

## TRANSLATION — TRADUCTION

No. 227. PAYMENTS AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE KINGDOM OF NORWAY AND THE PROVISIONAL GOVERNMENT OF THE FRENCH REPUBLIC. SIGNED AT PARIS, ON 6 MARCH 1946

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The Norwegian Government, on the one part, and the Provisional Government of the French Republic, on the other part, have agreed to the following provisions:

*Article 1*

1. To ensure the necessary means for payments in Norway to persons residing in the franc zone and for payments in the franc zone to persons residing in Norway, the Norges Bank, acting as agent of the Norwegian Government, and the Banque de France, acting as agent of the French Government, shall sell each other crowns against francs and vice versa.

2. For the purpose of giving effect to the paragraph next preceding, the Norges Bank shall open a crown account at the Banque de France and the Banque de France shall open a franc account at the Norges Bank.

*Article 2*

The Banque de France shall supply the Norges Bank, against payment in francs, with the local currencies necessary to effect any payment in the territories of the franc zone where such local currencies are legal tender.

*Article 3*

1. The Norges Bank shall be entitled at all times to sell to the Banque de France, against all or part of the balances in crowns held by this latter in virtue of this agreement, either francs at the official rate of exchange or gold at a rate to be fixed by agreement. The Norges Bank may also, subject to the approval of the Banque de France, sell to it any third currency at the official purchase price ruling in the latter bank.

2. The Banque de France shall be entitled at all times to sell to the Norges Bank, against all or part of the balances in francs held by this latter in virtue of this agreement, either crowns at the official rate or gold at a rate to be fixed

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<sup>1</sup> Came into force on 6 March 1946, as from the date of signature, in accordance with article 12.

**No. 227**

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**NORWAY  
and  
FRANCE**

**Payments Agreement (with annexes). Signed at Paris, on  
6 March 1946**

*French official text communicated by the Permanent Representative of Norway  
to the United Nations. The registration took place on 20 May 1948.*

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**NORVEGE  
et  
FRANCE**

**Accord de paiement (avec annexes). Signé à Paris, le 6 mars  
1946**

*Texte officiel français communiqué par le représentant permanent de la Norvège  
auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le  
20 mai 1948.*

by agreement. It may also, subject to the approval of the Norges Bank, sell to it any third currency at the official purchase price previously quoted by the latter.

#### *Article 4*

1. So long as the balance resulting from the setting-off of the accounts referred to in article 1 above does not exceed 600.000.000 francs or 25.000.000 crowns, the Contracting Parties shall not demand the constitution of any guarantee or the conversion of this balance into gold or foreign currency.

2. If this balance should at any time exceed 600.000.000 francs or 25.000.000 crowns, the credit or bank of issue may demand that the surplus be converted into gold at a price agreed upon by the two banks of issue. It may also be decided by agreement to increase the amounts specified above with or without special guarantees.

3. If the official rate of exchange should be changed in accordance with article 8 below, the amount stated in the preceding paragraphs and expressed in that one of the two currencies which has been devaluated would be adjusted in proportion to the variation in the rate of exchange.

#### *Article 5*

1. The assets in francs (and the assets in local currencies referred to in article 2) held by persons residing in Norway may be used for transfers between persons residing in Norway, for payments in favour of persons residing in the franc zone or for payments effected in accordance with article 7.

2. The assets in crowns held by persons residing in the franc zone may be used for transfers between persons in that zone, for payments in favour of persons residing in Norway or for payments effected in accordance with article 7.

#### *Article 6*

The Contracting Parties shall, each in so far as it is concerned, make the necessary arrangements with a view to authorizing current payments between the franc zone and Norway.

They shall also assist each other with a view to keeping the movements of capital between the franc zone and Norway within the limits of their respective policies and with a view in particular to preventing such transfers as do not serve any immediate and useful economic or commercial purpose.

*Article 7*

1. If, during the period of operation of this agreement, the two Governments should accede to a general international monetary agreement, they shall revise the terms of this agreement with a view to making therein such amendments as may be necessary.

2. So long as this agreement remains in force, the two Governments shall assist each other with a view to applying it with such flexibility as the circumstances may require. The Banque de France and the Norges Bank, acting as agents of their respective Governments, shall keep in contact with each other with respect to all technical questions arising out of the agreement and shall co-operate closely in all matters connected with the control of foreign exchanges which may affect the franc zone and Norway.

3. The French Government and the Norwegian Government shall, if the occasion should arise, endeavour, with the consent of the other parties concerned:

(a) to make the francs at the disposal of residents of Norway and the crowns at the disposal of residents of the franc zone available for current payments in favour of residents of countries other than Norway and the countries included in the franc zone;

(b) to permit the residents of countries other than Norway and the countries included in the franc zone to use the francs at their disposal for effecting current payments to residents of Norway and the crowns at their disposal for effecting current payments to residents of the franc zone.

4. Although each of the two Governments shall bear sole responsibility for its relations in respect of currencies with any third country, they shall keep in contact with each other in so far as the currency relations of one country affect the interests of the other.

*Article 8*

1. Transactions arising out of the carrying out of this agreement shall be made at the official rate of exchange.

2. The official rate of exchange (at the present one crown = 24 francs) shall not be changed by one of the Contracting Parties without previous notification to the other Party.

3. The Banque de France and the Norges Bank shall fix by agreement the maximum fluctuations which shall be authorized on the markets controlled by them.

*Article 9*

If the official rate of exchange should be changed in accordance with article 8, paragraph 2, the accounts existing between the Banque de France and the Norges Bank under this agreement shall be closed and the balances shall be set off at the official rate previously in operation.

If the amount of the final balance is expressed in that one of the two currencies which has been devaluated, it shall be adjusted by the debtor Government in proportion to the variation in the rate of exchange.

*Article 10*

1. When the credit balance of the account of the Norges Bank with the Banque de France reaches not less than 120.000.000 francs, the Norges Bank shall be entitled at any time to acquire to the debit of this account French Treasury bonds, which shall be held by the Banque de France for the account of the Norges Bank.

The Norges Bank shall be entitled to have all or part of the said bonds repurchased at any time by the Banque de France on the conditions prevalent in the money market or, if not more than three months remain before the date of maturity of the bonds, it shall be entitled to cause all or part of the bonds to be discounted by the Banque de France at the official rate of the latter.

2. When the credit balance of the account of the Banque de France with the Norges Bank reaches not less than 5.000.000 crowns, the Banque de France shall be entitled, at any time, to acquire to the debit of this account Norwegian Treasury bonds which shall be held by the Norges Bank for the account of the Banque de France.

The Banque de France shall be entitled to have all or part of the said bonds repurchased at any time by the Norges Bank on the conditions prevalent in the money market or, if not more than three months remain before the date of maturity of the bonds, it shall be entitled to cause all or part of the bonds to be discounted by the Norges Bank at the official rate of the latter.

3. The provisions of article 9 shall apply to the Treasury bonds purchased in accordance with this article.

*Article 11*

On the expiry of this agreement, the balance in crowns held by the Banque de France and the balance in francs held by the Norges Bank shall be set off at the official rate of exchange. Any part of the credit balance which is not paid immediately in the currency of the creditor bank or in gold shall be used for the purchase of Treasury bonds issued by the debtor country; the said

Treasury bonds shall be issued in the currency of the creditor country and shall bear interest at 3 per cent; they shall be redeemed within five years in accordance with a schedule to be fixed by agreement between the Contracting Parties.

*Article 12*

This agreement, which shall be subject to revision and adjustment after mutual consultation, shall come into force on the date of its signature. It shall expire three years after the date of its entry into force and shall be renewable from year to year by tacit consent, unless three months' notice is given to the contrary. It may be denounced at any time subject to three months' notice.

IN FAITH WHEREOF, the undersigned duly authorized Plenipotentiaries have signed this agreement and affixed thereto their seals.

DONE at Paris, 6 March 1946, in duplicate.

(Signed) Ludvig AUBERT

(Signed) BIDAULT

Ambassador of Norway to France

Minister of Foreign Affairs  
of the Provisional Government  
of the French Republic

ANNEX I

I.—With reference to article 5 of the Payments Agreement signed on this day's date, the Contracting Parties shall deem to be assets in francs and assets in local currencies attached to the franc the accounts opened in these currencies with the banks, exchange brokers and stockbrokers established in the franc zone in the name of persons residing in Norway and vice versa; and as assets in crowns the accounts opened in that currency with the banks established in Norway in the name of persons residing in the franc zone.

II.—French bank-notes held by persons residing in Norway and Norwegian bank-notes held by persons residing in the franc zone shall not be used under the conditions laid down in article 5 of the Monetary Agreement, except by agreement between the Banque de France and the Norges Bank, acting as agents for their respective Governments.

III.—That portion of the assets in crowns referred to in paragraph I which is covered by the general blocking measures imposed by the Norwegian authorities shall be released under the following conditions:

(a) the assets in crowns standing to the credit of French banks shall be released on the application of the banks holding the titles to such assets;

(b) the other assets in crowns may be freely transferred to the accounts of French banks, on an application made by the parties holding the title to such assets and shall then be released in accordance with paragraph (a) above;

(c) the assets in crowns referred to in paragraph (b) above which have not been transferred to the accounts of French banks shall not be released by the Norwegian authorities except in so far as the application for release submitted by the holder of the title to the said assets has been approved by the French Office des Changes.

IV.— That portion of the assets in francs referred to in paragraph I which is covered by the general blocking measures imposed by the French authorities shall be released under the following conditions:

(a) the assets in francs standing to the credit of Norwegian banks shall be released on the application of the banks holding the titles to such assets;

(b) the other assets in francs may be freely transferred to the accounts of Norwegian banks on the application made by the parties holding the titles to such assets and shall then be released in accordance with paragraph (a) above;

(c) the assets in francs referred to in paragraph (b) above which have not been transferred to the accounts of Norwegian banks shall not be released by the French authorities except in so far as the application for release submitted by the holder of the title to the said assets has been approved by the Norges Bank.

V.— The provisions of paragraphs II and IV above shall apply *mutatis mutandis* to the securities held for the account of residents of one of the two countries by the banks of the other country.

## ANNEX II

With reference to article 6 of the Payments Agreement signed on this day's date, the Contracting Parties deem to be current payments settlements of commercial accounts (including incidental expenses), wages, services, relief and upkeep expenses, travelling expenses, pensions, incomes, interest, trading profits, amortizations by virtue of a contract, charges and fees for patents and licences, copyrights, taxes and fines, insurance and re-insurance payments (premiums and compensation) and all similar payments.

The paragraph next preceding notwithstanding, freight owing to Norwegian shipping companies for transport in respect of the franc zone shall in the case of tankers, regular cargo boats and tramp steamers be paid in dollars in the proportion of 20 per cent of their amount. This rule shall apply to the contracts already in operation for shipments effected since 1 January 1946. It shall not apply to the payment of freight due for transport effected by the regular Norwegian lines, such payment being subject to the rules laid down by the competent International Maritime Conferences.

## ANNEX III

RELATING TO THE LIQUIDATION OF TRANSACTIONS IN SUSPENSE IN THE FORMER  
FRENCH-NORWEGIAN CLEARING HOUSE

I.— All orders for payment, including those relating to documentary credits received from the Deutsche Verrechnungskasse by the Norges Bank at Oslo or by the Office des Changes at Paris, shall be carried out subject to presentation by the beneficiaries of the customary vouchers.

II.— The amounts paid for transfer to the Norges Bank at Oslo or to the Office des Changes at Paris shall be reimbursed to those who paid them if the corresponding order of payment issued by the Deutsche Verrechnungskasse has not yet reached the Office des Changes or the Norges Bank. Nevertheless, payments which have already been made, although the notice from the Deutsche Verrechnungskasse has not been received, shall not be returnable.

III.— The orders for payment covered by the categories specified in paragraph I above which have become invalid shall be cancelled. The lists of cancellations made by each country shall be communicated to the other. The French Government and the Norwegian Government shall decide in due course upon the procedure for settling the final balance arising out of this adjustment.

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