

No. 267

NETHERLANDS
and
UNITED STATES OF AMERICA

Agreement regarding the settlement for lend-lease, reciprocal aid, surplus property, military relief, and claims. Signed at Washington, on 28 May 1947

English official text communicated by the Representative a.i. of the Netherlands to the United Nations. The registration took place on 27 July 1948.

PAYS-BAS
et
ETATS-UNIS D'AMERIQUE

Accord relatif au règlement du prêt-bail, de l'aide réciproque, des biens en surplus, de l'assistance militaire et des créances. Signé à Washington, le 28 mai 1947

Texte officiel anglais communiqué par le représentant a.i. des Pays-Bas auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 27 juillet 1948.

No. 267. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS REGARDING SETTLEMENT FOR LEND-LEASE, RECIPROCAL AID, SURPLUS PROPERTY, MILITARY RELIEF, AND CLAIMS. SIGNED AT WASHINGTON, ON 28 MAY 1947

The Government of the United States of America (hereinafter referred to as the United States Government) and the Government of the Kingdom of the Netherlands (hereinafter referred to as the Netherlands Government), comprising the Kingdom in Europe, the Netherlands Indies and Territories of Surinam and Curaçao, have reached an understanding regarding a settlement for lend-lease and reciprocal aid, for certain surplus property, for the Netherlands Government's obligation to the United States Government for civilian supplies furnished as military relief in the Netherlands and in the Netherlands Indies, and for other financial claims of each Government against the other arising out of the conduct of the war. This settlement is complete and final, and both Governments agree that, except as herein specifically provided, no further benefits will be sought by either Government as consideration for the foregoing. In arriving at this understanding, both Governments have recognized the benefits accruing to each from their contributions to the defeat of their common enemies, and have adhered to and hereby reaffirm their adherence to the principles expressed in Article VII of the Preliminary Agreement on Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, signed on July 8, 1942.

1. *Amount Due*

As used in this Agreement the "total principal amount" due from the Netherlands Government to the United States Government is the sum of:

A. \$ 67,500,000, which is agreed by the two Governments to be the net amount due from the Netherlands Government to the United States Government with respect to lend-lease, reciprocal aid, civilian supplies furnished as military relief in the Netherlands (Plan A) and in the Netherlands Indies, certain air-

¹ Came into force on 28 May 1947, as from the date of signature, in accordance with paragraph 10 (E).

craft heretofore sold by the United States Government to the Netherlands Government, certain claims between the two Governments settled by this Agreement, and guilders in the accounts of finance officers of the United States armed forces, and

B. The amount due to the United States Government from the Netherlands Government under the \$30,000,000 line of credit (referred to in paragraph 5 of this Agreement) for the purchase of surplus property.

The terms of payment of the total principal amount are set forth in paragraph 6 of this Agreement.

2. *Military Relief and Related Operations*

In view of the benefits accruing to the two Governments from their contributions to the common war effort and in view of the payment specified in subparagraph 1 A of this Agreement and of the other provisions of this Agreement:

A. The obligation of the Netherlands Government for the United States Government's share of the combined bills for civilian supplies furnished as military relief in the Netherlands (Plan A) is considered settled. The Netherlands Government recognizes that the settlement hereby made with the United States Government in no way impairs the obligation of the Netherlands Government to the United Kingdom and Canadian Governments for their shares of the combined claim for Plan A.

B. The United States Government's share of guilder proceeds from the sale of Allied publications distributed in the Netherlands in connection with military operations reverts to the Netherlands Government.

3. *Intergovernmental Claims*

A. The following financial claims between the two Governments will be settled and paid in dollars in accordance with procedures already established:

(1) Claims of the United States Government for the cost of lend-lease supplies and services transferred to the Netherlands Government by the United States Government on cash reimbursement terms not subsequently converted to other terms, and claims of the Netherlands Government for the excess of the

amounts deposited by it with the United States Government under cash reimbursement lend-lease requisitions (including requisitions subsequently converted wholly or partly to other terms) over the cost of supplies and services transferred thereunder to the Netherlands Government on cash reimbursement terms not subsequently converted to other terms.

(2) Balance owing to the Netherlands Government under the portion of the agreement described in the Memorandum signed on May 30, 1942 by representatives of the United States Department of State and Office of Lend-Lease Administration whereby the United States Government took over the war material in the United States procured by, or at that time under contracts in the United States let by, the Netherlands Government.

(3) Claims covered by the "Memorandum Concerning Disposition of and Payment for Cargoes Carried on Twelve Dutch Ships Diverted to Australia", dated December 20, 1944, and claims covered by the "Memorandum Concerning Disposition of and Payment for Certain Aircraft and Gun Parts Shipped to Australia by Netherlands Purchasing Commission", dated December 20, 1944.

(4) Claims of either Government against the other arising under the terms of the Netherlands-American Charter Plan dated March 6, 1942.

(5) Claims of either Government against the other arising under the "bareboat out-time charter back" chartering arrangements, including claims of the Netherlands Government against the United States Government as war or marine risk insurer or assumer by reason of (a) any loss or damage to the chartered vessel or (b) any claims against the chartered vessel other than (i) those waived or assumed under this Agreement, (ii) those waived or assumed by a third government or UNRRA under any present or future agreement with the United States Government, and (iii) those subject to the practice of the United States Government regarding inter-departmental waiver of claims.

(6) The claim of the Netherlands Government for repayment of the net balance of guilders advanced by it to the United States War Shipping Administration.

(7) The claim of the Netherlands Government for the repayment of the payment previously made to the United States Government under the "Agreement between the United States of America and the Kingdom of the Netherlands under Section 3 (c) of the Lend-Lease Act", signed on April 30, 1945.

B. To avoid the necessity of making adjustments hereafter in certain accounts and to facilitate the determination of certain amounts payable under sub-paragraph 3A of this Agreement, the two Governments agree upon \$17,820,000 as the cost of supplies and services transferred to the Netherlands Government through the agency of the United States War and Navy Departments, on cash reimbursement terms not subsequently converted to straight lend-lease terms, under lend-lease requisitions which, when filed by the Netherlands Government, called for direct cash reimbursement, but not including lend-lease requisitions filed directly with the United States Navy Department. This sum of \$17,820,000, heretofore paid by the Netherlands Government, includes an allowance for charges not yet reported and is not subject to adjustment. Such allowance will be disregarded in determining claims under sub-paragraph 3A (3) of this Agreement.

C. The two Governments have agreed upon arrangements and procedures with respect to payment for articles and services procured in the Kingdom of the Netherlands for the United States armed forces and certain aircraft procured by the United States armed forces in the United States from the Netherlands Government and with respect to the return to the Netherlands Government of guilders held by the United States armed forces.

D. The claims between the two Governments listed in Appendix 1 hereto are among those settled by this Agreement and appropriate allowances have been made therefor in computing the net amount due from the Netherlands Government to the United States Government under sub-paragraph 1A of this Agreement.

E. The following arrangements are agreed on with respect to the time during which the large U. S. 7(c) ships and the small U. S. 7(c) ships (as defined in Appendix 1 hereto), as the case may be, were severally operated by the Netherlands Government for the United States Government during the 7(c) period (as defined in Appendix 1 hereto):

(1) The United States Government will bear the cost of all services and supplies, not hitherto paid for by the Netherlands Government, furnished by the United States Government to the Netherlands Government for the large U. S. 7(c) ships and the small U. S. 7(c) ships during such time.

(2) The Netherlands Government will retain all earnings, if any arising from the commercial carriage of passengers and cargo on the large U. S. 7(c) ships and the small U. S. 7(c) ships during such time.

(3) The Netherlands Government will process all claims against the United States Government, or respecting which the ultimate liability is that of the United States Government, arising from the commercial carriage of passengers and cargo on the large U. S. 7(c) ships and the small U. S. 7(c) ships during such time, and will discharge the liability of the United States Government with respect thereto, except to the extent that third Governments have already undertaken to do so without being reimbursed in cash.

F. As further specified in Appendix 2 hereto, each Government waives all its claims against the other which arose out of requisitioning for use in the war program of property of the claimant Government and, except as provided in sub-paragraph 3A(5) of this Agreement, all its claims against the other, and all its claims respecting which the ultimate liability is that of the other, which arose out of maritime incidents occurring on or after May 10, 1940 and prior to July 1, 1946.

G. Each Government waives all other financial claims against the other Government not otherwise dealt with in this Agreement which

(a) have arisen or may hereafter arise out of lend-lease or reciprocal aid, or

(b) otherwise arose out of incidents occurring on or after May 10, 1940 and prior to July 1, 1946 connected with or incidental to the conduct of the war,

except

(1) claims arising out of established arrangements where liability has heretofore been acknowledged and the method of computation agreed;

(2) claims arising out of retransfers, consented to by the United States Government after December 31, 1946, of lend-lease articles by a third government to the Netherlands Government; and

(3) claims presented in accordance with the practice whereby one government espouses a claim of one of its nationals and submits it through diplomatic channels to another government.

4. *Private Claims*

A. The Netherlands Government will process the claims described in the following sub-paragraphs (1) to (4) and will discharge the liability with respect thereto of the United States Government and of the individuals, firms and corporations against whom such claims are asserted as there described, except to the extent that third governments have already undertaken to do so without being reimbursed in cash, namely:

(1) Claims against the United States Government, or respecting which the ultimate liability is that of the United States Government, arising from maritime incidents (including those specified in Appendix 2 hereto) occurring on or after May 10, 1940 and prior to July 1, 1946, asserted or about to be asserted in courts of the Kingdom of the Netherlands, or asserted anywhere by individuals, firms and corporations, subjects of the Kingdom of the Netherlands at the time of the event giving rise to the claim, but not including claims of Netherlands subjects based upon service as seamen. In addition, as part of the general settlement, the Netherlands Government, without giving rise to any financial obligation on the part of the United States Government, will, at the request of the United States Government, take such steps as may be necessary, including the assumption of financial responsibility, to release vessels and cargoes belonging to the United States Government from legal actions brought to enforce any such claims.

(2) Claims of individuals, firms and corporations, domiciled in territory of the Kingdom of the Netherlands at any time between May 10, 1940, and September 2, 1945 (except individuals who are exclusively United States nationals) against the United States Government, its contractors or sub-contractors, for royalties under contracts for the use of inventions, patented or unpatented, or for infringement of patent rights, in connection with war production carried on or contracted for prior to September 2, 1945, by the United States Government, its contractors or subcontractors.

(3) Claims, whether contractual or non-contractual, against the United States Government and against members of its armed forces and civilian personnel attached thereto arising out of acts or omissions in territory of the Kingdom of the Netherlands of members of such armed forces or such civilian personnel, both line-of-duty and non-line-of-duty, occurring on or after May 10, 1940 and prior to September 2, 1945, in the case of contracts, and occurring on or after May 10, 1940 and prior to July 1, 1946 in the case of other acts or omissions.

(4) Claims of individuals, firms and corporations, subjects of the Kingdom of the Netherlands at the time of the event giving rise to the claim, against the United States Government arising out of the requisitioning (as specified in Appendix 2 hereto) for use in the war program of property located in the United States in which the claimant asserts an interest.

B. An appropriate allowance for the undertaking of the Netherlands Government in sub-paragraph 4A of this Agreement has been made in computing the net amount of \$ 67,500,000 due from the Netherlands Government to the United States Government under sub-paragraph 1A of this Agreement.

5. *Surplus Property*

A. The two Governments agree that their rights and obligations in connection with the line of credit for the purchase of surplus property heretofore granted by the United States Government in the amount of \$ 30,000,000 (originally \$ 20,000,000) shall be as stated in this Agreement; and the letters dated May 14, 1946 and December 9, 1946, from the United States Central Field Commissioner for Europe, Office of the Foreign Liquidation Commissioner, to the Netherlands Treasurer General, accepted by the Netherlands Government, establishing the line of credit, and subsequent communications relating thereto, are superseded by this Agreement. Like provision regarding the rights and obligations under the line of credit for the purchase of surplus property heretofore granted by the United States Government to the Netherlands Indies Government in the amount of \$ 100,000,000 is made in a separate agreement signed concurrently herewith by the United States Government and the Netherlands Indies Government.

B. The terms of payment of the amount due under the \$ 30,000,000 line of credit shall be as stated in paragraph 6 of this Agreement. This change from the original terms of payment, and the like change regarding the \$ 100,000,000 line of credit made in the separate agreement signed concurrently herewith by

the United States Government and the Netherlands Indies Government, have been consented to by the United States Government as part of the general settlement herein made.

C. The \$ 30,000,000 line of credit is for use in purchasing prior to January 1, 1948 United States surplus property, wherever situated, made available by the Office of the Foreign Liquidation Commissioner.

D. Charges heretofore made against the \$ 30,000,000 line of credit shall continue to be charges against it as from the respective dates of the charges, but, with respect to the accrual of interest, shall be subject to the provisions of sub-paragraph 6C of this Agreement. The bulk sales of surplus property in the Territories of Curaçao and Surinam shall be charges against the \$ 30,000,000 line of credit.

E. Procedural arrangements heretofore made in connection with the \$ 30,000,000 line of credit shall continue in force until changed.

6. *Terms of Payment*

A. The Netherlands Government undertakes that, as and when the amounts payable by the United States Government under sub-paragraph 3A of this Agreement are paid, it will pay equivalent amounts in dollars to the United States Government up to a total of \$ 19,500,000, in partial payment of the total principal amount due from it to the United States Government.

B. The remainder of the total principal amount due from the Netherlands Government to the United States Government will be paid by the Netherlands Government to the United States Government in dollars in thirty annual instalments, which shall become payable on July 1 of each year beginning July 1, 1951. The first instalment shall be equal to one-thirtieth of the unpaid portion as of July 1, 1951 of the total principal amount. Each subsequent instalment shall be equal to so much of the unpaid portion (as of the date of the instalment) of the total principal amount as has not previously become payable, divided by the number of instalments that have not previously become payable.

C. Interest will be paid to the United States Government by the Netherlands Government in dollars at the fixed rate of two percent per annum on \$ 50,000,000 (which is agreed to be the net sum of such of the charges constituting the total principal amount as are attributable to the period before July 1,

1946) for the period from July 1, 1946 through June 30, 1947, and, accruing from July 1, 1947, of the unpaid remainder of the total principal amount. With respect, however, to charges made under the \$ 30,000,000 line of credit, interest shall accrue from the first day of July next following the date on which each charge is made. With respect to the amount of any reduction in the total principal amount under the terms of sub-paragraph 6D and paragraph 7 of this Agreement interest for the period from the preceding July 1 shall be charged only to the date of such reduction. Interest shall be payable annually on July 1 of each year beginning July 1, 1947.

D. The Netherlands Government may at any time or times make payments to the United States Government under this Agreement of amounts not then payable or larger than are then payable. Any such payments will be credited first to past due interest, if any, and then to past due instalments, if any, and then to the unpaid remainder of the total principal amount.

E. If by agreement of both Governments it is determined that because extraordinary and adverse economic conditions arising during the course of payment, any of the periodic payments of interest, of principal, of interest and principle, or of any part thereof would not be to the common advantage of both Governments, payment may be postponed on such terms and conditions as may be agreed.

7. Provision of Netherlands Currency and of Property

A. The Netherlands Government, when requested by the United States Government, will make available at any time or times, by payment to the United States Government or to such persons or organizations as the United States Government may designate, Netherlands currency in any amount (computed as provided in sub-paragraph 7 E of this Agreement) not in excess of the then unpaid portion of the total principal amount plus past due interest, for:

(1) The payment of any or all of the ordinary governmental expenditures in the Kingdom of the Netherlands (other than the Netherlands Indies) of the United States Government or any department or agency thereof;

(2) The acquisition of real property, improvements thereon or furnishings therefor, agreed upon by the two Governments; and

(3) The payment of the cost of educational programs agreed upon by the two Governments.

B. In case the United States Government wishes to acquire any property (located in the Kingdom of the Netherlands, other than the Netherlands Indies), real or personal, tangible or intangible (other than for export except by mutual agreement), or to improve or furnish any property so located in which it has an interest, the Netherlands Government will at any time or times, as requested by the United States Government, enter into negotiations, and use its best efforts consistent with its public policy, to reach an agreement with the United States Government whereby there will be delivered to the United States Government the properties, improvements or furnishings which the United States Government desires of which the representatives of the United States Government have selected. Representatives of the United States Government may at their discretion conduct discussions directly with owners of property or with contractors for improvements or furnishings as to fair terms and prices prior to the delivery of such property or improvements or furnishings to the United States Government.

C. The United States Government declares that it is now its intention to request that Netherlands currency be made available for agreed educational programs under sub-paragraph 7 A of this Agreement to the value of \$5,000,000 and that it is now its intention to request that Netherlands currency be made available for, or that there be delivered, real property, improvements and furnishings, or both, under sub-paragraphs 7 A and 7 B of this Agreement to the value of \$8,700,000. This statement of intention does not prevent the United States Government from later proposing different amounts from these in these connections. The foregoing amounts are inclusive of amounts heretofore requested under corresponding arrangements hitherto existing under the \$30,000,000 line of credit.

D. The dollar equivalent (computed in accordance with sub-paragraph 7 E of this Agreement) of any Netherlands currency made available and of the Netherlands currency value of any properties, improvements and furnishings delivered under this paragraph 7 or under corresponding arrangements hitherto existing under the \$30,000,000 line of credit shall be credited first to interest, if any, and then to instalments, if any, past due to the United States Government

under this Agreement and then to the unpaid remainder of the total principal amount due under this Agreement.

E. Any Netherlands currency made available and the Netherlands currency value of any properties, improvements and furnishings delivered under this paragraph 7 or under corresponding arrangements hitherto existing under the \$ 30,000,000 line of credit will be valued at the par value between such currency and dollars established in conformity with procedures of the International Monetary Fund, or, if no such par value exists, at the rate most favorable to the United States Government used by the Netherlands Government in any official transaction at the time of the request by the United States Government that such currency be made available or that such properties, improvements or furnishings be delivered.

8. *Silver*

Nothing in this Agreement affects the obligations of the Netherlands Government in connection with silver transferred to it by the United States Government under lend-lease.

9. *Transfer of Title*

A. Except as provided in sub-paragraphs 9B and 9C of this Agreement, the Netherlands Government and the United States Government receive full title, without qualification as to disposition or use, to all articles now held by them respectively which were supplied under lend-lease or reciprocal aid, but including retransferred lend-lease articles only to the extent that consent to the retransfer was given by the United States Government before January 1, 1947.

B. Each Government reserves the right of recapture of any arms, ammunition and implements of war (as defined in Appendix 2 hereto) which were supplied under lend-lease or reciprocal aid and are held by the other Government on the date on which notice requesting return is communicated to the other Government (excepting, however, those supplied under lend-lease on cash reimbursement terms not subsequently converted to straight lend-lease terms); but each Government has indicated that it does not intend to exercise generally its right of recapture of such articles. Disposals of such articles in or for use in third countries will be made only with the consent of the supplying Government and with payment to the supplying Government of any proceeds of such dis-

posals. Each Government agrees that all such articles held by it will be used only for purposes compatible with the principles of international security and welfare set forth in the Charter of the United Nations.

C. To the extent required by United States law, naval and merchant vessels which were made available to the Netherlands Government under lend-lease will be returned to the United States Government.

10. *Miscellaneous Provisions*

A. References in this Agreement to articles supplied under lend-lease, and to lend-lease transfers, include lend-lease articles transferred by the United States Government to a third government and retransferred by the third government to the Netherlands Government.

B. To the extent that the provisions of this Agreement are inconsistent with those contained in any previous agreement, the provisions of this Agreement shall prevail.

C. Nothing in this Agreement affects the obligation of the Netherlands Government under Article IV of the Preliminary Agreement of July 8, 1942, relating to patents.

D. The two Governments agree to conclude such specific agreements as may be necessary to implement this general understanding.

E. This Agreement will be effective upon signature.

DONE at Washington, in duplicate, this 28th day of May, 1947.

For the Government of the United States of America:
G. C. MARSHALL
Secretary of State of the United States of
America

For the Government of the Kingdom of the Netherlands:
A. LOUDON
Ambassador Extraordinary and Plenipotentiary of the Kingdom of the Netherlands
at Washington

APPENDIX 1

CERTAIN CLAIMS BETWEEN THE TWO GOVERNMENTS SETTLED
BY THIS AGREEMENT

As stated in sub-paragraph 3D of this Agreement, the claims between the two Governments listed in this Appendix are among those settled by this Agreement and appropriate allowances have been made therefor in computing the net amount due from the Netherlands Government to the United States Government under sub-paragraph 1A of this Agreement.

I. *Claims of the Netherlands Government*

As used in this Agreement the term "large U.S. 7(c) ships" means the ships listed in Schedule 1 hereto attached, and the term "small U.S. 7(c) ships" means the ships listed in Schedule 2 hereto attached. All these ships were originally among those chartered by the British Minister of War Transport from the Netherlands Government pursuant to the "Memorandum of Arrangement Regarding Netherlands East Indies Shipping, 5th June 1942." and allocated to the United States Government. They were the ships later removed from that arrangement, with the concurrence of the United Kingdom Government, by an exchange of notes between the Netherlands Embassy at Washington and the United States Department of State dated June 6, 1945 and July 31, 1945, and they were severally operated by the Netherlands Government for the United States Government in conformity with that exchange of notes for the whole of the 7(c) period (as defined below) or from the beginning of the 7(c) period until they were allocated during the 7(c) period to the United Kingdom Government. The designation "7(c)" derives from the application to these ships of paragraph 7(c) (second sentence) of the Agreement on Principles Having Reference to the Co-ordinated Control of Merchant Shipping, signed in London on August 5, 1944.

The term "7(c) period" means, as used in this Agreement, in respect of the large U. S. 7(c) ships and the small U. S. 7(c) ships, the period from midnight May 23, 1945 until the date of redelivery in each case to the Netherlands Government, or until March 2, 1946, whichever was the earlier.

As used in this Agreement the term "June 5 Memorandum" means the above mentioned Memorandum of June 5, 1942.

A. The following claims of the Netherlands Government against the United States Government in connection with the large U. S. 7(c) ships are among those settled by this Agreement:

1. Services and supplies for the large U. S. 7(c) ships during the 7(c) period.

2. (a) Reconditioning and reconversion of the ships listed in Part A of Schedule 1 hereto attached, and

(b) reconversion, as distinguished from reconditioning, of the ships listed in Part B of Schedule 1 hereto attached.

(i) The contribution of the United States Government toward vessel expenses during the respective periods of reconditioning/reconversion, forming part of the allowance for the claims set forth in clauses 2(a) and 2(b) immediately above, has been computed on the basic bareboat rate under the June 5 Memorandum and respective time estimates for reconditioning/reconversion provided by the Netherlands Government.

(ii) The allowance made by the United States Government for the replacement of furniture has been computed on the basis of the articles named in the respective off-survey reports, and on the basis of the cost of procurement and installation of the furniture at the respective ports of reconversion.

(iii) The allowance made by the United States Government in respect of reconversion has been made, *inter alia*, on the basis of removing and making good in the way thereof fittings added during the conversion of the ships, and takes account of an allowance made by the Netherlands Government to the United States Government for equipment of the United States Government left aboard. Such equipment becomes the property of the Netherlands Government.

(iv) The allowance made by the United States Government with respect to reconditioning includes war risk insurance damage to the ships listed in Part A of Schedule 1 hereto attached, in so far as such damage was incurred during the 7(c) period.

3. Costs of medical departments maintained by the Netherlands Government in the United States with respect to the large U. S. 7(c) ships during the 7(c) period.

4. Services as Accounting Line (agency services) for the large U. S. 7(c) ships with respect to the 7(c) period.

B. The following claims of the Netherlands Government against the United States Government in connection with the small U. S. 7(c) ships are among those settled by this Agreement:

1. Services and supplies for the small U. S. 7(c) ships while they were severally operated by the Netherlands Government for the United States Government during the 7(c) period.

2. Reconversion and reconditioning of the small U. S. 7(c) ships. The claim put forward by the Netherlands Government and the allowance therefor made by the United States Government have been restricted to expenses of reconversion and reconditioning attributable to the use of the ships by the United States Government during the 7(c) period and have been computed on a pro-rata basis on figures submitted by the Netherlands Government covering the over-all reconversion-reconditioning expenses arising from the date of delivery of the vessels under their basic charterparties in 1942. This claim is without prejudice to claims for additional reconversion/reconditioning expenses under the basic charterparties.

3. Services as Accounting Line (agency services) for the small U. S. 7(c) ships with respect to the period while they were severally operated by the Netherlands Government for the United States Government during the 7(c) period.

C. The following further shipping claims of the Netherlands Government against the United States Government are among those settled by this Agreement:

1. A portion of the costs (not paid by the United States Navy) of arming certain Netherlands ships chartered pursuant to the June 5 Memorandum and allocated to the United States Government.

2. 80%, payable in dollars, of the hire increase on ships chartered pursuant to the June 5 Memorandum (the hire increase being one shilling per deadweight ton per month from July 1, 1944 until redelivery and (due to the waiver of off-hire insurance) sixpence per deadweight ton per month from July 1, 1944 to December 31, 1944). The allowance made by the United States Government in respect of this claim is accepted by the Netherlands Government in satisfaction of its claim under the June 5 Memorandum for 80%, payable in dollars, of such hire increase.

3. Dollar expenditures for free Netherlands ships in United States ports between August 21, 1941 and September 30, 1945 of a type eligible for lend-lease.

4. Charter hire in the amount of \$180,000 under "bareboat out-time charter back" chartering arrangements (claim withdrawn in consideration of the withdrawal

by the United States Government of its claim for reduction of charter hire under such arrangements).

II. *Claims of the United States Government*

A. The following claims of the United States Government against the Netherlands Government are among those settled by this Agreement:

1. Equipment of the United States Government left aboard the large U. S. 7(c) ships, as stated in sub-paragraph 1A2(iii) of this Appendix.

2. Dollar amounts due for retroactive reverse lend-lease under the exchange of letters between E. C. Zimmerman, Chairman of the Netherlands Purchasing Commission, and Charles Denby, Special Assistant for Reciprocal Aid, Foreign Economic Administration, dated September 20 and 26, 1944.

SCHEDULE 1 OF APPENDIX 1

The Large U. S. 7 (c) Ships

Part A:

Boschfontein
Brastagi
Japara
Klipfontein
Kota Agoeng
Kota Baroe
Poelau Laut
Sloterdijk

Sommelsdijk
Tabinta
Tjisadane

Part B:

Bloemfontein
Kota Inten
Noordam
Weltevreden

SCHEDULE 2 OF APPENDIX 1

The Small U. S. 7 (c) Ships

Bontekoe
Both
Maetsuycker
Swartenhondt

Tasman
Thedens
van der Lijn
Van Heutsz

APPENDIX 2

MEANING OF CERTAIN TERMS

1. *Maritime incidents*

The term "maritime incidents" as used in sub-paragraphs 3 F and 4 A (1) of this Agreement includes damages to shore structures, aids to navigation, and port installations, fixed or moveable, arising out of marine operations.

2. *Requisitioning*

As applied to action by the United States Government the term "requisitioning", as used in sub-paragraphs 3 F and 4 A (4) of this Agreement, means requisitioning and taking over under the Act of Congress of October 10, 1940, 54 Statutes at Large 1090, and amendments thereto, or under the Act of Congress of October 16, 1941, 55 Statutes at Large 742, and amendments thereto, as the case may be.

3. *Corporations*

The term "corporations", as used in the first sentence of paragraph 4 of this Agreement, includes public bodies of United States nationality of whatever character, and, as used in sub-paragraphs 4 A (1), (2) and (4) of this Agreement, includes public bodies of Netherlands nationality of whatever character.

4. *Arms, Ammunition and Implements of War*

As used in paragraph 9 of this Agreement the term "arms, ammunition and implements of war" means supplies of the types listed in Proclamation number 2717 of the President of the United States, dated February 14, 1947, 12 Federal Register 1127.