

E. AFRICA
W. AFRICA

7228

C.O.
7228

REC
Recd: 5 FEB 16

571

By Trade

Treaty arrangements in
Conventional Basin of the Congo

1916

11th Feb.

Last previous Paper.

See 70
27688/14

Sends copy letter addressed to J.O. requesting that early consideration be given to question of securing interests of the Allied forces, also suggesting, in view of the approaching termination of the current quinquennial period, that immediate notice be given to Italy that J.O. Britain reserves its right to reverse the scale of duties imposed in the Eastern Zone at any time after 31 Aug. next.

M^r. S. S. S. S.
Sir G. Liddell.

I minute this - in Mr. Reed's absence - with much diffidence; but although I have not found anything definite I feel convinced that the B. & T. are wrong about the Eastern Zone. My declaration of 22.12.90 His on pp. 305-6 of Vol. XXVII of Her Majesty's Treaties Limited, & provided as B. & T. say, for a general 5% import tariff. On P.O. 40584/05 S.A. we told J.O. that the Italian Govt. should be told that U.K. Govt. did not contemplate the revival of the declaration, and it can hardly be in existence now since no general tariff in E. Afr. & Madagascar is

60 70 23 26 26 54 37 16

Next subsequent Paper.

170
8437

10% - the maximum laid down in
the General Declaration of 2.7.90.

p. 304

That being the case, the urgency of
the matter disappears, & the 15/7 letter
refers itself to its first three paragraphs,
and the proposal - in particular as that
the Allies should hold themselves
free to discriminate against Germany.

In view of Belgium's claim ($\frac{70}{27680/14}$ p.p.)
to be freed from the 10% restriction, it is
certain that the tariff arrangements
will be revised after the war, and the
matter is noted here as one of them to
be brought up. It seems very doubtful
whether any declaration now made is
necessary.

We can leave it to F.O. to deal with
the matter & - simply asking them to let
us have a copy of any reply they may
send, & saying that the Section 300
declaration would appear to have
expired already?

W.C.S. 16.2.16

I agree. This may have some connection with Mr. Rankin's
brief memo., sent on Wednesday, as to the importance of ensuring
the removal of links between Lyons & Cassowary.

Feb 16.16

Let's take F.O. but we have read this
& we agree with the policy recommended
by B. 17 - mentioning Mr. Botherwick's point
on 8. 9. 3000

U. 17.2.16

A.S. 12. 18.2

Any further communication should be addressed to—
THE ASSISTANT SECRETARY,
the address given opposite.
The following letter and number should quote.

C.
Telegraphic Address :
COLASTA, LONDON.
Telephone No. : 3840 Victoria.

BOARD OF TRADE,
(COMMERCIAL DEPARTMENT),
QUYDYR HOUSE,
WHITEHALL,
LONDON, S.W.

C. O.
7228
REC
REC: 5 FEB 1916

February, 1916.

572


Sir,

I am directed by the Board of Trade to transmit to you herewith, for Mr. Secretary Bonar Law's information, copy of a letter which they have caused to be addressed to the Foreign Office on the subject of the treaty arrangements affecting the Conventional Basin of the Congo.

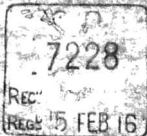
I have the honour to be,

Sir,

Your obedient Servant,



The Under Secretary of State,
Colonial Office,
S. W.



573

12th February, 1916.

Sir,

I am directed by the Board of Trade to state that they have had under their consideration the existing treaty arrangements affecting the territories comprised in the Conventional Basin of the CONGO.

It would appear that these territories, as defined in Article 1 of the General Act of BERLIN of 1885, include the Belgian Congo, most of the Districts to the South of the River Congo (viz. Gabon, the Middle Congo and no doubt portions of the Kamerun which were acquired by GERMANY shortly before the War), part of the Portuguese Congo, the Southern half of Italian Somaliland, the British East Africa Protectorate, Ambar, Uganda, Nyasaland, German East Africa, and that part of Portuguese East Africa which lies to the North of the River Zambezi. In these districts, as Sir Edward Grey will be aware, the Territorial Powers are required by the provisions of the Act of BERLIN to accord the most complete freedom and equality to the subjects, goods and vessels of all nations in all matters appertaining to residence, property, trade and navigation, and are consequently debarred from imposing differential taxes or duties on the goods, subjects or vessels of any nation.

Whilst it is still too early to determine the nature of the commercial policy which it

will be desirable for His Majesty's Government to adopt after the termination of hostilities, the Board consider that, in view of the great economic importance of the regions included in the Conventional Basin, it is most desirable that the Allied Governments should take such steps as may be necessary to prevent that policy from being hampered by an Instrument which would preclude them from differentiating, should they desire to do so, in favour of one another and discriminating against their present enemies. The Board, would accordingly be glad if Sir Edward Grey could see his way to give his early consideration to the question of securing for the Allied Governments, as soon as possible, complete freedom of action in the Conventional Basin in all that relates to residence, property, trade and navigation.

I am further to point out that the Customs Duties levied in the British, German and Italian territories of the Eastern Zone (generally *Ex Ad Valorem*) are governed by the Declaration of the 22nd December, 1890, which was signed by the Governments of Great Britain, Germany and Italy. That Declaration, which appears to have come into force together with the General Act of Brussels regarding the Slave Trade on the 31st August, 1891, was to remain in force for a period of five years and to continue in operation for periods of five years unless one or other of the three powers demanded its revision six months before the expiration of the

quinquennial period. As the current quinquennial period would appear to expire on the 31st August, 1916, and as the Declaration would presumably remain in force for another five years unless the required notice is given before the 20th February next, the Board venture to suggest for Sir Edward Grey's consideration that immediate notice should be given to the Italian Government that His Majesty's Government reserve their right to revise the scale of duties levied in the territories held by them in the Eastern Zone of the Conventional Basin at any time after the 31st August next. Sir Edward Grey would probably think it desirable to explain to the Italian Government and possibly also to the other Allies the grounds of our action so as to show that it is not in any way directed against their interests.

A copy of this letter has been sent to the Colonial Office.

I have the honour to be, Sir,
Your obedient Servant,

(Sd) H. Keirvellyn Smith

The Under Secretary of State,
FOREIGN OFFICE.