

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

**Agreement (with annex) supplementary to the Anglo-French
Financial Agreement of 27 March 1945. Signed at
London, on 29 April 1946**

**Exchange of notes constituting an agreement modifying
the provisions of the Supplementary Agreement of
29 April 1946. London, 11 April 1947**

**Exchange of notes constituting an agreement deleting
Lebanon from the list of French Franc Area Territories
contained in the annex to the Anglo-French Financial
Agreement of 27 March 1945. London, 29 July 1949
and 4 September 1950**

Official texts: English and French.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
15 August 1951.*

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

et
FRANCE

**Avenant à l'Accord financier franco-britannique du
27 mars 1945 (avec annexe). Signé à Londres, le 29 avril
1946**

**Échange de notes constituant un accord modifiant les dis-
positions de l'Avenant du 29 avril 1946. Londres,
11 avril 1947**

**Échange de notes constituant un accord supprimant le
Liban de la liste des territoires constituant la zone
franc énumérés dans l'annexe à l'Accord financier
franco-britannique du 27 mars 1945. Londres, 29 juillet
1949 et 4 septembre 1950**

Textes officiels anglais et français.

*Enregistrés par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
15 août 1951.*

No. 1360. AGREEMENT¹ BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND FRANCE SUPPLEMENTARY TO THE ANGLO-FRENCH FINANCIAL AGREEMENT OF 27 MARCH 1945.² SIGNED AT LONDON, ON 29 APRIL 1946

In pursuance of the provisions of Article 8 of the Anglo-French Financial Agreement of the 27th March, 1945² (hereafter called the Financial Agreement), 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) have agreed as follows :—

Article 1

The provisions of Section 1 of the Financial Agreement and the Annex attached thereto shall, subject to the stipulations in the following Articles, be prolonged for a period of ten months terminating on the 31st December, 1946.

Article 2

In pursuance of Article 2 (1) (c) of the Financial Agreement, the balance in sterling due by the French Government to the Government of the United Kingdom on the 28th February, 1946, less the amounts repaid in gold under the provisions of Article 2 (1) (a) of the Financial Agreement, shall be settled as follows :—

- (1) The French Government shall take all necessary steps to reduce the said balance by the 31st March, 1947, to £55 millions.
- (2) The remaining balance shall be reduced by the French Government to a sum not exceeding £30 millions before the 1st April, 1948, and shall be wholly reimbursed before the 1st April, 1949.

Article 3

(1) To the extent that French sterling receipts do not maintain the account of the Bank of France at the Bank of England in funds, the French Government shall in the period as from the 1st March, 1946, to the 31st December, 1946, have recourse to the following measures :—

- (a) The French Government will refund part of the dollars referred to in Article 5 (2) (iv) of the Financial Agreement by selling United

¹ Came into force on 29 April 1946, by signature.

² See p. 227 of this volume.

States dollars to the Government of the United Kingdom, up to the equivalent £10 millions, at the rate of \$4.03 to £1. The programme of supplies referred to in Article 5 (2) (iii) of the Financial Agreement will be correspondingly reduced.

- (b) The French Government will utilise sterling balances requisitioned by them.

(2) If the measures referred to in paragraph (1) of this Article are insufficient during the said period to maintain the account of the Bank of France at the Bank of England continuously in funds, the French Government will purchase sterling for this purpose from the Government of the United Kingdom against gold or against the transfer of such securities as the Government of the United Kingdom may agree to accept.

Article 4

If the total deliveries of gold made by the French Government during the period the 1st March, 1946, to the 31st December, 1946, in accordance with the provisions of Article 3 (2) of the present Supplementary Agreement, are less than one-third of the gross total of the payments in franc or sterling currencies made during the ten months ending the 31st December, 1946, from the franc area to the sterling area (in accordance with the basis laid down in Article 2 (1) (a) of the Financial Agreement), the French Government shall before the 1st April, 1947, sell gold to the Government of the United Kingdom against sterling to the extent of the deficiency. If, on the other hand, the total deliveries of gold during the said period exceed one-third of the said gross total of the payments in franc or sterling currencies, the French Government shall have the right before the 1st April, 1947, to repurchase gold against sterling from the Government of the United Kingdom for the amount of the excess.

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 29th day of April, 1946.

[L. S.] O. G. SARGENT

[L. S.] J. PARIS

ANNEX TO THE SUPPLEMENTARY AGREEMENT

WHEREAS in accordance with the provisions of Article 2 of the Supplementary Agreement of to-day's date, it has been agreed that the French Government shall reimburse to the Government of the United Kingdom not later than certain agreed dates the balance in sterling due to the latter on the 28th February, 1946, less the amounts repaid in gold under the provisions of Article 2 (1) (a) of the Financial Agreement, the two contracting Governments have further agreed as follows :—

(1) For the purpose of giving effect to their undertaking to reduce the said balance due to the Government of the United Kingdom to £55 millions by the 31st March, 1947, the French Government will requisition and transfer free of all costs to the Government of the United Kingdom during the year 1946 such securities as the Government of the United Kingdom may agree to accept, provided that if unforeseen difficulties arise in relation to the transfer of any of the said securities such transfer may be effected by the French Government subsequent to the 31st December, 1946, but in no case later than the 31st March, 1947.

(2) The French Government shall agree with the Government of the United Kingdom in advance and not later than the 31st July, 1946, the securities to be transferred to the latter. The Government of the United Kingdom shall not be required to accept securities until it has been ascertained that they are good delivery on the London Stock Exchange.

(3) The Government of the United Kingdom shall, for the purpose described in paragraph (1) above, purchase from the French Government the agreed securities at prices based on the middle prices quoted, at the date of publication by the French Government of the requisitioning order relating to the agreed securities, in—

(a) the Stock Exchange Daily List of Officially Quoted Securities, or

(b) the Stock Exchange Daily Supplementary List of Securities Not Officially Quoted.

In cases where agreed securities are not quoted in either of the lists mentioned at (a) and (b) above, the price shall be based on the market price as certified by the Official Stockbroker of the Government of the United Kingdom. All further details of the terms of transfer and delivery shall be settled by agreement between representatives of the French Government and the Government of the United Kingdom.

(4) Any balance as at the 31st December, 1946, in favour of the French Government in the Account B referred to in Article 4 of the Financial Agreement shall be utilised for reducing the said sterling balance due to the Government of the United Kingdom, within the limits laid down in Article 2 (1) of the Supplementary Agreement.

(5) For the purpose of facilitating the repayment of the remainder of the said sterling balance due to the Government of the United Kingdom, the latter are prepared, if the French Government so request, to acquire, in accordance with the principles laid

down in paragraphs (1), (2) and (3) of this Annex, such additional securities requisitioned by the French Government as the Government of the United Kingdom shall agree to accept.

(6) If any part of the said sterling balance due to the Government of the United Kingdom shall not have been repaid by the French Government, by the methods above described in this Annex or from other sterling funds at their disposal, within the several dates laid down in Article 2 of the Supplementary Agreement, then the French Government shall repay such part, or parts, of the said balance in gold by the due dates as laid down in the said Article 2 of the Supplementary Agreement.

DONE in London, in duplicate, the 29th day of April, 1946.

(Signed) O. G. SARGENT

(Signed) J. PARIS

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ MODIFYING THE PROVISIONS OF THE SUPPLEMENTARY AGREEMENT OF 29 APRIL 1946.² LONDON, 11 APRIL 1947

ÉCHANGE DE NOTES CONSTITUANT UN ACCORD³ MODIFIANT LES DISPOSITIONS DE L'AVENANT DU 29 AVRIL 1946.⁴ LONDRES, 11 AVRIL 1947

I

Mr. C. R. Attlee to M. René Massigli

FOREIGN OFFICE

11th April, 1947

Your Excellency,

Article 4 of the Agreement Supplementary to the Anglo-French Financial Agreement of 27th March, 1945,⁵ concluded in London on 29th April, 1946,² provides that if the total deliveries of gold made by the French Government during the period 1st March, 1946, to 31st December, 1946, are less than one-third of the gross total of the payments in franc or sterling currencies made during the ten months ending 31st December, 1946, from the franc area to the sterling area, the French Government shall before 1st April, 1947, sell gold to the Government of the United Kingdom against sterling to the extent of the deficiency. As your Excellency is aware it has in fact emerged that there has been such a deficiency amounting to £15 million. I have now the honour to confirm to you the understanding reached between representatives of our two Governments that, notwithstanding the provisions of Article 4 referred to above, the sales of gold due to be made by the French Government to the Government of the United Kingdom against sterling, as a result of this deficiency, should be effected in instalments of £2,500,000 each on 31st March, 30th April, 31st May, 30th June, 31st July and 31st August, 1947.

2. I should be glad if you would likewise confirm the above understanding on behalf of the French Government.

I have, &c.

(Signed) C. R. ATTLEE

¹ Came into force on 11 April 1947, by the exchange of the said notes.

² See p. 124 of this volume.

³ Entré en vigueur le 11 avril 1947, par l'échange desdites notes.

⁴ Voir p. 125 de ce volume.

⁵ See p. 227 of this volume.

II

Mr. René Massigli to Mr. C. R. Attlee

FRENCH EMBASSY

London, 11 April 1947

Sir,

I have the honour to acknowledge receipt of your letter of today's date, the text of which is as follows :

[*See note I*]

I have the honour to confirm that the French Government is in agreement with the above understanding.

I have, etc.

(*Signed*) R. MASSIGLI

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ DELETING LEBANON FROM THE LIST OF FRENCH FRANC AREA TERRITORIES CONTAINED IN THE ANNEX TO THE ANGLO-FRENCH FINANCIAL AGREEMENT OF 27 MARCH 1945.² LONDON, 29 JULY 1949 AND 4 SEPTEMBER 1950

I

Mr. Attlee to the French Ambassador

FOREIGN OFFICE, S. W. 1

29th July, 1949

Your Excellency,

I have the honour to inform you that His Majesty's Government in the United Kingdom have decided that for the purposes of the Exchange Control Act, 1947, it has become necessary to make new arrangements concerning the Lebanon. An Order, known as the Exchange Control (Payments) (Lebanon) Order, 1949, which has the effect of setting up separate Lebanese Sterling Accounts, was accordingly made on 11th May and came into force on 13th May.

2. The sterling accounts of residents in the Lebanon with banks in the United Kingdom are thus now known as Lebanese Accounts, and funds standing to the credit of these accounts are available for payments to residents in the Scheduled Territories and for transfer to other Lebanese Accounts. All sterling transfers from Lebanese Accounts to the accounts of countries outside the Scheduled Territories are now subject to administrative authorisation.

3. I should be grateful if you would inform the Government of the French Republic of the foregoing and request their consent to the deletion of the Lebanon from the list of territories comprising the French Franc Area given in paragraph IX (ii) of the Annex to the Anglo-French Financial Agreement of 27th March, 1945.

4. If the French Government are in agreement with the proposal made in paragraph 3 above, I have the honour to suggest that the present Note and your Excellency's reply in that sense shall be held to constitute an agreement between our two Governments which shall be deemed to have taken effect as from 13th May, 1949.

I have, &c.

(Signed) C. R. ATTLEE

¹ Came into force on 4 September 1950, with retroactive effect as from 13 May 1949, by the exchange and according to the terms of the said notes.

² See p. 227 of this volume.

II

TRANSLATION¹ — TRADUCTION²

FRENCH EMBASSY

London, 4th September, 1950

Sir,

In reply to the letter which Mr. Attlee addressed to me on 29th July, 1949, I have the honour to inform your Excellency that the French Government has no objection to raise as regards the deletion of the Lebanon from the list of territories which constitute the French Franc Area, given in paragraph IX (ii) of the Annex to the Anglo-French Financial Agreement of 27th March, 1945.

The present reply to your above-mentioned letter constitutes an agreement between our two Governments which shall be considered to have taken effect from 13th May, 1949.

I avail, &c.

(Signed) R. MASSIGLI

¹ Translation by the Government of the United Kingdom.

² Traduction du Gouvernement du Royaume-Uni.