



Treaty Series No. 62 (1952)

Exchanges of Notes

between the Government of the United Kingdom
of Great Britain and Northern Ireland and
the Government of Ethiopia

regarding Financial Arrangements on the
Establishment of the Federation
of Eritrea with Ethiopia

Addis Ababa, 5/6th September, 1952: 27th September, 1952

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of Her Majesty
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EXCHANGES OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF ETHIOPIA REGARDING FINANCIAL ARRANGEMENTS ON THE ESTABLISHMENT OF THE FEDERATION OF ERITREA WITH ETHIOPIA

Addis Ababa, 5/6th September, 1952; 27th September, 1952

No. 1

Her Majesty's Ambassador at Addis Ababa to the Ethiopian Minister for Foreign Affairs

Your Excellency, *British Embassy,
Addis Ababa, 5th September, 1952.*

I have the honour to confirm to you the agreement reached between officials of the Imperial Ethiopian Government and the British Financial Delegation as follows:—

(1) The transfer of power in Eritrea to the Imperial Ethiopian Government and to the Eritrean Government shall take place on a "going concern" basis, that is to say, the existing British Administration will collect all revenue and pay all expenses of administration (including third-party claims already presented and recognised as valid) up to 15th September, 1952. As and from 15th September, 1952, the Eritrean Government, in conformity with the provisions of the Constitution of Eritrea, entering into effect on 11th September, 1952, and the Imperial Ethiopian Government, in conformity with the provisions of the Federal Act, entering into effect on 11th September, 1952, and, in particular, paragraph 3 thereof, will pay all expenses (including third-party claims, provided such claims have not been previously presented in one form or another and, further, provided that such claims shall be recognised as valid) and will collect all revenue in their respective spheres regardless of the dates to which they relate. The Government of Great Britain and Northern Ireland will hold the Imperial Ethiopian Government and the Eritrean Government harmless from all claims in respect of cargoes, the property of Allied nationals, in enemy ships which took refuge in Italian East African ports during the war.

(2) Obligations of any kind regularly contracted by the British Administration in Eritrea up to the date of ratification of the Federal Act shall, to the extent that they relate to matters within the jurisdiction of the Federal Government, remain valid and shall be respected and discharged by the Imperial Ethiopian Government, provided, however, that the British Administration shall communicate full documents for all the same which are presently in full force and shall conclude no obligations following the signature of the present Agreement, where the subject-matter of such obligations would involve financial responsibility of the Imperial Ethiopian Government in any one obligation in an amount exceeding Eth.\$ 100,000.—, or its equivalent, except with the consent of the Imperial Ethiopian Government.

(3) A further exchange of notes shall regulate the question of the treatment to be accorded after 15th September, 1952,⁽¹⁾ to import and export licences issued by the British Administration.

(4) W. E. Rippon (Africa) Limited of Genoa and Massawa shall be permitted to complete the clearance of Massawa and Assab harbours in accordance with their contract. The Government of Great Britain and Northern Ireland undertake to cancel said contract or provide other appropriate remedial action upon representation by the Imperial Ethiopian Government that the Company shall have failed actively to complete the clearance of said harbours.

(5) Discussions shall continue between the two Governments, following completion of the transfer of power on 15th September, 1952, if such discussions shall not already have been completed by that date, concerning the financial adjustments to be made in connexion with and arising out of the administration of Eritrea by the Government of Great Britain and Northern Ireland and the establishment of the federation of Eritrea with Ethiopia.

(6) Meanwhile, British stores and assets, including arms and equipment on loan to the Eritrean Field Force and lease-lend assets in which the Government of Great Britain and Northern Ireland have a financial interest, will be handed over to the Imperial Ethiopian and Eritrean Governments, without prejudice to the question of payment for the same in accordance with the discussions envisaged in paragraph (5) of this Agreement. This, however, shall not, in any way, prejudice the position of the United States Government in respect of the disposal of its interest in lease-lend assets in Eritrea.

2. Provided your Excellency agrees, I have the honour to suggest that this letter and your Excellency's reply in similar terms be regarded as constituting an agreement between our two Governments.

I avail, &c.
D. L. BUSK.

No. 2

*The Ethiopian Minister for Foreign Affairs to Her Majesty's
Ambassador at Addis Ababa*

*Ministry of Foreign Affairs,
Addis Ababa, 6th September, 1952.*

Your Excellency,

I have the honour to acknowledge receipt from your Excellency of Note No. 118 of 5th September, 1952, containing the text of an Agreement reached between officials of the Imperial Ethiopian Government and the British Financial Delegation, reading as follows:—

[As in paragraphs 1 (1) to (6) of No. 1.]

2. I have the honour herewith to inform your Excellency that the Imperial Ethiopian Government agree to the terms of the Agreement as set forth in the quoted text from your Excellency's Note and consider that the present reply completes and constitutes the Agreement between our two Governments on the subject matter in question.

I avail, &c.
AKLILOU.

(¹) See documents 3 and 4.

*Her Majesty's Ambassador at Addis Ababa to the Ethiopian
Minister for Foreign Affairs*

Your Excellency,

*British Embassy,
Addis Ababa, 27th September, 1952.*

I have the honour to refer to and to confirm paragraphs (1), (2) and (4) of the Notes exchanged between your Excellency and myself on the 5th and 6th September, 1952. I have the honour also to refer to paragraphs (3), (5) and (6), which remained to be settled, and to confirm the agreement reached on these points on the basis of discussions and communications between officials of the Imperial Ethiopian Government and the British Financial Delegation, as follows:—

(1) The Ethiopian Government, having been informed that all import licences issued by the British Administration expire on 15th September, nevertheless recognises the possibility of unforeseen delays in the arrival of the goods before that date; and declares itself ready to provide foreign exchange for goods, which for good and sufficient reason arrive after that date, provided that the prices demanded are reasonable, the goods are essential and the transactions conform to normal Ethiopian practice. Under the same conditions it will honour all export licences issued by the British Administration and still outstanding on 15th September.

(2) (a) The Imperial Ethiopian Government will pay to the Government of Great Britain and Northern Ireland the sum of £950,000 towards sums expended by the British Government in Eritrea for the benefit of Eritrea over and above the revenue raised in Eritrea during the period of the British Administration, payment to be made within twelve months from 15th September, 1952.

(b) It is further expressly recognised by both Governments that by this payment the Imperial Ethiopian Government are in no way recognising that their sovereignty over or legal responsibility for Eritrea in any way antedate 11th September, 1952.

(3) It is agreed that the Imperial Ethiopian Government will exchange in Eritrea Ethiopian dollars for the East African currency in circulation therein and that the East African Currency Board will give full sterling value or credit to the Imperial Ethiopian Government for all the East African Currency withdrawn from circulation upon presentation of said currency, at any time within twelve months from the 15th September, 1952, to the East African Currency Board at Nairobi.

(4) In consideration of the payment provided for in paragraph (2) hereof, the Government of Great Britain and Northern Ireland waive their interest in lease-lend assets remaining in Eritrea. This waiver shall not in any way prejudice the position of the United States Government in respect of the disposal of its interest in lease-lend assets in Eritrea.

(5) This Agreement, upon execution, and paragraphs (1), (2) and (4) of the previous exchange of notes of 5th and 6th September, 1952, shall constitute full and final settlement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Imperial Ethiopian Government of all claims in connexion with or arising out of the administration of Eritrea by the Government of Great Britain and Northern Ireland and the establishment of the federation of Eritrea with Ethiopia.

Provided your Excellency agrees, I have the honour to suggest that this letter and your Excellency's reply in similar terms be regarded as constituting an Agreement between our two Governments.

I avail, &c.

D. L. BUSK.

*The Ethiopian Minister for Foreign Affairs to Her Majesty's
Ambassador at Addis Ababa*

Your Excellency, *Ministry of Foreign Affairs,
Addis Ababa, 27th September, 1952.*

I have the honour to acknowledge receipt from your Excellency of Note No. 1142/108/52 of 27th September, 1952, containing the text of an Agreement reached between officials of the Imperial Ethiopian Government and the British Financial Delegation, reading as follows:—

[As in No. 3.]

2. I have the honour herewith to inform your Excellency that the Imperial Ethiopian Government agree to the terms of the Agreement as set forth in the quoted text from your Excellency's Note and consider that the present reply completes and constitutes the Agreement between our two Governments on the subject matter in question.

I avail, &c.
AKLILOU.

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