

No. 278

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**UNITED KINGDOM OF GREAT BRITAIN AND  
NORTHERN IRELAND**

and

**UNION OF SOUTH AFRICA**

**Financial Agreement. Signed at London, on 9 October 1947**

*English official text communicated by the United Kingdom Representative to the United Nations. The registration took place on 6 August 1948.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE ET  
D'IRLANDE DU NORD**

et

**UNION SUD-AFRICAINE**

**Accord financier. Signé à Londres, le 9 octobre 1947**

*Texte officiel anglais communiqué par le représentant du Royaume-Uni auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 6 août 1948.*

No. 278. FINANCIAL AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF THE UNION OF SOUTH AFRICA. SIGNED AT LONDON, ON 9 OCTOBER 1947

The Government of the United Kingdom and the Government of the Union of South Africa agree as follows:—

1. The Union Government will make a loan of gold to the United Kingdom Government, and accordingly will arrange for the South African Reserve Bank to transfer to the Bank of England for account of the United Kingdom Government an amount of 9,275,000 ounces of fine gold. Such transfer shall take place as soon as possible after this agreement comes into force. Delivery of the gold shall take place at Union ports, boxed ready for shipment.

2. The Union Government shall have the right at any time to require repayment in sterling of such part of the amount loaned as may prove necessary to prevent the gold holding of the South African Reserve Bank falling below the figure of £ (S.A.) 100 million.

3. The United Kingdom Government shall have the right at any time to repay the loan in whole or in part by a transfer of gold from the Bank of England to the South African Reserve Bank.

4. The Bank of England, on behalf of the United Kingdom Government, shall pay to the South African Reserve Bank, for account of the Union Government, interest at the rate of one-half of one per cent. per annum on the amount of the loan outstanding from time to time. This interest shall be calculated and paid in sterling at six-monthly intervals in arrear.

5. The amount of the loan of gold outstanding at the expiry of three years from the date of the original transfer of gold shall be repaid on the demand of the Union Government by a transfer of gold from the Bank of England to the South African Reserve Bank, or otherwise and at such times as may be agreed after consultation between the two Governments.

<sup>1</sup> Came into force on 11 February 1948, in accordance with the provisions of article 10.

6. The Union Government will arrange for the South African Reserve Bank to sell gold to the Bank of England against payment in sterling for the equivalent of the net amount of payments as from the 1st January, 1948, made by residents of the Union, through the United Kingdom, in favour of persons resident in countries outside the sterling area whether made in sterling or other currencies. Settlements in respect of this paragraph shall take place at times and on the basis of data to be agreed between the South African Reserve Bank and the Bank of England.

7. The existing arrangements in the United Kingdom governing capital issues and the transfer of funds for the purchase of securities shall, in so far as they relate to investments in which the Union of South Africa has a direct interest, remain unchanged except as may be agreed between the two Governments. The two Governments, having made arrangements for the exchange of information on the movements of capital between the Union and other parts of the sterling area, shall consult together on the extent to which measures may be necessary to control or prevent movements of capital from the United Kingdom which are not required for any useful economic purpose in the Union, and the Union Government undertakes to give all such reasonable assistance as may be necessary to make such measures effective in the interests of both countries.

8. The United Kingdom Government undertakes to arrange or permit in the next three years imports from the Union of the commodities specified in the annex to this agreement up to a total value f.o.b. of approximately £12 million each year, subject to supplies being available for export at commercial prices. Such a purchasing programme for the year 1948 has been substantially agreed between the two Governments, whose intention it is to discuss corresponding arrangements in due course for the years 1949 and 1950.

9. For the purposes of this agreement the price of gold expressed in sterling shall be taken at 172*s.* 6*d.* sterling per fine ounce *ex* Union ports subject to adjustment on account of any material change in the cost of gold shipments or on account of any change in the gold parity for sterling notified to the International Monetary Fund or in the net United States buying price for gold or on account of the International Monetary Fund's handling charge being fixed lower than one quarter per cent., the adjustment to be made as from the date on which any such alteration comes into effect.

10. This agreement shall come into force as soon as the necessary legislative authority has been obtained by the Union Government, and shall remain in force until repayment of the Loan has been completed.

DONE in duplicate at London this ninth day of October, 1947.

Signed on behalf of the Government of the United Kingdom:  
Hugh DALTON

Signed on behalf of the Government of the Union of South Africa:

G. Heaton NICHOLLS

#### ANNEX

*List of Commodities referred to in Article 8*

- Group I.—Fresh Fruit.
  - Group II.—Processed and Dried Fruit.
  - Group III.—Wine, Brandy and Grape Syrup.
  - Group IV.—High-Strength Spirits.
  - Group V.—Canned Fish, including Crawfish.
  - Group VI.—Eggs.
  - Group VII.—Pulses and Potatoes.
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