

**No. 798**

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

**Financial Agreement (with annex). Signed at London, on  
3 December 1946**

*Official texts : English and French.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 25 May 1950.*

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

**Accord financier (avec annexe). Signé à Londres, le  
3 décembre 1946**

*Textes officiels français et anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 25 mai 1950.*

No. 798. FINANCIAL AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FRENCH REPUBLIC. SIGNED AT LONDON, ON 3 DECEMBER 1946

The Government of the United Kingdom of Great Britain and Northern Ireland (hereafter called the Government of the United Kingdom) and the Government of the French Republic (hereafter called the French Government),

Desiring to amend the arrangements resulting from the Financial Agreement signed on 27th March, 1945,<sup>2</sup> as amended by the Supplementary Agreement signed on the 29th April, 1946,<sup>3</sup>

Have agreed as follows :—

*Article 1*

The provisions of Article 2 of the Supplementary Financial Agreement of 29th April, 1946, and of the Annex thereto are hereby cancelled and are replaced by the provisions of this Agreement and the Annex to this Agreement.

*Article 2*

Taking into account the payments in gold under Article 2 (1) (a) of the Financial Agreement of 27th March, 1945, made by the French Government prior to the signature of the present Agreement which have been determined by agreement at £50 million, and also the payments effected up to 16th September, 1946, inclusive, by means of the transfer of requisitioned securities under the Supplementary Agreement of 29th April, 1946, and of its Annex, the debt of the French Government to the Government of the United Kingdom resulting from the advances received under Article 1 of the said Agreement is fixed at £99,188,750 1s. 4d.

*Article 3*

(1) The debt referred to in Article 2 shall bear interest at the rate of  $\frac{1}{4}$  per cent. per annum as from 1st September, 1946. The interest due

<sup>1</sup> Deemed to have entered into force as from 29 November 1946, in accordance with article 7.

<sup>2</sup> United Kingdom : "Treaty Series France No. 1 (1945)", Cmd. 6613.

<sup>3</sup> United Kingdom : "Treaty Series No. 12 (1946)", Cmd. 6809.

for the first three years shall be capitalised and added to the sum of £99,188,750 1s. 4d. which will consequently be increased to £100,676,581 6s. 4d. on the 1st September, 1949.

(2) The redemption of this sum, as well as the payment of the interest maturing after 1st September, 1949, shall be effected by twelve equal annual payments of £8,664,873 18s. 2d. each over the period 1st September, 1950—1st September, 1961, the payments being due on 1st September of each year.

(3) The French Government shall have the right at any time to make redemption payments before the due dates referred to in Paragraph (2) above. If such payments are made the amount of the remaining annual payments due up to 1st September, 1961, shall be revised in a manner to be agreed between the parties.

#### Article 4

There shall be drawn up :—

- (a) A further list of claims to be waived in accordance with Article 5 (2) of the Agreement of 27th March, 1945.
- (b) A further list of claims to be credited or debited to Account B in pursuance of Article 4 (4) of the above-mentioned Agreement.
- (c) A final programme for the supplies of a total value of £45 million provided for in Article 5 (2) (iii) of the above-mentioned Agreement. This programme shall include the acquisition by the French Government of surplus stores and fixed installations of the British Armed Forces in Continental France and French North Africa, the global value of which has been determined by agreement at £4,100,000.

#### Article 5

The settlement of the sums mentioned in Article 4 (b) above shall be made as soon as possible. If after the crediting of all such sums due to the French Government, the Funds in Account B are insufficient to permit payment of all such sums due to the Government of the United Kingdom, the French Government shall pay the balance from its other resources in two equal instalments payable on 1st September, 1950, and 1st September, 1951.

#### Article 6

The technical arrangements laid down in the Annex to the Agreement of 27th March, 1945, shall continue in force after 31st December, 1946, until such time as they shall be modified in the light of the respective international commitments of the two Governments.

*Article 7*

The present Agreement shall be deemed to have entered into force as from 29th November, 1946.

IN FAITH WHEREOF the undersigned, duly authorised by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in London, in duplicate, the 3rd day of December, 1946, in English and French, both texts being equally authentic.

[L.S.] O. G. SARGENT

[L.S.] R. MASSIGLI

## ANNEX

## TO THE ANGLO-FRENCH FINANCIAL AGREEMENT

1. The Government of the United Kingdom shall continue to acquire the securities which may be offered to them by the French Government and which they may be willing to accept (hereafter referred to as "the agreed securities"). The two Governments shall consult each other periodically regarding the choice of these securities.

2.—(a) The Government of the United Kingdom shall purchase from the French Government the agreed securities at prices which, subject to the provisions of paragraph 3 below, shall be based on the middle prices quoted on the day on which the Government of the United Kingdom ascertain that the securities are good delivery in London in the Stock Exchange Daily List of Officially Quoted Securities or in the Stock Exchange Daily Supplementary List of Securities not Officially Quoted.

In the event of any of the agreed securities not being quoted in either of the above-mentioned lists, the price shall be based on the market price as certified by the Official Stockbroker of the Government of the United Kingdom.

All expenses connected with the transfer of the securities shall be chargeable to the French Government.

(b) The Government of the United Kingdom shall purchase on the same terms as those laid down in (a) above the agreed securities which have been requisitioned by the French Government before the date of the present arrangement but not delivered to the Bank of England until on or after that date.

3. The Bank of England will use its best endeavours to complete the transfer of securities from the French Government to the Government of the United Kingdom within 30 days of the date of their delivery to the Bank of England for account of the Bank of France.

Where securities or documents relating thereto are delivered to the Bank of England in good order and more than 30 days are taken to establish that fact, the Bank of England shall inform the Bank of France of the circumstances.

In cases where it is agreed that the establishment of the fact that the securities and documents are in good order has caused undue delay, the price to be paid shall be that which would have been payable on the 30th day after delivery or that which would have been payable on the day of acceptance, whichever is the higher.

4. The sums which the French Government is to receive as the price of securities purchased under 2 (a) and (b) above, together with any sums accruing to the French Government between the 17th September, 1946, and the date of this agreement in respect of securities sold to the Government of the United Kingdom, will be freely available on or after the 1st January, 1947, for all current payments from the franc area to the sterling area.

5. The Bank of France and the Bank of England acting as agents for their respective Governments shall consult each other for the purpose of making all the necessary technical arrangements for carrying out the provisions of this Annex.

6. Either of the contracting Governments may give notice to the other at any time after 31st December, 1947, of its intention to terminate the provisions of this Annex which shall cease to have effect three months after the date of such notice.