



Treaty Series No. 1 (1941)

## Agreements

between the Government of the United Kingdom and  
the Belgian Government

relating to the Belgian Congo

in respect of

# Finance and the Purchase of Commodities

London, January 21, 1941

*Presented by the Secretary of State for Foreign Affairs  
to Parliament by Command of His Majesty*

LONDON

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

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York House, Kingsway, London, W.C.2; 120 George Street, Edinburgh 2;  
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1941

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Cmd. 6248

AGREEMENTS BETWEEN THE GOVERNMENT OF THE UNITED  
KINGDOM AND THE BELGIAN GOVERNMENT RELATING TO  
THE BELGIAN CONGO IN RESPECT OF FINANCE AND THE  
PURCHASE OF COMMODITIES.

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*London, January 21, 1941.*

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FINANCIAL AGREEMENT.

THE Government of the United Kingdom of Great Britain and Northern Ireland and the Belgian Government have agreed as follows :—

ARTICLE 1.

(1) From the date of the coming into force of this Agreement the rate of exchange of the Congolese franc shall be fixed at 176·625 Congolese francs to £1 sterling. This rate (hereinafter referred to as “the official rate”) shall, subject to current transfer charges between London and Leopoldville, be quoted in London and Leopoldville by the respective monetary authorities, and shall be applied by these authorities to all permitted dealings in the two currencies. No change in the official rates shall be made except by prior agreement between the two Contracting Governments.

(2) Any rates quoted by the monetary authorities of the Belgian Congo and Ruanda-Urundi (hereinafter collectively referred to as “the Congo”) for currencies other than sterling shall be based on the official middle rate for the Congolese franc against sterling and the official buying and selling rates quoted in London for that other currency against sterling.

ARTICLE 2.

A quantitative control of imports of all commodities from all sources shall be maintained in the Congo in such a manner as to ensure the enforcement of that limitation of imports which is unavoidable in time of war. Should the necessity arise, the Government of the United Kingdom undertake to make every effort to supply the requirements of the Congo within these limits from sources within the sterling area; and where this is not possible, to make available to importers in the Congo the means of payment, in accordance with the provisions of Article 4 of this Agreement for any necessary imports from countries outside the sterling area, on the same terms as to British importers, due account being taken of the foreign exchange in, or coming into, the possession of the authorities of the Congo or of persons resident in the Congo.

ARTICLE 3.

The Banque du Congo Belge shall act as agents for the Administration of the Belgian Congo for the purpose of making and receiving all payments under the provisions of this Agreement. The Bank of England shall similarly act as agents for the Government of the United Kingdom. The Bank of England and the Banque du Congo Belge will sell to one another sterling for Congolese francs, and Congolese francs for sterling at the official rate. No limit shall be fixed for the amounts of sterling or Congolese francs to be purchased in accordance with this Article.

ARTICLE 4.

(1) Where, under the provisions of Article 2 of this Agreement, the Government of the United Kingdom have undertaken that the means of payment to persons resident outside the sterling area shall be furnished to persons in the Congo for any necessary imports, or where such means of payment are provided by the Government of the United Kingdom for any necessary financial services, this shall be done by one of the two following methods:—

- (a) By the sale by the Bank of England to the Banque du Congo Belge against sterling of the foreign currency required, at the London official selling rate for that currency;
- (b) By the credit of sterling, subject to the conditions prescribed in paragraph (2) of this Article, to the account of persons resident in the country in question.

(2) Where arrangements have been made prescribing, in relation to all payments or any class of payments between the sterling area and any country, that payments between persons resident in the sterling area and persons resident in that country shall be made either in the currency of that country or in sterling, or in sterling only, or where such payments are made in sterling, that they shall be made only by debit or credit of a specified account or of one of a specified class of accounts, the Belgian Government undertake that as from the date of the notification to them of these arrangements by the Government of the United Kingdom all payments between persons in the Congo and persons in that country shall be made only in accordance with those arrangements.

ARTICLE 5.

The Belgian Government undertake to maintain in force in the Congo measures—

- (a) prohibiting the import and export of gold, currency and securities;
- (b) requiring that any foreign exchange in, or coming into, the possession of persons resident in the Congo shall be sold at official rates to the monetary authorities of the Congo;

- (c) requiring that all exports from the Congo to any country with which an arrangement has been made of the kind described in paragraph (2) of Article 4 of this Agreement shall be paid for within a fixed period of time in the manner specified in that arrangement for payments from residents in that country to residents in the sterling area;
- (d) providing that foreign exchange (including sterling) will only be supplied to persons resident in the Congo for permitted imports and for necessary financial services, for which permission has been given by the Administration of the Belgian Congo.

#### ARTICLE 6.

The Belgian Government undertake to take all measures necessary to ensure that all sterling sums which come under their control, whether under the provisions of Article 3 or of paragraph (b) of Article 5 of this Agreement or otherwise, shall be used exclusively for expenditure in the sterling area or for the purposes provided in Article 4 of this Agreement.

#### ARTICLE 7.

(1) After providing for the Congo's own requirements and for such advances to the Belgian Government as may prove necessary from time to time, the monetary authorities of the Congo shall offer to the Bank of England, and the Bank of England shall buy, the whole surplus gold production of the Congo in the form of fine gold bars boxed ready for shipment, deposited with the Reserve Bank of South Africa, Cape Town, for account of the Bank of England, against payment in sterling at the price of 168s. per fine ounce :

Provided that, if the London official buying price of gold shall be altered at any time, the price at which the Bank of England shall buy the said gold shall be altered accordingly.

(2)—(a) After providing for the Congo's own requirements and such advances to the Belgian Government as may prove necessary from time to time, the monetary authorities of the Congo shall, from time to time, sell to the Bank of England, against payment in sterling at the London official buying rate for the currency in question, any such surplus as they may hold of any currencies to which this paragraph applies.

(b) The currencies to which this paragraph shall apply shall be determined from time to time by agreement between the Bank of England and the monetary authorities of the Congo, who shall notify the Bank of England of the amounts of such surplus currencies which are held at its disposal for purchase on the terms provided.

#### ARTICLE 8.

In order to give the fullest effect to these arrangements, and in order that the Administration of the Belgian Congo may enjoy the

fullest facilities in the use of the sterling which they will receive by virtue of them, the Government of the United Kingdom shall take the necessary measures to ensure that the Congo shall be treated as a member of the sterling area for the purposes of the regulations in force in the United Kingdom in regard to exchange control.

ARTICLE 9.

In this agreement the expression "the sterling area" shall have the meaning assigned to it by the regulations in force in the United Kingdom in regard to exchange control; provided that, if the Government of the United Kingdom shall at any time amend the definition of the sterling area in force for the purposes of the said regulations, such amendment shall apply to the definition of the sterling area in force for the purposes of this agreement as from the date of the notification to that effect from the Government of the United Kingdom to the Belgian Government.

ARTICLE 10.

This agreement shall come into force on signature. It shall remain in force until the conclusion of the hostilities in which the two Contracting Governments are engaged and the coming into force of a treaty of peace, and thereafter shall continue in force unless on the last day of any month either Contracting Government shall give notice to the other of their desire to terminate it on the last day of the month next following: Provided that, if at any time during any period between the 1st September, 1941, and the coming into force of such a treaty of peace no agreement exists between the two Contracting Governments in regard to the guarantee by the Government of the United Kingdom of purchases in the Congo, it shall be open to either Contracting Government to terminate the present agreement on giving three months' notice.

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed the present agreement and have affixed thereto their seals.

Done in duplicate in London, the 21st day of January, 1941

(L.S.) ANTHONY EDEN.  
(L.S.) P. H. SPAAK.



## PURCHASE AGREEMENT.

THE Government of the United Kingdom of Great Britain and Northern Ireland and the Belgian Government, desiring to regulate purchases of commodities from the Belgian Congo and Ruanda Urundi (hereinafter referred to as "The Congo"), have agreed as follows :—

## ARTICLE 1.

The Government of the United Kingdom shall guarantee the purchase by buyers in the United Kingdom, including departments of His Majesty's Government, during the period from the 1st September, 1940, to the 31st August, 1941, inclusive, of the following quantities of exports from the Congo :—

Copper : 126,000 metric tons.

Cotton : 20,000 long tons.

Copal : 7,000 long tons.

Ground-nuts : 2,500 long tons.

Palm kernels : 15,000 long tons.

Palm oil : All supplies available for export of a quality not in excess of 6 per cent. free fatty acid on arrival in the United Kingdom.

The above quantities of the various products constitute minima only and further purchases of these or other products from the Congo for import into the United Kingdom according to current requirements are not precluded. In this connexion the Government of the United Kingdom will give sympathetic consideration to applications for licences for such additional imports from the Congo as may be consistent with the restrictions and limitations imposed on them by the united war effort of the two contracting parties and in particular cotton if shipping space becomes available.

## ARTICLE 2.

The quantities mentioned in Article 1 shall be deemed in each case to include purchases already made by buyers in the United Kingdom during the period to which the guarantee given under Article 1 by the Government of the United Kingdom relates.

## ARTICLE 3.

The Government of the United Kingdom shall give sympathetic consideration to the maintenance of purchases of tin ore from the Congo at the present level when the existing contracts expire.

**ARTICLE 4.**

The Government of the United Kingdom will consider in March 1941 the possibility of purchasing sugar from the Congo.

**ARTICLE 5.**

Purchases shall be made at prices ruling in competitive markets, subject to the following special arrangements :—

Copper shall be bought at the prices ruling for long-term Rhodesian contracts. Palm kernels shall be bought at a price based on that which is paid by the Government of the United Kingdom for Nigerian palm kernels, subject to the differences in quality which normally result in a discount of ten shillings to fifteen shillings a long ton for Belgian Congo palm kernels. Palm oil shall be bought at a price of twelve pounds a long ton, cost and freight United Kingdom, in bulk.

**ARTICLE 6.**

Payment for purchases guaranteed by the Government of the United Kingdom shall be made in the usual way; if, however, it proves impossible to ship the agreed quantities the Government of the United Kingdom shall—

- (a) In the case of copper, cotton and copal pay for and take title to any unshipped balance where it lies in the Congo during the month of August 1941.
- (b) In the case of palm oil, palm kernels and ground nuts pay for and take title to any unshipped balance where it lies in the Congo not later than the 31st October, 1941.

**ARTICLE 7.**

The Government of the United Kingdom shall if necessary take such measures as may be required so that the products referred to in Article 1 or any other commodity which may be purchased by the Government of the United Kingdom shall not be placed as a result of customs duty in a position less favourable than British colonial products.

**ARTICLE 8.**

The Government of the United Kingdom will enter into negotiation with the Belgian Government not later than the 30th June, 1941, in regard to guaranteeing purchases for a further period beginning on the 1st September, 1941.

**ARTICLE 9.**

The Government of the United Kingdom, recognising the valuable contribution made to the Allied war effort by the Belgian Government in including Belgian vessels in the common pool of merchant shipping available for Allied use, will, within the limits imposed by the shipping situation, do their utmost to carry the amounts of

various commodities included in the priority shipping programme of agreed purchases from the Congo and any further amounts which may be purchased from the Congo for import into the United Kingdom. Moreover, appreciating the desire of the Belgian Government that shipments to and from the Congo should so far as possible be made in Belgian ships, the Government of the United Kingdom will meet this desire to the fullest extent compatible with the need to make the most efficient use of all available Allied tonnage.

#### ARTICLE 10.

The Belgian Government will ensure the introduction by the Administration of the Belgian Congo of legislation prohibiting commercial and financial transactions which may be of assistance to any enemy Power with whom the two contracting parties are at war.

#### ARTICLE 11.

The Belgian Government confirm that exports from the Congo will continue to be controlled for blockade purposes by a licensing system, co-ordinated in policy and practice with the system at any time prevailing in territories in Africa administered by the Government of the United Kingdom.

#### ARTICLE 12.

This agreement is complementary to the financial agreement between the two contracting Governments signed this day. It shall come into force on signature.

In witness whereof the undersigned duly authorised thereto by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

Done in duplicate in London, the 21st day of January, 1941.

(L.S.) ; ANTHONY EDEN.

(L.S.) P. H. SPA'AK.