

N° 3936.

ESPAGNE ET NORVÈGE

Accord de paiement, signé à Madrid, le 13 juin 1936, et échanges de notes y relatifs de la même date.

SPAIN AND NORWAY

Payments Agreement, signed at Madrid, June 13th, 1936, and Exchanges of Notes relating thereto of the same Date.

¹ TRADUCTION. — TRANSLATION.

No. 3936. — PAYMENTS AGREEMENT² BETWEEN SPAIN AND NORWAY. SIGNED AT MADRID, JUNE 13TH, 1936.

French official text communicated by the Permanent Delegate of Norway to the League of Nations and by the Spanish Envoy Extraordinary and Minister Plenipotentiary at Berne. The registration of this Agreement took place July 11th, 1936.

With a view to facilitating payments between Spain and Norway, the GOVERNMENT OF THE SPANISH REPUBLIC and the GOVERNMENT OF THE KINGDOM OF NORWAY are agreed that payments shall be made in accordance with the system established by the present Agreement.

Article 1.

In the case of sums due by Norwegian debtors in connection with purchases of Spanish goods or in any other connection, the whole amount, with the contractual interest accrued up to the date of payment, shall be paid in Norwegian crowns to the Norges Bank.

Where the sums due are expressed in a currency or currencies other than the Norwegian crown, the debtor shall pay the equivalent in Norwegian crowns, converted at the official rate quoted on the Oslo Stock Exchange on the day preceding the date of payment. Payments so made shall constitute discharge of the debts, except in the case of debts expressed in pesetas.

The Norges Bank shall credit the sums so received to an account, not bearing interest, to be opened in its books in favour of the Centro Oficial de Contratación de Moneda (hereinafter called the "Centro").

Article 2.

In the case of sums due by Spanish debtors in connection with purchases of Norwegian goods or in any other connection, the whole amount, with the contractual interest accrued up to the date of payment, shall be paid in pesetas to the Centro.

Where the sums due are expressed in a currency or currencies other than the peseta, the debtor shall pay the equivalent in pesetas converted at the official rate quoted on the Madrid Stock Exchange on the day preceding the date of payment. Payments so made shall constitute discharge of the debts.

The Centro shall credit the sums so received to an account, not bearing interest, to be opened in its books in favour of the Norges Bank.

Article 3.

The Norges Bank and the Centro shall advise one another daily of all payments received ; and their respective advices shall serve as authority for payments out to the several creditors, as and

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² Came into force June 20th, 1936.

when the necessary funds are available, in the chronological order of the payments received, in accordance with the provisions of the present Agreement.

Every advice shall contain the requisite particulars to enable payment to be made to the creditors concerned.

Article 4.

The High Contracting Parties understand the expression "Spain" to mean Spanish territory in the peninsula, the Balearic Islands, the Canaries and the cities of Melilla and Ceuta.

Article 5.

For the purposes of the present Agreement :

(a) "Spanish goods" shall be deemed to mean products of the soil or industry, produced or manufactured in Spain, which are imported into Norway, not including products of foreign origin other than such as have been processed or manufactured in Spain to such an extent as to entitle them to rank as Spanish goods.

(b) "Norwegian goods" shall be deemed to mean goods produced or manufactured in Norway, not including goods of foreign origin other than such as have been processed or manufactured in Norway to such an extent as to entitle them to rank as Norwegian goods.

The expressions "Norwegian goods" and "Spanish goods" shall not include shipping.

The High Contracting Parties shall be entitled, notwithstanding, to agree in particular cases to authorise payment for purchases of ships through the clearing.

The charges and commissions due from Norwegian exporters to their representatives in Spain, and the charges and commissions due from Spanish exporters to their representatives in Norway, in connection with trade between the two countries, shall be paid through the clearing.

Payment for charges and commissions may also be made by deducting the amount of the same from the sums payable to the clearing accounts by the importers of the two countries.

The Norges Bank and the Centro nevertheless reserve the right to check the character of such payments and the use made of them, and to ascertain whether they actually represent the value of the charges and commissions aforesaid.

Payment for freight charges due in respect of direct shipments of Spanish goods to Norway or Norwegian goods to Spain shall also be made through the clearing at the same time as payments for the goods themselves.

Where, however, the goods have been sold f.o.b. and are shipped on board a vessel belonging to the importing country, the purchaser may make payment of the freight charges direct to the shipper.

Payment for expenditure on vessels of either High Contracting Party employed for the direct shipment of goods of the one Party to the territory of the other Party shall also be made through the clearing. Such expenditure shall include expenditure incurred by vessels of the one Party in the ports of the other Party for revictualling, expenditure for pilotage or port dues and all other like charges.

Article 6.

Within thirty days of the date of entry into force of the present Agreement Spanish debtors must pay all sums due from them, which have not been settled before that date, to the Centro.

In the case of all future imports, Spanish debtors must attach a copy of the invoice, duly attested by the Norges Bank, in making payment to the Centro.

The said copies as submitted by the Spanish debtors to the Centro shall be attached, duly stamped by the latter, to the advices of payments received which it transmits to the Norges Bank.

Article 7.

The attestations for which the second paragraph of Article 6 provides shall continue to be given by the Norges Bank down to the end of the current year to sufficient quantities of goods to bring the value of each category of exports of goods in 1936 up to 75 per cent. of the total for the same category in 1935.

On and after January 1st, 1937, the attestations given by the Norges Bank shall be based on the funds available as a result of imports of Spanish goods into Norway during the previous quarter, so as to avoid as far as possible any increase in the balance of arrears outstanding.

At the beginning of each quarter, a portion of the said funds equivalent to 15 per cent. of the value of Norwegian exports to Spain for the corresponding quarter in 1935 shall be used to pay for sales of goods, in the import of which Spain is particularly interested, in accordance with instructions to be furnished by the Centro for the purpose to the Norges Bank at the beginning of each quarter.

A portion of the said funds also equivalent to 15 per cent. of the value of Norwegian exports to Spain for the corresponding quarter in 1935 shall be used to pay for purchases of goods, in the export of which to Spain Norway is particularly interested. The Norges Bank shall notify the Centro at the beginning of each quarter as to the use to be made of the portion so reserved for Norway.

The allocation of the balance of the said funds between the different categories of goods shall be based on the values of the exports of each for the corresponding quarter in 1935.

If in any given quarter the portion earmarked to pay for purchases of goods in which Spain is particularly interested, or the portion earmarked to pay for purchases of goods in which Norway is particularly interested, should not be exhausted, the amount unused may be carried forward to subsequent quarters.

Similarly, if in any given quarter the balance earmarked to pay for purchases of the different categories of goods to which the fifth paragraph of this Article relates should not be exhausted, the amount unused may be carried forward to subsequent quarters.

The Norges Bank and the Centro may agree to allocate equal moieties of their portions to the reduction of the clearing balance, or to the maintenance till further notice of the position as it stands in 1936, or to the modification of the above percentages so as to improve the working of the clearing.

It is clearly understood that the quotas accorded by the Spanish authorities to the import of Norwegian goods shall not in any case be exceeded.

The efforts of the High Contracting Parties shall in general be directed towards the prevention of any increase in the 1935 values of the imports of particular Norwegian goods into Spain as a result of the operation of the percentages.

Article 8.

Private compensation shall not be allowed except with the consent of both clearing institutions.

Article 9.

The Norges Bank and the Centro shall concert as to the necessary steps to be taken with a view to the execution of the provisions of the present Agreement and the satisfactory working of the clearing.

Article 10.

In the event of either the Norwegian or the Spanish Government establishing a clearing institution other than the Norges Bank or the Centro, they shall be entitled to transfer to its charge the obligations incurred in virtue of the present Agreement.

Article 11.

If on the expiry of the present Agreement there should be a balance outstanding in favour of one or other of the two countries, the importers of the country in whose favour the balance is outstanding shall continue to make payments in accordance with the provisions of the present Agreement until such time as the whole of the balance is exhausted.

Article 12.

The present Agreement shall come into force on June 20th, 1936, and shall remain in force until December 31st, 1936.

If not denounced one month before the latter date, it shall be extended by tacit consent for a period of three months, and so on for further periods of three months, so long as neither High Contracting Party expresses a desire to bring it to an end by giving notice of thirty days.

Done at Madrid, in duplicate, this 13th day of June, 1936.

Augusto BARCIA.

Leif BÖGH.

EXCHANGES OF NOTES

I.

MINISTRY OF FOREIGN AFFAIRS.

MADRID, *June 13th, 1936.*

SIR,

With reference to the Payments Agreement signed this day between Norway and Spain, I have the honour to communicate the following :

The expression " sums due in any other connection " in the first paragraph of Article 1 of the said Agreement relates to dividends or other earnings on Norwegian bonds or securities acquired by Spanish creditors before the date of entry into force of the said Agreement, or any other investment of Spanish capital in Norway made by Spanish investors before the said date, as also to fees due in respect of patents or licences, the rights in which were leased by the Spanish patent or licence-holders to Norwegian beneficiaries before the entry into force of the said Agreement.

The expression " sums due in any other connection " in the first paragraph of Article 2 of the said Agreement relates to dividends or other earnings on Spanish bonds or securities acquired by Norwegian creditors before the date of entry into force of the said Agreement, or any other investment of Norwegian capital in Spain made by Norwegian investors before the said date, as also to fees due in respect of patents or licences, the rights in which were leased by the Norwegian patent or licence-holders to Spanish beneficiaries before the entry into force of the said Agreement.

In the case of sums due in any connection other than those above specified, the Norges Bank and the Centro shall decide by common accord whether payment may be made through the clearing.

I have the honour to be, etc.

Augusto BARCIA.

His Excellency Leif Bøgh,
Envoy Extraordinary and
Minister Plenipotentiary of
His Majesty the King of Norway.

II.

NORWEGIAN LEGATION.

MADRID, *June 13th*, 1936.

SIR,

Your Excellency was good enough to send to me to-day a note in the following terms :

“ With reference to the Payments Agreement signed this day between Norway and Spain, I have the honour to communicate the following :

The expression ‘ sums due in any other connection ’ in the first paragraph of Article 1 of the said Agreement relates to dividends or other earnings on Norwegian bonds or securities acquired by Spanish creditors before the date of entry into force of the said Agreement, or any other investment of Spanish capital in Norway made by Spanish investors before the said date, as also to fees due in respect of patents or licences, the rights in which were leased by the Spanish patent or licence-holders to Norwegian beneficiaries before the entry into force of the said Agreement.

The expression ‘ sums due in any other connection ’ in the first paragraph of Article 2 of the said Agreement relates to dividends or other earnings on Spanish bonds or securities acquired by Norwegian creditors before the date of entry into force of the said Agreement, or any other investment of Norwegian capital in Spain made by Norwegian investors before the said date, as also to fees due in respect of patents or licences, the rights in which were leased by the Norwegian patent or licence-holders to Spanish beneficiaries before the entry into force of the said Agreement.

In the case of sums due in any connection other than those above specified, the Norges Bank and the Centro shall decide by common accord whether payment may be made through the clearing. ”

I have the honour to acknowledge the receipt of this communication, on the terms of which the Norwegian Government is in agreement with the Spanish Government.

I have the honour to be, etc.

Leif BÖGH.

His Excellency Augusto Barcia,
Minister for Foreign Affairs.

III.

MINISTRY OF FOREIGN AFFAIRS.

MADRID, *June 13th*, 1936.

SIR,

In accordance with the spirit of the principles embodied in the second paragraph of Article 2 of the Agreement signed this day, I have the honour to inform Your Excellency, on behalf of the Spanish Government, that the latter undertakes to authorise the Centro Oficial de Contratación de Moneda to give exchange guarantees for peseta payments made by debtors in Spain to the account to be opened by the Centro in its books in favour of the Norges Bank, in the case of claims expressed in a currency or currencies other than the peseta, where such claims arise directly or indirectly in connection with the import of goods.

It is accordingly clearly understood that the basis of the liquidation of the account to be opened in favour of the Norges Bank under the Payments Agreement shall be the entries in the foreign currency or currencies and not the entries in pesetas.

Exchange guarantees shall not be given in the case of claims arising otherwise than in connection with trade transactions, even where such claims are expressed in a currency or currencies other than

the peseta. Claims arising otherwise than in connection with trade transactions, which are expressed in a currency or currencies other than the peseta, shall be brought into account at their equivalent value in Spanish currency, without any entry of their value in the foreign currency in which they are expressed.

I have the honour to be, etc.

His Excellency Leif Bøgh,
Envoy Extraordinary and
Minister Plenipotentiary of
His Majesty the King of Norway.

Augusto BARCIA.

IV.

NORWEGIAN LEGATION.

MADRID, *June 13th, 1936.*

SIR,

Your Excellency was good enough to send to me to-day a note in the following terms :

“ In accordance with the spirit of the principles embodied in the second paragraph of Article 2 of the Agreement signed this day, I have the honour to inform Your Excellency, on behalf of the Spanish Government, that the latter undertakes to authorise the Centro Oficial de Contratación de Moneda to give exchange guarantees for peseta payments made by debtors in Spain to the account to be opened by the Centro in its books in favour of the Norges Bank, in the case of claims expressed in a currency or currencies other than the peseta, where such claims arise directly or indirectly in connection with the import of goods.

It is accordingly clearly understood that the basis of the liquidation of the account to be opened in favour of the Norges Bank under the Payments Agreement shall be the entries in the foreign currency or currencies and not the entries in pesetas.

Exchange guarantees shall not be given in the case of claims arising otherwise than in connection with trade transactions, even where such claims are expressed in a currency or currencies other than the peseta. Claims arising otherwise than in connection with trade transactions, which are expressed in a currency or currencies other than the peseta, shall be brought into account at their equivalent value in Spanish currency, without any entry of their value in the foreign currency in which they are expressed. ”

I have the honour to acknowledge the receipt of this communication and have taken note of the same on behalf of my Government.

I have the honour to be, etc.

His Excellency Augusto Barcia,
Minister for Foreign Affairs.

Leif BØGH.