

N° 4335.

---

GRANDE-BRETAGNE  
ET IRLANDE DU NORD  
ET ITALIE

Accord portant modification de l'Accord du 6 novembre 1936 concernant les relations commerciales et les paiements, signé à Londres, le 18 mars 1938, et échange de notes y relatif de la même date.

---

GREAT BRITAIN  
AND NORTHERN IRELAND  
AND ITALY

Agreement modifying the Agreement of November 6th, 1936, regarding Commercial Exchanges and Payments, signed at London, March 18th, 1938, and Exchange of Notes relating thereto of the same Date.

No. 4335. — AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE ITALIAN GOVERNMENT MODIFYING THE AGREEMENT OF NOVEMBER 6TH, 1936, REGARDING COMMERCIAL EXCHANGES AND PAYMENTS. SIGNED AT LONDON, MARCH 18TH, 1938.

*English and Italian official texts communicated by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration of this Agreement took place April 14th, 1938.*

THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and THE ROYAL ITALIAN GOVERNMENT have agreed as follows :

*Article 1.*

The provisions of the Clearing Agreement<sup>1</sup>, signed in Rome on the sixth day of November 1936 (hereinafter called the Principal Agreement), shall remain in force where they are not modified by the present Amending Agreement.

*Article 2.*

(1) As from the date of the coming into force of this Agreement, the sums deposited in the Lire New Account referred to in Article 1 of the Principal Agreement shall be allocated to two non-interest-bearing Sub-Accounts entitled the " Lire Coal Sub-Account " and the " Lire Sub-Account ' D ' " respectively.

Lire sums already deposited in the Lire New Account, in respect of which advices of payment have not been transmitted by the Istituto to the Clearing Office under the provisions of Article 12 (4) (a) of the Principal Agreement, which represent debts in respect of the price of coal shall be allocated to the Lire Coal Sub-Account, and all other lire sums already so deposited shall be allocated to the Lire Sub-Account " D ".

Lire sums deposited hereafter in respect of any debts due and owing on the date of the coming into force of this Agreement or falling due after that date from persons in Italy :

(a) To persons in the United Kingdom in respect of the f.o.b. price of United Kingdom coal imported into Italy, or

(b) To persons in the United Kingdom in respect of the price of other United Kingdom goods imported into Italy and freights for the carriage of goods other than United Kingdom coal between the two countries in British ships, or

(c) To persons in the United Kingdom in respect of payments of any kind due in Italy for the reproduction and exhibition in Italy of United Kingdom films, such payments being regarded as part of the price of the said films, or

<sup>1</sup> Vol. CLXXVII, page 183 ; and Vol. CLXXXV, page 466, of this Series.

(*d*) To persons in the United Kingdom or in Newfoundland in respect of the price of Newfoundland codfish and stockfish imported into Italy and in respect of the freights for the carriage of such fish in British ships

shall be allocated :

(*a*) To the Lire Coal Sub-Account, or

(*b*) (*c*) and (*d*) To the Lire Sub-Account " D " respectively.

(2) Article 1 (4) of the Principal Agreement shall cease to have effect, and the lire hereafter deposited and allocated to the Lire Coal Sub-Account and the Lire Sub-Account " D " shall remain blocked in favour of the respective creditors in the United Kingdom until such time as transfer to such creditors is effected through the Sterling Coal Sub-Account or the Sterling Sub-Account " D ".

(3) Any balance outstanding in the Sterling New Account on the coming into force of this Agreement shall be allocated between the Sterling Coal Sub-Account and the Sterling Sub-Account " D " in the ratio of 46 : 41. Allowance shall be made in determining the balance for any advices of payment and cheques outstanding.

### Article 3.

(1) From the coming into force of the present Agreement no further sums shall be received into the Sterling (ex-blocked) Account " B " and the Lire Arrears Account " B " established under the Principal Agreement, and sums standing to the credit of these accounts and of the Sterling Arrears Account " B " also established under the Principal Agreement shall be dealt with as follows :

(*a*) The sterling balance, if any, standing to the credit of the Sterling (ex-blocked) Account " B " shall be converted into Italian lire at the rate of exchange of lire 64.46 to the pound sterling, the lire amount resulting from this conversion being credited to the Lire Arrears Account " A " ;

(*b*) The lire balance, if any, standing to the credit of the Lire Arrears Account " B " shall be credited to the Lire Arrears Account " A " ;

(*c*) The sterling balance, if any, standing to the credit of the Sterling Arrears Account " B " shall be credited to the Sterling Arrears Account " A " .

(2) Any sterling balance as determined under paragraph (3) of this Article remaining in the Sterling Arrears Account " A " after effecting the transfers referred to in paragraph (1) of this Article shall be dealt with as follows :

(*a*) £30,000 shall be placed at the free disposal of the Istituto ; and

(*b*) Subject to the retention of a credit balance of £10,000 in the Sterling Arrears Account " A " , the remainder shall be distributed between the Sterling Coal Sub-Account and the Sterling Sub-Account " D " in the ratio of 46 : 41.

(3) In determining the balance to be distributed, allowance shall be made for (*a*) the amounts of outstanding cheques, (*b*) the sums necessary for the transfer of advices of payment already issued by the Istituto in respect of which cheques have not yet been drawn, and (*c*) the sums necessary for the transfer of advices of payment yet to be issued by the Istituto in respect of the lire sums already standing to the credit of the Lire Arrears Account " A " . On the other hand regard shall also be had to the allocations already made to the Sterling Arrears Accounts " A " and " B , " but not yet credited to those Accounts.

(4) If, after the coming into force of the present Agreement, further lire sums are deposited in respect of debts coming within the definitions contained in Article 3 of the Principal Agreement these sums shall be credited to the Lire Arrears Account " A " , and, subject to the provisions of Article 9 of the Principal Agreement, shall remain blocked in favour of the respective creditors in the United Kingdom until such time as the transfer to such creditors is effected through the Sterling Arrears Account " A " .

(5) The lire sums deposited in respect of debts coming within the definitions contained in paragraph (2) (*a*) of Article 3 of the Principal Agreement, and not yet transferred to the respective

creditors in the United Kingdom, shall be credited to the Lire Arrears Account " A " and on transfer to such creditors through the Sterling Arrears Account " A " shall be converted into sterling at the rate of exchange of lire 64.46 to the pound sterling.

*Article 4.*

The following shall be added to the provisions of paragraph (3) of Article 4 of the Principal Agreement :

" In cases where the amount of a lire deposit exceeds lire 1,500,000 transfer shall be effected in monthly instalments not exceeding lire 1,500,000, and each instalment shall have the order of priority of the initial instalment."

*Article 5.*

The provisions of Article 5 and of the second paragraph of Article 12 (4) (a) of the Principal Agreement shall remain in force ; but in respect of lire deposits made with the Istituto by debtors in Italy or in the Italian Possessions and Colonies under the provisions of the Principal Agreement as amended, the Istituto may undertake to secure that payment will be made to the respective creditors in the United Kingdom :

- (a) Where the debt is expressed in sterling, of the full sterling amount due, or
- (b) Where the debt is expressed in a currency other than sterling, of the full sterling equivalent of the debt calculated at the rates of exchange ruling for such other currency and for sterling on the Rome Bourse on the day on which the Istituto sends to the Clearing Office the advice of payment corresponding to the deposit made by the debtor.

*Article 6.*

The provisions of Article 6 of the Principal Agreement shall remain in force ; but the Istituto may undertake to guarantee that the payment to be made to creditors in respect of sums credited to the Sterling General Account for Italian goods imported into the United Kingdom shall be :

- (a) Where the debt is expressed in lire, the full lire amount due, or
- (b) Where the debt is expressed in a currency other than the lira, the full lire equivalent of the sum so credited calculated at the rate of exchange ruling for such other currency on the Rome Bourse on the day on which the sum was so credited.

*Article 7.*

(1) Paragraph (1) of Article 7 of the Principal Agreement shall cease to have effect, and as from the coming into force of this Agreement the sums credited to the Sterling General Account shall be allocated as follows :

(a) 46 per cent. shall be credited to a non-interest-bearing account called the " Sterling Coal Sub-Account " and shall be utilised for the transfer of sums standing to the credit of the Lire Coal Sub-Account. Such sums shall be transferred in the chronological order of their deposit.

(b) 41 per cent. shall be credited to a non-interest-bearing account called the " Sterling Sub-Account ' D ' " and shall be utilised for the transfer of sums standing to the credit of the Lire Sub-Account " D ". Subject to the provisions of Article 8 of the

Principal Agreement such sums shall be transferred in the chronological order of their deposit.

(c) 6½ per cent. shall be credited to a non-interest-bearing account called the "Sterling Arrears Account 'A'" and shall be utilised in the first place for the transfer, in the chronological order of their deposit with the Istituto, of the sums standing to the credit of the Lire Arrears Account "A". Subject to the retention of a sum of £10,000 available for such transfers, any further balance shall be placed at the free disposal of the Istituto.

(d) 6½ per cent. shall be credited to a non-interest-bearing account called the "Sterling Arrears Account 'C'" and shall be utilised for the transfer of the sums standing to the credit of the Lire Arrears Account "C". Subject to the provisions of Paragraph (3) of Article 4 of the Principal Agreement as amended by this Agreement, such sums shall be transferred in the chronological order of their deposit.

(2) Any surplus that may be established in one or more of the accounts called the Sterling Coal Sub-Account, Sterling Sub-Account "D" and Sterling Arrears Account "C" may, by agreement between the Istituto and the Clearing Office, be transferred in whole or in part to any other of the said accounts, subject to such provisions, if any, for subsequent re-transfer as may be agreed.

#### Article 8.

The Sterling Coal Sub-Account and the Sterling Sub-Account "D" shall be opened at the Bank of England in the name of the Controller of the Anglo-Italian Clearing Office.

#### Article 9.

Paragraphs (3), (4), (5) and (6) of Article 7 of the Principal Agreement shall cease to have effect.

#### Article 10.

In Article 8 of the Principal Agreement references to the Lire New Account shall be construed as references to the Lire Sub-Account "D".

#### Article 11.

In Paragraph (2) of Article 11 of the Principal Agreement, the words "the Sterling Coal Sub-Account and the Sterling Sub-Account 'D'" shall be substituted for the words "the Sterling New Account".

#### Article 12.

There shall be added to Article 13 of the Principal Agreement :

"(d) Freights and insurance payable in respect of United Kingdom coal imported into Italy".

#### Article 13.

For the purpose of this Agreement "coal" shall mean coal, coke or manufactured fuel of which coal or coke is the chief constituent.

*Article 14.*

The following Article shall be substituted for Article 15 of the Principal Agreement :

“ Article 15 (1). This Agreement shall come into force on the 16th November, 1936. It shall remain in force until the 31st December, 1938, and after this date it shall continue in force, unless denounced. Notice of denunciation may be given by either of the two Contracting Governments at any time. If such notice is given on or before the 30th November, 1938, it shall take effect on the 31st December, 1938 ; if notice is given after the 30th November, 1938, denunciation shall take effect as follows :

(a) If notice is given between the 1st December of any year and the following 31st May, it shall take effect on the following 30th June ;

(b) If notice is given between the 1st June and the 30th November in any year, it shall take effect on the following 31st December.

(2) If at the termination of this Agreement there remains a balance in favour either of Italy or of the United Kingdom in the Sterling Coal Sub-Account and the Sterling Sub-Account ‘ D ’ taken together or in the Lire Coal Sub-Account and the Lire Sub-Account ‘ D ’ taken together, the importers of the creditor country shall continue to pay the value of their imports into the said Lire Sub-Accounts or into the Sterling General Account, for allocation to the said Sterling Sub-Accounts, as the case may be, until the balance has been transferred. ”

*Article 15.*

This Agreement constitutes an integral part of the Principal Agreement signed in Rome on the 6th day of November, 1936, and shall come into force on the 28th March, 1938.

In faith whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

Done in duplicate in London, the 18th March, 1938, in English and Italian, both texts being equally authentic.

For the United Kingdom  
of Great Britain and Northern Ireland :

HALIFAX.

For Italy :  
Guido CROLLA.

## SCAMBIO DI NOTE — EXCHANGE OF NOTES

TEXTE ITALIEN. — ITALIAN TEXT.

<sup>1</sup> TRADUCTION. — TRANSLATION.

I.

I.

SIGNOR CROLLA TO LORD HALIFAX.

AMBASCIATA D'ITALIA.

ITALIAN EMBASSY.

LONDRA, 18 *Marzo* 1938.LONDON, *March 18th*, 1938.

SIGNOR SEGRETARIO DI STATO,

SIR,

Ho l'onore di informare Vostra Eccellenza : (1) che gli importi in sterline posti a libera disposizione dell'Istituto Nazionale per i Cambi con l'Estero in conformità alle disposizioni dell'articolo 7 dell'Accordo Addizionale firmato in data odierna, saranno utilizzati, nei limiti del fabbisogno a tale titolo, per il pagamento di noli ed assicurazioni relativi a carbone del Regno Unito (così come è definito nel predetto Accordo) importato in Italia ; (2) che, in quanto le somme in sterline così poste a libera disposizione dell'Istituto siano insufficienti a coprire interamente tali pagamenti, l'Istituto provvederà il cambio in sterline necessario a tale scopo all'infuori del Clearing.

Ho pure l'onore di informare Vostra Eccellenza che la somma di Lst. 30.000, posta a libera disposizione dell'Istituto in conformità all'articolo 3 (2) *a*) dell'Accordo Addizionale, sarà utilizzata per il regolamento di debiti verso persone in Terranova, Birmania, in una qualsiasi Colonia o Protettorato inglese, o in territori sui quali un Mandato viene esercitato dal Governo di S. M. nel Regno Unito, in relazione al prezzo di merci importate in Italia e nei Possedimenti e Colonie italiani ; che tali debiti, a fronte dei quali dei versamenti in lire sono stati eseguiti all'Istituto, ed il cui ammontare complessivo è calcolato in circa Lit. 4.400.000, saranno completamente regolati entro il 30 settembre 1938 ; e che gli importi in lire relativi a tali debiti versati all'Istituto prima del 5 ottobre 1936 avranno diritto al cambio di conversione di Lit. 64.46 per Lst. 1.

Voglia, etc.

Guido CROLLA.

I have the honour to inform your Excellency (i) that the sterling placed at the free disposal of the Istituto Nazionale per i Cambi con l'Estero in accordance with the provisions of Article 7 of the Amending Agreement of to-day's date will be utilised, so far as required for this purpose, for the payment of freights and insurance in respect of United Kingdom coal (as defined in the said Agreement) imported into Italy, and (ii) that, in so far as the sterling thus placed at the free disposal of the Istituto is insufficient to cover such payments in full, the necessary sterling exchange will be provided for this purpose by the Istituto Nazionale per i Cambi con l'Estero outside the Clearing.

I also have the honour to inform your Excellency that the sum of £30,000 placed at the free disposal of the Istituto under Article 3 (2) *(a)* of the Amending Agreement will be utilised to settle debts to persons in Newfoundland, Burma, any British Colony or Protectorate, or any territory in respect of which a Mandate is exercised by His Majesty's Government in the United Kingdom in respect of the price of goods imported into Italy and the Italian Possessions and Colonies, that such debts in respect of which deposits have been made with the Istituto, estimated to amount to about Lire 4,400,000, will be completely settled by the 30th September, 1938, and that lire sums in respect of such debts deposited with the Istituto before the 5th October, 1936, will be entitled to the rate of conversion of lire 64.46 to the pound sterling.

I avail, etc.

Guido CROLLA.

<sup>1</sup> Traduction du Foreign Office de Sa Majesté britannique.

<sup>1</sup> Translation of His Britannic Majesty's Foreign Office.

## II.

LORD HALIFAX TO SIGNOR CROLLA.

FOREIGN OFFICE.

LONDON, *March 18th*, 1938.

SIR,

I have the honour to acknowledge receipt of your Note of to-day's date reading, in translation, as follows :

" I have the honour to inform your Excellency (i) that the sterling placed at the free disposal of the Istituto Nazionale per i Cambi con l'Esterio in accordance with the provisions of Article 7 of the Amending Agreement of to-day's date will be utilised, so far as required for this purpose, for the payment of freights and insurance in respect of United Kingdom coal (as defined in the said Agreement) imported into Italy, and (ii) that in so far as the sterling thus placed at the free disposal of the Istituto is insufficient to cover such payments in full, the necessary sterling exchange will be provided for this purpose by the Istituto Nazionale per i Cambi con l'Esterio outside the Clearing.

" I also have the honour to inform your Excellency that the sum of £30,000 placed at the free disposal of the Istituto under Article 3 (2) (a) of the Amending Agreement will be utilised to settle debts to persons in Newfoundland, Burma, any British Colony or Protectorate, or any territory in respect of which a Mandate is exercised by His Majesty's Government in the United Kingdom in respect of the price of goods imported into Italy and the Italian Possessions and Colonies, that such debts in respect of which deposits have been made with the Istituto, estimated to amount to about Lire 4,400,000, will be completely settled by the 30th September, 1938, and that lire sums in respect of such debts deposited with the Istituto before the 5th October, 1936, will be entitled to the rate of conversion of lire 64.46 to the pound sterling. "

I have the honour to inform you that my Government concur in the procedure outlined in this Note.

I avail, etc.

HALIFAX.