



Treaty Series No. 1 (1954)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the United States of Brazil
implementing the arrangements set forth in the
Exchange of Notes of October 1, 1953 for the
settlement of Brazilian Commercial Arrears
with the United Kingdom

London, December 21, 1953

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of Her Majesty
January 1954*

LONDON
HER MAJESTY'S STATIONERY OFFICE

THREEPENCE NET

Cmd. 9034

EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNITED STATES OF BRAZIL IMPLEMENTING THE ARRANGEMENTS SET FORTH IN THE EXCHANGE OF NOTES OF OCTOBER 1, 1953 FOR THE SETTLEMENT OF BRAZILIAN COMMERCIAL ARREARS WITH THE UNITED KINGDOM

London, December 21, 1953

No. 1

The Secretary of State for Foreign Affairs to the Brazilian Ambassador

Foreign Office, S.W. 1,

December 21, 1953.

Your Excellency,

I have the honour to refer to the discussions which have taken place between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the United Kingdom Government) and the Government of the United States of Brazil (hereinafter referred to as the Government of Brazil) in accordance with paragraph VII of the agreement recorded in the Exchange of Notes for the settlement of Brazilian commercial arrears with the United Kingdom, signed in Rio de Janeiro on the 1st of October 1953⁽¹⁾ (hereinafter referred to as the Exchange of Notes).

These discussions have resulted in agreement on the provisions set forth below:—

- (a) The Government of Brazil will proceed forthwith to make available the sum of £10 million, the purchase of which has already been approved by the International Monetary Fund, for the provision of cover to enable the outstanding commercial debts, as defined in paragraph I of the Exchange of Notes, with interest thereon, to be liquidated in chronological order of the dates of approval of the applications for sterling by the Banking Fiscalisation Department of the Bank of Brazil.
- (b) The further cover for remittances to be made available by the Government of Brazil in accordance with paragraph III of the Exchange of Notes will be applied in full to the liquidation of the principal of the remaining commercial debts in chronological order as described in sub-paragraph (a) above.
- (c) In so far as the availability of sterling exchange permits, the Government of Brazil will, prior to the 1st of October in each year, arrange for the provision of cover for the minimum annual sum of £6 million referred to in paragraph III of the Exchange of Notes in such a manner as to maintain a continuous flow of remittances to United Kingdom creditors.
- (d) The interest to be paid in accordance with paragraph V of the Exchange of Notes shall be calculated as simple interest and shall be remitted in sterling free of any deductions, together with the principal of each commercial debt at the time of its discharge. The sterling sums required for the purpose of interest payments on the

⁽¹⁾ "Treaty Series No. 76 (1953)," Cmd. 8978.

debts referred to in sub-paragraph (b) above shall be additional to the cover for the remittances referred to in paragraph III of the Exchange of Notes.

- (e) Commercial debts in respect of goods cleared through Brazilian Customs before the 1st of October, 1953, shall be deemed to be covered by the Exchange of Notes, notwithstanding that application for sterling may not have been approved before that date.
- (f) The Government of Brazil will inform the United Kingdom Government monthly of the progress of the liquidation of the commercial debts.

Should your Excellency agree, I propose that the present Note, together with that of your Excellency, of the same tenor of this same date, shall constitute an Agreement between our Governments, which shall become effective to-day.

I have, &c.

(For the Secretary of State),

READING.

No. 2

The Brazilian Ambassador to the Secretary of State for Foreign Affairs

Embaixada dos Estados Unidos do Brasil.

Senhor Secretário de Estado,

Londres, em 21 de dezembro de 1953.

Tenho a honra de acusar o recebimento da nota de hoje, na qual Vossa Excelência se refere às discussões realizadas em Londres entre representantes do Governo dos Estados Unidos do Brasil (doravante mencionado como Governo do Brasil) e do Governo do Reino Unido da Grã-Bretanha e Irlanda do Norte (doravante mencionado como Governo do Reino Unido) de conformidade com o item VII do acôrdo por Troca de Notas para a liquidação dos atrasados comerciais brasileiros para com o Reino Unido, assinado no Rio de Janeiro, em 1º de outubro de 1953 (doravante mencionado como a Troca de Notas).

2. Estas discussões resultaram em acôrdo sôbre as disposições abaixo:

- (a) O Governo do Brasil aplicará desde logo a importância de £10.000.000, cuja aquisição ao Fundo Monetário Internacional já foi por êste aprovada, no fornecimento de cobertura para a liquidação dos atrasados comerciais definidos no item I da Troca de Notas, com os respectivos juros, segundo a ordem cronológica determinada pelas datas de aprovação dos pedidos de cobertura em esterlinos pela Fiscalização Bancária do Banco do Brasil, S.A.;
- (b) As coberturas adicionais a serem fornecidas pelo Governo do Brasil, de acôrdo com o item III da Troca de Notas, serão aplicadas integralmente na liquidação do principal dos atrasados comerciais remanescentes, segundo a ordem cronológica mencionada no item (a) supra;
- (c) Na medida que as disponibilidades de câmbio em esterlinos o permitirem, o Governo do Brasil facilitará o fornecimento de cobertura, antes do dia 1º de outubro de cada ano, para a importância mínima anual de £6.000.000 prevista no item III da Troca de Notas, de modo a manter continuadas remessas aos credores no Reino Unido;
- (d) Os juros a serem pagos de acôrdo com o item V da Troca de Notas serão calculados como juros simples e transferidos em esterlinos, livres de quaisquer deduções, juntamente com o principal de cada dívida

comercial por ocasião de sua liquidação. As importâncias em esterlinos necessárias ao pagamento dos juros sobre as dívidas mencionadas no item (b) supra, serão acrescidas às coberturas para as remessas mencionadas no item III da Troca de Notas;

- (e) As dívidas comerciais relativas a mercadorias desembaraçadas pelas Alfândegas do Brasil antes de 1º de outubro de 1953 são abrangidas pelo regime estabelecido pela Troca de Notas, embora não tenha sido aprovado o respectivo pedido de cobertura antes dessa data;
- (f) O Governo do Brasil informará o Governo do Reino Unido mensalmente sobre o andamento da liquidação dos atrasados comerciais.

3. Em resposta, cabe-me levar ao conhecimento de Vossa Excelência que meu Governo aceita as disposições supra-citadas e, assim, concordo com a sugestão de Vossa Excelência para que a sua Nota e a presente, de igual teor e da mesma data, constituam um Acôrdo entre os nossos Governos, a entrar em vigor na data de hoje.

Aproveito, &c.

S. DE SOUZA-LEÃO GRACIE.

(Translation)

Your Excellency,

London, December 21, 1953.

I have the honour to acknowledge receipt of your Note of to-day's date, referring to the discussions which have taken place in London between representatives of the Government of the United States of Brazil (hereinafter referred to as the Government of Brazil) and the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the Government of the United Kingdom) in accordance with Paragraph VII of the agreement recorded in the Exchange of Notes for the settlement of Brazilian commercial arrears with the United Kingdom, signed in Rio de Janeiro on the 1st October, 1953 (hereinafter referred to as the Exchange of Notes).

2. These discussions resulted in agreement on the provisions set forth below :—

[As in sub-paragraphs (a) to (f) of paragraph 2 of No. 1.]

3. In reply I wish to inform your Excellency that my Government accept the foregoing provisions and I therefore agree with your Excellency's suggestion that your Note, together with this Note of similar tenor and of the same date, shall constitute an agreement between our Governments which shall become effective to-day.

I avail, &c.

S. DE SOUZA-LEÃO GRACIE.