

No. 1124

**UNITED STATES OF AMERICA
and
FRANCE**

**Memorandum of Agreement regarding expenditures of the
United States armed forces in France and French
overseas territories. Signed at Washington, on 28 May
1946**

Official texts: English and French.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
FRANCE**

**Mémoire d'accord concernant les dépenses des forces
armées des États-Unis en France continentale et dans
les territoires français d'outre-mer. Signé à Washington,
le 28 mai 1946**

Textes officiels anglais et français.

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

No. 1124. MEMORANDUM OF AGREEMENT¹ BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THE PROVISIONAL GOVERNMENT
OF THE FRENCH REPUBLIC REGARDING EXPENDI-
TURES OF THE UNITED STATES ARMED FORCES
IN FRANCE AND FRENCH OVERSEAS TERRITORIES.
SIGNED AT WASHINGTON, ON 28 MAY 1946

By agreements entitled "Memorandum No. I, Relating to Administrative and Jurisdictional Questions" and annexes thereto, and "Memorandum No. II, Relating to Currency" initialed by representatives of the United States, British and French Governments on August 15, 1944, and signed in London by General Eisenhower and General Koenig on August 25, 1944, arrangements were made for the supply of French francs by the French Government to the Allied Forces and for the use of French francs by the Allied Forces.

By an agreement entitled "Memorandum Relating to Lend-Lease and Reciprocal Aid", dated August 15/25, 1944, and maintained in force by an exchange of letters between the two Governments on February 28, 1945, financial arrangements were made between United States and French authorities under which francs advanced by the French Government to the United States military forces and used by the latter for net pay of troops and procurement of goods and services and other expenditures not eligible for reciprocal aid were to be paid for by the United States Government in dollars.

By agreement reached in letters from Monnet to Clayton dated September 24, 1945 and from Clayton to Monnet dated October 31, 1945, reciprocal aid from France was considered as ending simultaneously with lend-lease aid from the United States to France, i.e., on September 2, 1945 at 00.01, with certain exceptions.

On December 26, 1945 the French Government changed the rate of exchange between the French franc and the United States dollar. On December 26, 1945, the United States Armed Forces returned to the Bank of France through book entry the total amount of official franc funds held by finance officers, and franc funds held by United States Armed Forces organizations and members of the United States Armed Forces. This return was effected in order to terminate and settle the French franc advances made by the French Government since D-Day. However, at the time of the repayment, the United States Armed Forces by book entries effected the withdrawal of the same amount of francs from the Bank of France.

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

The agreements in the following list, which does not purport to be exclusive, are referred to for identification purpose only :

Memorandum of Agreement between the Supreme Commander, Allied Expeditionary Force and the military delegate under the Ordinance of 14 March 1944 of the French Committee of National Liberation for the procurement of supplies, services and facilities in Continental France, drawn pursuant to Article 17 (iv) of "Memorandum No. 1 Relating to Administrative and Jurisdictional Questions in Continental France" signed in London on August 25, 1944.

Memorandum of Agreement between the Supreme Commander of the Allied Expeditionary Force and the military delegate appointed under the Ordinance of 14 March 1944 of the French Committee of National Liberation, drawn under Article 18 of Memorandum No. 1 concerning the observation by the Allied Forces of the French regulations concerning the exchange of currency and the export of capital and other matters, signed in London on August 25, 1944.

Memorandum of Agreement between the French Financial Attaché in London and Supreme Headquarters, Allied Expeditionary Force, relating to mutilated currency.

Letter of August 20, 1945, from Headquarters USFET to M. Brunet, Director of the Treasury in the French Ministry of Finance, regarding the vesting directly in the United States Armed Forces of the benefits of certain financial arrangements formerly held by SHAEF.

Reference is made to current conversations between the United States Treasury Representative in France and representatives of the French Government regarding the conversion and redemption of franc currency found among the personal effects of deceased personnel of the United States Armed Forces.

It is now deemed desirable to amend, in certain respects, some of the terms of the aforementioned agreements. The following amendatory provisions, which shall take effect as indicated below, are hereby agreed upon :

1. (a) All French francs held by the United States Armed Forces on December 26, 1945, and accounted for to the Bank of France, will be purchased at the rate of 118.959107 francs to the dollar.

(b) All French francs required by the United States Armed Forces for use in Continental France including Corsica and in French Overseas Territories, in addition to those purchased on December 26, 1945, will be purchased from the French authorities against payment of their countervalue in United States dollars.

(c) The United States Armed Forces may accept francs from, and shall accept francs from none other than, members of the United States Armed Forces, quasi-official organizations, agencies and personnel in and under the military establishment. The United States Armed Forces shall take all practical measures to avoid the acquisition of francs derived from non-official channels.

2. The francs acquired by the United States Armed Forces may be used only for : (a) the pay, exchange of funds, and encashment of dollar instruments authorized by the United States Armed Forces, of troops and personnel in and under the military establishments, and (b) procurement of goods and services. Such francs will be tendered and accepted at the same rate at which acquired, for each dollar of local procurement not eligible for reciprocal aid, the dollar value being computed at the rate in force when the goods and services were actually furnished.

3. Appropriate United States and French authorities will determine the cases in which United States Armed Forces will, in conformity with the requirements of the French Government, procure, in Continental France including Corsica and in French Overseas Territories, goods and services through appropriate French agencies designated by the French authorities, and the cases in which they will procure such goods and services through direct purchases.

Goods and services procured by United States Armed Forces before the termination of reciprocal aid when ineligible, and after the termination of reciprocal aid, will be paid for on the basis of the French authorities' presentation of appropriate documents in a form acceptable to the United States Armed Forces as has been, or may be, agreed upon between the United States Armed Forces and the French authorities.

4. In Continental France including Corsica and in French Overseas Territories unused francs may be returned to the French Government by the United States Armed Forces at any time, and will be repurchased by the French Government against dollars at the rate at which they were acquired by the United States Armed Forces; it being stipulated that the obligation of the French Government to repurchase said francs shall not exceed the amount of francs acquired against dollars on and after December 26, 1945 by the United States Armed Forces, after deducting therefrom the amount of francs used by the United States Armed Forces for procurement of goods and services.

5. In conformity with the requirements of the French Government, the United States Armed Forces will, in Continental France including Corsica,

and in French Overseas Territories, sell all scrap and salvage only through appropriate French agencies designated by the French authorities with such exceptions as may be agreed upon. Scrap and salvage thus sold to the appropriate French agencies will be paid for by the French authorities in United States dollars.

6. The United States Armed Forces will continue to maintain their accounts so that there be will made available to the appropriate French authorities, through the United States Treasury Representative in France, monthly records of the purposes for which francs have been used by the United States Armed Forces. Official statements will be rendered quarterly by the United States authorities.

7. To the extent that agreements referred to herein are not inconsistent with the terms of the within memorandum of agreement they shall remain in full force and effect.

8. This Memorandum of Agreement shall be effective upon signature.

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

For the Government of the United States of America :

Fred M. VINSON

George J. RICHARDS

W. L. CLAYTON

For the Provisional Government of the French Republic:

H. BONNET
