

ECONOMIC EFFORT

WEALTH OF THE CONGO CONTROLLED FROM LONDON

THOUGH the whole of Belgium is at present in the hands of the enemy, the Belgian Government in London still commands all the wealth of a region eighty times more extensive than the mother-country, comprising a twelfth of the African continent.

The Belgian Congo, rich in mines, forests, plantations, and animal life, exported goods to the value of 2,487 million francs (£17 million) in 1937, 1,897 million (£13 million) in 1938, and 1,732 million (again £13 million at the higher rate of exchange then ruling) in 1939.

The vast resources of this area have been placed unreservedly at the disposal of the Allied war effort. Every-thing is being done to raise the output of strategic materials, and with great success, as will be described in detail later. In particular the production of tin, cotton, and industrial diamonds rises continually.

Unique Difficulties Surmounted

The ingenuity expended and the immense difficulties overcome to achieve this are not easily realised.

The old familiar problems that confronted European and American countries under the impact of war struck at the Congo too, but there they came in a fantastically enhanced form, luxuriating as it were in that tropic zone like the English rabbit nuisance suddenly became a vast menace under the Australian sun.

England had to reduce imports of luxuries and non-essentials gradually, in order to save shipping space and foreign currency; but about *half of the Congo's imports* were cut off at one stroke in the overwhelming days of the lath to

Belgian Africa has not been called upon to endure, and we hope it will never be called upon to endure the miseries of foreign occupation. But it is making, as this most interesting and valuable book shows, a vital contribution to the final victory. It has become one of the storehouses and arsenals of democracy. From the copper, tin and many other raw materials of the Congo, are being forged the weapons for the liberation of the Mother Country and all other oppressed peoples; her foodstuffs are helping to sustain the United Nations in their hour of trial; they will pour out in a great mass to feed Europe when Europe is free again. The armed forces of the Congo stand shoulder to shoulder with their allies. Long live Belgium and the Belgian Congo!

CRANBORNE.

benefit, it was because we asked none. If we asked none, it was because we were not there to sell out at the top price like mercenaries, but to pool all our resources like good Allies."

Great Britain, the Governor-General went on, had thrown all her wealth into the struggle, and was offering up the blood of her sons, not only in self-defence, but also to liberate smaller nations. What the Belgian colonies could give would be given without hagging, and nothing would be asked in return—nothing, that is, but victory and freedom! The Congo had no need of subsidies, and had only asked for definite arrangements that would enable the country to plan its economy, for known markets that would allow of sound budgeting. How could they best aid the Alliance? What goods did England most urgently need? These should have priority. For the rest, as soon as they knew what other goods Great Britain could buy from them, taking into consideration her needs, the available shipping space, and the allotment of purchases between her own Colonies and Allied ones, they would organise production accordingly.

Great Britain's needs would come first. As to the goods of which Britain had no need, she would not be asked to accept them. Other markets would be sought, production or sales would be restricted, or facilities would be given for storing non-perishable goods. In extreme cases, subsidies would be granted from the public funds.

TWO PHASES OF ANGLO-BELGIAN ECONOMIC CO-OPERATION

Such is the policy followed by the Belgian Government with regard to vital war supplies from the Congo, and embodied in four Agreements with the British Government. Two phases may be distinguished in the practical working of this policy.

28th May, 1940. Exporters in England had to adjust themselves to the loss of valuable markets in Germany at first, and then successively in one country and another; but with the fall of Belgium, *three-quarters of the Congo's markets* were suddenly gone. In those eighteen days, many a great Congo enterprise lost in fact the whole of its markets, directorate, reserves, and much more. Companies were, so to speak, decapitated, for in some cases the Brussels office of a great colonial company would settle general policy, arrange purchases of plant, machinery, equipment and supplies, finance them, and be entirely responsible for finding customers. The management in the Congo would simply produce as efficiently as possible up to capacity, or to a limit dictated by market fluctuations or marketing agreements, and ship the product to the parent company in Belgium, who did the rest.

The recovery from such handicaps has been truly remarkable.

WHOLE-HEARTED CO-OPERATION IN ALLIED WAR EFFORT

The whole-hearted and ungrudging spirit in which the full resources of the Congo have been harnessed to the Allied war machine was made plain in a speech by the Governor-General, Monsieur Ryckmans, at the opening of the Government Council on 4th February, 1941, in which he admitted that certain private interests had been disappointed in the Anglo-Belgian Finance and Purchase Agreements of that year. Some were even frankly asking, he said, whether the Belgian negotiators concerned were less able than others, or whether Great Britain were not generously disposed towards Belgium.

"I want to make this quite clear," said Monsieur Ryckmans. "Great Britain refused us nothing, either in the economic or the financial field. If we gained no greater

tin, rubber and tungsten become an urgent need. Production of these materials is driven to the limit, they have prior claim on men and equipment, and gold definitely drops into the background.

These two phases correspond roughly to the two pairs of Anglo-Belgian agreements signed since the invasion of Belgium.

THE FIRST ANGLO-BELGIAN WAR AGREEMENTS

A Financial and a Purchase Agreement were signed by the Belgian and British Governments on 21st January, 1941.

Under the Financial Agreement, which is to last for the duration of the war unless the Purchase Agreements lapse meanwhile, the rate of exchange for Congolese francs was fixed, and the Congo became part of the Sterling Area. This is the zone within which the Treasury allows remittances, transfer of bills of exchange, sale of non-controlled securities and various other transactions without special licence.

The Belgian Government on their part undertook to safeguard the linked currencies by forbidding unnecessary imports into the Congo, preventing speculation in foreign exchange, and selling the whole gold production (after providing for their own official needs) to Great Britain at current London prices.

Under the Purchase Agreement, the United Kingdom agreed to import for official or private account all the high-quality palm oil (not over 6 per cent. of free fatty acid content) that the Congo could produce, and not less than:

124,000	English tons of copper
20,000	“ “ “ cotton
7,000	“ “ “ copal
2,500	“ “ “ ground-nuts (peanuts)
15,000	“ “ “ palm kernels

during the twelve months ending 31st August, 1941.

(a) There are still powerful neutrals in the world whose currency must be kept at a reasonable level in relation to sterling;

(b) Britain still has plentiful supplies of tin, rubber, oil-seeds, and tungsten ore from the East;

(c) Consequently gold is the most important contribution the Congo can make to Allied resources. Production of gold is pushed to the limit at the expense of all other work, and the metal is deposited in Capetown, boxed ready for shipment to the United States or elsewhere;

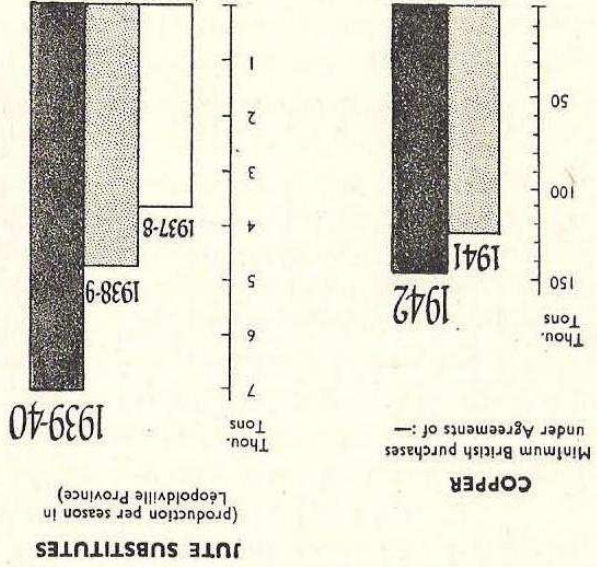
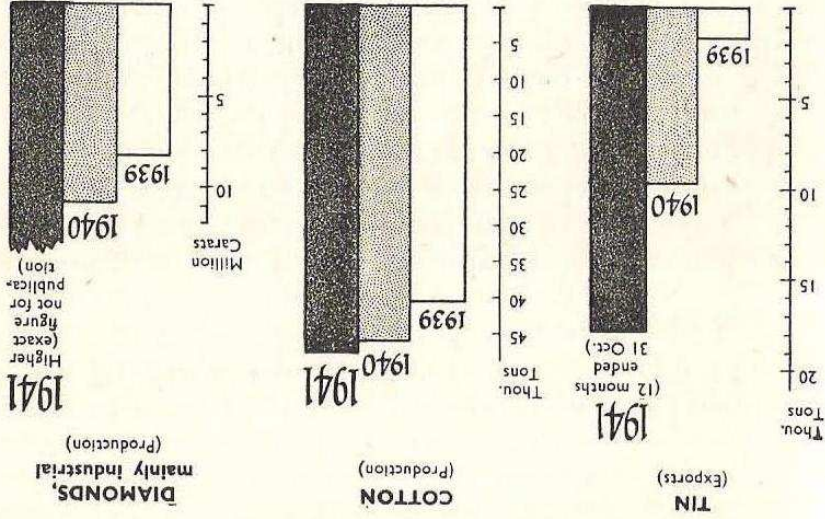
(d) Congo rubber and tin, not being essential to Great Britain as strategic materials at this stage, are also sent to America to procure dollars;

(e) Most other Congo products are required only in quantities well within normal output, and some are not called for at all.

In the second phase, with the entry of Japan, the United States, and a number of smaller countries into the war, the world is near to being entirely divided up between Allies and enemies, and the problem of supporting Allied currency in relation to neutral tends to disappear. Cash-and-carry gives way to Lease-lend. Gold, from being the king of commodities, suddenly seems almost a drug on the market, and even respectable economists like Mr. Oscar Hobson incline towards the heretical opinion (formerly reserved for Bolsheviks, Fabians, Major Douglas, Professor Soddy and other strangely-assorted company) that gold is a fetish, that it is illogical to produce it at all in time of war, and even that it may never be of any use again except for jewellery and works of art.

This in itself tends to make gold production take second place after base metals used in war. When the surrender or swift fall of French Indo-China, Thailand, British Malaya, the Dutch East Indies and Burma follows, new sources of

THE MOUNTING TIDE OF CONGO SUPPLIES



Tin ore was sufficiently covered by existing private contracts, and the British Government promised to consider the possibility of maintaining them at the same level on expiry. The Congo was also to be considered as a source of sugar supplies.

Prices and Purchase Conditions

The price of palm oil was fixed at £12 per long ton, inclusive of cost and freight to English port, which compares with prices ruling for Nigerian oil at the time when the agreement was negotiated. There was, however, an unexpected steep rise in market prices shortly after.

All other prices were left to the free play of the market, with the sole and very reasonable proviso that Congo copper should fetch the same price as Rhodesian, and Congo palm kernels the same as Nigerian, subject to adjustment for any difference in quality.

With the submarine onslaught on our sea routes at its height, it was uncertain whether the agreed quantities could be shipped within the stated time. So that the finances of the producing companies, weakened in some cases by severance from the parent company in Belgium, should not be at the mercy of the tides of war, the British Government agreed to pay for any balances remaining unshipped after certain dates, taking over ownership of them where they lay in the Congo. Without some such solid basis to work upon, production might have risked serious disorganisation.

It was further agreed that the goods purchased under the Agreement, and any others bought from the Belgian Congo by the British Government, should enjoy British Empire preferential rates of customs duty. This was a recognition that the Belgian colonists, who had thrown their whole strength and resources into the common struggle against Fascism as readily and unquestioningly as the British, had thereby earned the same standing and privileges.

A further Purchase Agreement was signed by the two Governments on 4th June, 1942. When compared with the first agreements, it clearly shows the growing importance of the Belgian Congo as a source of vital supplies for the Allies after Indo-China, Thailand, Burma, Malaya and the Dutch East Indies had fallen into enemy hands.

Rubber, wolfram (or tungsten), jute substitutes and coffee appeared for the first time in the new arrangements.

Minimum copper purchases to be made over a period of twelve months were raised from 124,000 long tons to 144,000, and cotton was up by 50 per cent. at 30,000 tons. The quantity of copal gum remained at 7,000 tons.

In addition to 25,000 tons of high-quality palm oil for food uses, the Belgian Government took first option on 10,000 tons of lower-grade oil, if available. This quality is used in the glycerine and explosives industries, and was imported normally from the Far East.

Many Congo products were by this time in such demand that Great Britain agreed to take whatever quantities the colony could spare, without limit. This applies to ground-nuts, which came in part from China and Burma, and are needed for making margarine, soap, and cattle foods; to palm kernels, which have similar uses; and to rubber, tin ore, and wolfram. The latter, which came mainly from Burma, Malaya, China and Hong Kong, is an essential ingredient of self-hardening high-speed tool steels.

The Congo needs Tools . . . and Trinkets

At the same time, the steady increase in the flow of materials from the Congo to Britain's war factories cannot be kept up without supplies of tools, machinery and spares in the opposite direction. This is recognised in an important

Note appended to the Agreement, in which Mr. Eden assures the Belgian Foreign Minister, Monsieur Spaak, that everything possible will be done to meet the Congo's needs of "equipment and other supplies essential to the maintenance and increase of production".

The official phrase "other supplies" and so forth covers the odd fact that it will be necessary to make and send to the Congo such unexpected wartime cargoes as bright celluloid necklaces, flowered cotton prints, and cheap sewing-machines. These are not a wanton waste of labour and shipping space; on the contrary, they are literally essential goods without which the Congolese could never be persuaded to produce precious copper, tin, tungsten, and palm oil for British factories. There is only a small number of whites in the Congo. Nearly all manual labour in that tropical climate is necessarily done by negroes, who, in their native surroundings, will certainly not work for a Kingsley-Wood post-war credit, or even for cash if there are no bright ornaments, sugary foods and other treasures to buy with it.

Import Duties and Prices under the Second Agreement

The price of Congo palm oil was brought into line with Nigerian prices, in accordance with the intention of the original agreement. Otherwise the various clauses covering manner of payment, prices, and import duties are unchanged, the Belgian Government being content to ensure that their colonists are granted equality of treatment with British Empire countries in return for their equal efforts and sacrifices.

MILITARY EFFORT

MILITARY AGREEMENT

The fourth Anglo-Belgian pact of this war, signed on the same day as the second Purchase Agreement, was a military one which relates to the Belgian troops in England rather than in the Congo. These forces, incidentally, are equipped and maintained entirely at the Belgian Government's own expense.

THE BELGIAN CAMPAIGN IN ABYSSINIA

The Belgian forces in Africa have, however, already played their part in the liberation of Abyssinia from Italian rule. The campaign was a classical one for strategic surprise, endurance, and tactical skill.

The Italian armies in East Africa, engaging the British in the north and south, at least thought themselves safe on the west, where their short-lived empire was bounded by desert wastes, a great lake, and perilous mountain tracks.

The Belgian troops nevertheless made the 2,000-mile journey across Central Africa from Léopoldville, braving tropical disease and every hardship to take the enemy by surprise at Saïo. Units of the small Congo "Force Publique", an armed constabulary rather than an army, augmented and equipped with automatic arms and modern artillery, were transported in heavy barges 1,000 miles up the Congo from Stanley Pool, near Léopoldville, to Aketi. Thence the boats were carried by train and lorry another 800 miles to Juba, on the borders of Abyssinia and the Sudan, where they were again launched on the waters of the White Nile. By bold attacks, risky patrols in force, and skilful ruses in the placing and use of artillery, the Italian garrison were



The Governor-General, M. Ryckmans, visits a Congo Army unit.



One of the forty-eight Spitfires given to the R.A.F. by Belgian Congo subscribers and manned by Belgian pilots.

given the impression of facing a much superior force. The mountain fortress of Saïo was cut off from supplies by a flanking movement, brought about unexpectedly along almost impassable tracks. Finally on the 4th July, 1941, the commander of the fortress, General Gazzera, with eight other Italian generals and over six thousand officers and men, surrendered to General Gilliaert.

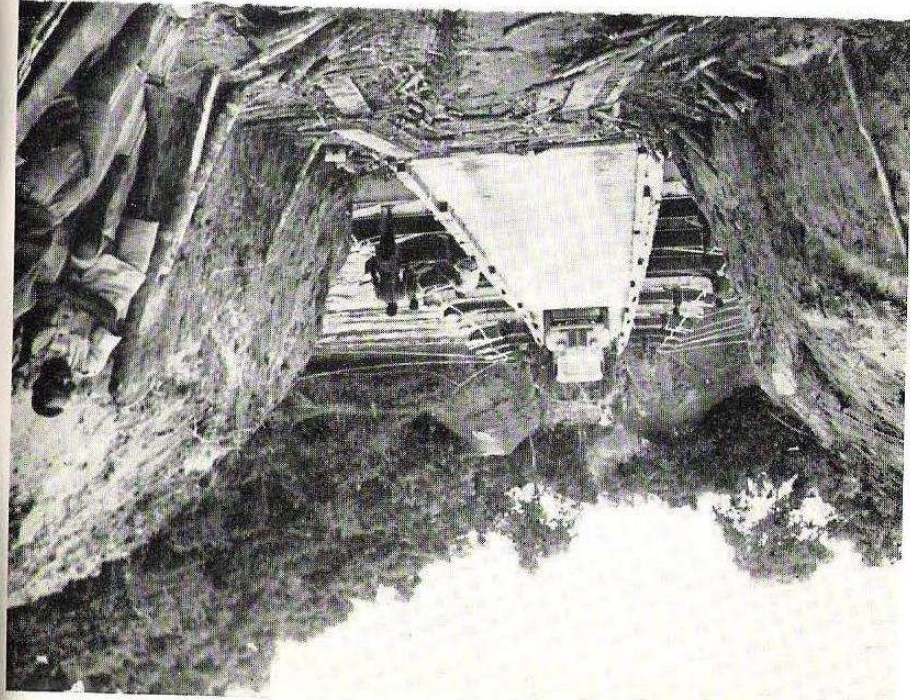
Other Congo units had started out from Watsa, in the north-east of the colony, and joined the King's African Rifles, side by side with whom they stormed and took Asosa. In all 15,000 Italian and colonial prisoners were taken by Congo forces numbering scarcely a third of that figure.

WELL-EQUIPPED CONGO FORCE STANDS READY

The Congo forces have not since been called upon for active service, but they are kept in full readiness. If the enemy attempts an African campaign based on Vichy territory, the Force Publique will be available to strike wherever Allied strategy demands. They are well provided with small, powerful American patrol cars, tommy-guns, mortars, and other modern arms.

A handicap in the Abyssinian fighting, as in so many of the earlier Allied campaigns of this war, was a lack of air support. This has now been remedied, and batches of skilled Belgian pilots continue to flow in from the Union of South Africa, where they are trained.

Large-scale manoeuvres were held in May last (1942) to keep the force at fighting pitch, and were pronounced very successful by the Command.



Congo native troops practise river crossings : a pontoon bridge.
(Below) *An improvised raft.*

