedish and United Kingdom Governments should not in any way hinder the conclusion of trade arrangements between the Governments of Sweden and the British Dominions or other self-governing units of the Sterling Area.

6. With reference to the changed conditions thus created, the Australian and the Swedish Governments recognise that it is in the mutual interest of Australia and Sweden to facilitate as far as possible the flow of commerce between the two countries and will each use their best endeavours to promote exports and imports between their respective countries. The Swedish representative has stressed that, as a result of the Anglo-Swedish trade arrangement covering the said period, trade between Australia and Sweden should not be in any way restricted by financial limitations directly associated with Swedish currency.

SECTION II

SWEDISH EXPORTS TO AUSTRALIA

7. During the course of the discussions the Australian representatives stressed the importance attached by the Australian Government to obtaining an equitable

share of the essential commodities in short world supply available for export from Sweden. The Australian case for seeking the co-operation of the Swedish authorities in making available for export to Australia the maximum quantities of these short supply commodities which can be allocated to Australia is based on the urgent current need of the Australian economy and the traditional position of Australia as a valuable market for Swedish products.

8. Taking these factors into consideration and in accordance with its announced principle of allotting the exportable surplus of forest products, which are in short supply on the basis of a fair and equitable distribution between the importing countries based on their respective pre-war imports from Sweden, adjusted to meet the needs of certain countries on the grounds of war devastation, the Swedish Government agrees to grant licences, during the specified period, for export to Australia of the following quantities of these products:—

Timber	1,000 standards
(of which box-boards	600 standards)
Pulp	20,000 tons
Paper and boards	7,000 tons

In this connection it should be observed that the 8,000 tons of pulp which were made available by the Swedish Government before the commencement of the said period with a view to easing the trade difficulties caused by the interval between the old and the new licensing periods, in accordance with the Swedish representative's letter of 29th April, 1946, to the Department of External Affairs, is included in the above figure.

9. Furthermore, the Swedish Authorities will use their best endeavours to satisfy essential Australian requirements of commodities in short supply, which Sweden may have available for export. Details of these commodities will from time to time be brought to the notice of the Swedish representative by the Australian Government.

10. The Australian Government has sympathetically noted the desire expressed by the Swedish representative that the Swedish export trade to Australia be re-established on the traditional pattern as far as possible and is, consequently, prepared to administer its import licensing system with a view to facilitating, within the limits imposed by the necessity for control of imports as a safeguard against the undue depletion of its overseas balances, the resumption of trade in conformity with that pattern. Accordingly, the Australian Government will, during the specified period, grant licences as liberally as the underlying balance of

payments position will permit for the import of these commodities which constituted part of Sweden's duly established trade with Australia, namely, the products of Swedish engineering, metal and other manufacturing industries, with the object of securing the importation of approximately equal proportions on a value basis of forest products and the said commodities.

SECTION III

AUSTRALIAN EXPORTS TO SWEDEN

11. During the discussions, reference was made to the difficulties which existed for Australia during the first financial period of the Payment Agreement to offer Sweden anything approaching normal quantities of her export products in exchange for the imports required from Sweden during the same period, particularly as some of the exports to Sweden were included in the English-Swedish balance of trade. While it is noted that certain of these difficulties still exist, the Australian representatives emphasize their interest in the re-establishment of the export to Sweden and the further increase and expansion thereof offered as a possibility by the Swedish representative.

12. Regarding the leading staple commodities, wool and fresh fruit, it is understood that the estimated Swedish requirements for the period in question of approximately 1,700 tons wool, scoured weight, 5,000 tons apples and 1,000 tons pears will be readily met and, if needed, not inconsiderably increased.

13. It is noted by the Australian representatives that the Swedish Government attaches great importance to the receipt of lead from Australia during the said period to a minimum of 2,000 tons and the Australian Government will therefore use its best endeavours to make this quantity available for shipment.

14. The Swedish Government has also signified that it is desirous to securing zinc from Australia during the said period to a minimum of 500 tons and as in the case of lead, the Australian Government will use its best endeavours to make this quantity available for shipment.

15. The Australian representatives regret that for the moment there is no exportable surplus of tallow but the Australian Government will give consideration to the allocation to Sweden of 500 tons of this product during the commencement of the next beef killing season in March, 1947.

16. With reference to the proposed expansion of Australian exports, the Swedish representative notes the possibilities suggested by the Australian representatives for purchases on the open market of canned fruits, canned apples, dried apples and dehydrated vegetables, jams, sauces, pickles and honey, etc., as well as woollen goods of different kinds.

17. The Australian Government will use its best endeavours to meet the essential requirements of Sweden in additional commodities which are in short supply and which Australia may have available for export. Details of such commodities will from time to time be brought to the notice of the Australian Government by the Swedish representative.

SECTION IV

SHIPPING

18. The Australian and Swedish representatives are mutually agreed concerning the interdependence of Australian-Swedish trade and the regular Swedish shipping connections with Australia. The Australian representatives, furthermore, wish to direct the attention of the Swedish representative to the difficulty of securing adequate refrigerated space for the shipment from Australia of the surplus production of apples and pears during the months of March, April and May, 1947, and intimate that the Australian Government will regard with favour any action taken by the Government of Sweden to provide additional refrigerated tonnage during the period mentioned for the movement of apples and pears to various overseas destinations.

I have the honour to be, Sir, your obedient servant,

H. V. EVATT
Minister for External Affairs

The Consul-General of Sweden
Swedish Consulate-General
254 George Street
Sydney, N.S.W.

II

SWEDISH CONSULATE GENERAL

Sydney, 16th September, 1946

Sir,

In acknowledgement of your letter of the 13th September, 1946, incorporating the results of the discussions which have been held between representatives of the Swedish and Australian Governments concerning the trade relations between their respective countries, with especial reference to the year 1st May, 1946, to the 30th April, 1947, under the Anglo-Swedish trade arrangement for the same period.

I have the honour to concur, on behalf of my Government, with the principles agreed upon and the understandings arrived at as set forth in that letter.

I have informed my Government that the Commonwealth Government has duly recorded its understanding of these principles and understandings.

I have the honour to be, Sir, your obedient servant,

C. LUNDQUIST
Consul General

The Right Honourable the Minister
for External Affairs
Canberra, A.C.T.