

**UNITED STATES OF AMERICA
and
FRANCE**

Agreement relating to the transfer of surplus United States army and navy property and installations in France and certain French overseas territories. Signed at Washington, on 28 May 1946

Official texts: English and French.

Understanding, relating to the interpretation of paragraph 3 of the above-mentioned Agreement. Signed at Paris, on 21 and 26 June 1948

Official text: English.

Registered by the United States of America on 2 April 1951.

**ÉTATS-UNIS D'AMÉRIQUE
et
FRANCE**

Accord relatif à la cession des biens et installations en surplus de l'armée et de la marine des États-Unis se trouvant en France et dans certains territoires français d'outre-mer. Signé à Washington, le 28 mai 1946

Textes officiels anglais et français.

Arrangement relatif à l'interprétation du paragraphe III de l'Accord susmentionné. Signé à Paris, les 21 et 26 juin 1948

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 2 avril 1951.

No. 1120. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND FRANCE RELATING TO THE TRANSFER OF SURPLUS UNITED STATES ARMY AND NAVY PROPERTY AND INSTALLATIONS IN FRANCE AND CERTAIN FRENCH OVERSEAS TERRITORIES. SIGNED AT WASHINGTON, ON 28 MAY 1946

In accordance with the Memorandum of Understanding² regarding settlement for lend-lease, reciprocal aid, surplus war property and claims, dated May 28, 1946, and in partial consideration of the payment to be made thereunder by the Provisional Government of the French Republic to the Government of the United States, the two Governments have reached agreement for the transfer to the French Government of certain property which is surplus to the needs of the United States Armed Forces. This agreement has been made on the basis of the mutual advantages to be derived therefrom and in the expectation that the property transferable hereunder will provide substantial benefits to the French civilian economy.

1. The two Governments have agreed that the French Government shall acquire possession of and title to the following property on the terms and conditions set forth below :

- a) All moveable articles of whatever description, except as set forth in paragraphs 2, 3 and 4 below, located in France and French North and West Africa which had been on May 25, 1946, or are thereafter declared to the Office of the Foreign Liquidation Commissioner, United States Department of State, as surplus to the needs and responsibilities of the United States War and Navy Departments.

- b) All interests of the United States War and Navy Departments in installations (which term includes structures or capital assemblies affixed to land or buildings in a permanent manner) located in France and French North and West Africa where such interests have been or are hereafter declared to the Office of the Foreign Liquidation Commissioner as surplus to the needs and responsibilities of the War and Navy Departments.

- c) All interests of the United States War and Navy Departments in certain items and installations, located at Noumea, New Caledonia, as listed

¹ Came into force on 28 May 1946, by signature.

² See p. 59 of this volume.

by the representatives of the French Government in their Aide-Mémoire on the subject of the French Pacific Institute.

2. Specifically excepted from the property to be transferred under this agreement are the following :

- a) Non-demilitarized combat material, including ammunition.
- b) Property located in France and French North and West Africa and under contract or commitment for sale from the Government of the United States to purchasers other than the French Government. Property shall be considered under contract or commitment for the purposes of this agreement if, prior to 12:00 noon, Paris time, May 25, 1946, the Central Field Commissioners, Office of the Foreign Liquidation Commissioner, in Paris and in Cairo, had accepted a bid therefor or had arrived at a written or oral understanding which they regard as firm.

3. Air navigation, Communication and Weather facilities installed in France and French Overseas territories will be transferred to the French Government under this agreement, subject to certain conditions to be covered by a separate agreement.

4. In view of the current transportation situation in Europe, the greater part of United States owned locomotives and rolling stock in Europe have not yet been declared surplus, and it is not possible at this time to anticipate the date of such declaration. However, when such material is declared surplus, it is the intention of the Government of the U.S. to make available to the French Government, at prices to be mutually agreed, such quantities as may be allocated to France by the European Central Inland Transport Organization.

5. All property heretofore purchased by the French Government from the Office of the Foreign Liquidation Commissioner, which had not been paid for as of May 25, 1946, is covered by this agreement and payment therefor is included in the amount to be paid by the French Government under the Memorandum of Understanding.

6. Title to and custodial responsibility for the property described in Paragraph 1 hereof shall pass to the French Government as soon as possible, in accordance with transfer procedures to be agreed between representatives of the Government of the United States and the French Government. The French Government is prepared to accept custodial responsibility promptly, and will arrange to relieve United States personnel of this responsibility at the earliest possible date.

7. The French Government agrees that the procedure for the acquisition of the property described in paragraph 1 hereof will not operate to prevent the United States Army or Navy from consuming or continuing to use such property, prior to its turnover under this agreement, in connection with their respective needs and responsibilities. The two Governments agree, however, that if, for any reason, the consumption or use of such property by the United States Army or Navy is materially greater than that reasonably contemplated at the time of the execution of this agreement, so as unduly to reduce the quantity of the property transferred to the French Government hereunder, the two Governments will consult together to fix an appropriate adjustment in the price to be paid therefor.

8. The French Government will use its endeavors to insure that property transferred pursuant to this agreement shall not be imported into the United States in the same or substantially the same form, if such property was originally produced in the United States and is readily identifiable as such, unless such property is to be imported into the United States on consignment to a person or firm in the United States for the purpose of reconditioning for re-export, or by a member of the United States Armed Forces for his personal use.

9. The French Government, when it disposes of or distributes property pursuant to this agreement, will use its best endeavors to avoid discrimination against the legitimate interests of the United States manufacturers of such property, or their agents or distributors. Members and veterans of the United States Armed Forces, United States Government Agencies, United States citizens and non-profit institutions, and UNRRA and the International Red Cross will be accorded an opportunity to buy the property transferred under this agreement on the same basis and at the same priority as accorded to other buyers of like character.

10. To the extent that the property transferred to the French Government under this agreement does not include the items listed in the "French Purchasing Program of United States Army Surplus" submitted to the Office of the Foreign Liquidation Commissioner by the French Council of Allied Surplus on May 7, 1946, and subsequently amended, it is understood that the Foreign Liquidation Commissioner will use his best efforts to make such items available to the French Government from surplus property located outside France and French North and West Africa at prices to be mutually agreed. The Foreign Liquidation Commissioner will also use his best efforts to arrange for the transportation of such property to France, the cost thereof to be borne by the French Government. If the property is transported in United States Government owned carriers, the charge for such transportation will be mutually agreed in advance.

11. Floating equipment acquired under this agreement, with the exception of that listed in the Program referred to in Paragraph 10 above shall be distributed by the French Government in accordance with ECITO recommendations at prices not to exceed 50 per cent of original cost to the United States.

12. U. S. Army or Navy surplus property located in foreign areas hereafter sold by the United States to the French Government under the provisions of paragraphs 4 or 10 hereof or otherwise will be sold on the same credit terms and conditions as those set forth in the Memorandum of Understanding.

DONE at Washington, in duplicate, in the French and English languages, both texts being authentic, this 28th day of May, 1946.

For the Provisional Government of the French Republic :
H. BONNET

For the Government of the United States of America :
Thomas B. McCABE

UNDERSTANDING¹ RELATING TO THE INTERPRETA-
TION OF PARAGRAPH 3 OF THE ABOVE-MENTIONED
AGREEMENT. SIGNED AT PARIS, ON 21 AND 26 JUNE
1948

UNITED STATES OF AMERICA
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER
HEADQUARTERS, CENTRAL FIELD COMMISSIONER FOR EUROPE
41, rue du Faubourg-Saint-Honoré, Paris (8^e)

21 June 1948

Mr. Jacques Lévy
Président du Conseil Français des Surplus Alliés
71, boulevard Péreire
Paris, (17)

Dear Mr. Lévy,

We have been reviewing the terms of the Agreement of 28 May 1946 relating to the transfer of surplus United States Army and Navy property and Installations in France and certain French overseas territories and find that the provisions of paragraph 3 of that Agreement covering Air Navigation, Communications and Weather Facilities are not as clear as they might be on the question of whether the original cost of these facilities is properly chargeable to the Bulk Sale Agreement or whether the only consideration for these facilities is the performance by the French Government of the terms of the Air Service Agreement of 18 June 1946.²

In order to avoid any misinterpretation of the Agreement at some later date we consider it advisable that our two Governments effect an exchange of letters which clearly sets forth what is known to have been the intention of the contracting parties.

As you will remember we have discussed this matter with you and we have also consulted, through our Washington office, several of the men who negotiated the Agreement on behalf of the Government of the United States and they have confirmed to us the following :

1. Paragraph 3 of the Bulk Sale Agreement was *not* inserted to describe the property transferred under that Agreement, the original cost of which would be included in the total for which the Government of France agreed to pay \$300,000,000;

¹ Came into force on 26 June 1948, by signature.

² United Nations, *Treaty Series*, Vol. 42, p. 183.

2. Paragraph 3 *was* inserted to describe in one document the solution of all surplus problems then existing and the phrase " will be transferred under this Agreement " was intended to cover the *procedure* of transfer rather than the basis of payment for such property and

3. The only consideration for the transfer of the Air Navigation, Communications and Weather Facilities, was the undertaking of the French Government as set forth in the Air Service Agreement with the Government of France dated 18 June 1946.

Accordingly, OFLC will, as soon as possible, prepare a contract of sale for the Air Navigation, Communication and Weather Facilities located at the various installations listed on the Annex to the Air Service Agreement of 18 June 1946, which contract will state that the sole consideration for the transfer of these facilities to the Government of France is the performance by the Government of France of the undertakings agreed upon in the Air Service Agreement of 18 June 1946. Upon execution of that contract by the properly authorized representative of your Government and of OFLC the Government of France will thereby acquire title to the facilities listed therein.

If the interpretation of the meaning of paragraph 3 and the sales procedure as outlined above is correct as far as the Government of France is concerned, would you indicate the consent of your Government by signing the duplicate original of this letter in the place indicated below and returning the letter to my office. Upon receipt of your signed acceptance this letter will be made a part of the permanent files covering the Agreement of 28 May 1946.

Yours very truly,

Deputy Central Field Commissioner for Europe

A. Eric TAFF

The terms of the foregoing letter are hereby accepted.

The Government of France

By Jacques LÉVY

Representative

Date : 26 juin 1948.