

No. 1029

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**NETHERLANDS**  
**and**  
**UNITED STATES OF AMERICA**

**Exchange of notes constituting an agreement relating to the obligations arising from the utilization of credit balances allotted to the Netherlands within the terms of article 10 of the Agreement on the establishment of a European Payments Union of 19 September 1950. The Hague, 6 and 7 October 1950**

*Official text: English.*

*Registered by the Netherlands on 7 February 1951.*

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**PAYS-BAS**  
**et**  
**ÉTATS-UNIS D'AMÉRIQUE**

**Echange de notes constituant un accord concernant les obligations résultant de l'utilisation de soldes créditeurs attribués aux Pays-Bas conformément aux dispositions de l'article 10 de l'Accord sur l'établissement d'une Union européenne de paiements du 19 septembre 1950. La Haye, 6 et 7 octobre 1950**

*Texte officiel anglais.*

*Enregistré par les Pays-Bas le 7 février 1951.*

No. 1029. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE NETHERLANDS AND THE UNITED STATES OF AMERICA RELATING TO THE OBLIGATIONS ARISING FROM THE UTILIZATION OF CREDIT BALANCES ALLOTTED TO THE NETHERLANDS WITHIN THE TERMS OF ARTICLE 10 OF THE AGREEMENT ON THE ESTABLISHMENT OF A EUROPEAN PAYMENTS UNION OF 19 SEPTEMBER 1950. THE HAGUE, 6 AND 7 OCTOBER 1950

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## I

## AMERICAN EMBASSY

No. 158

The Hague, October 6, 1950

Excellency:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the obligations arising from the utilization of credit balances allotted to the Netherlands within the terms of Article 10 of the Agreement on the Establishment of a European Payments Union of September 19, 1950.

1. To the extent that the agent designated by Article 18 of the Agreement on the Establishment of a European Payments Union utilizes credit balances allotted to the Netherlands, the Government of the Netherlands will, upon notification by the Government of the United States of America, deposit commensurate amounts of guilders in the special local currency account established under Article IV of the Economic Cooperation Agreement<sup>2</sup> between the Netherlands and the United States of America.

2. The amount of guilders deposited pursuant to the preceding paragraph shall not be reduced should the credit balance of the Netherlands be reconstituted pursuant to Article 10(e) of the Agreement on the Establishment of a European Payments Union. To the extent that the agent utilizes reconstituted balances in respect of which deposits have previously been made, no additional deposits of guilders shall be required.

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<sup>1</sup> Came into force on 7 October 1950, by the exchange of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 20, p. 91.

3. For purposes of deposits in the special local currency account such amount of the credit balance allotted to the Netherlands as has not been utilized prior to July 1, 1951 shall be considered as utilized during the European Payments Union accounting period beginning July 1, 1951.

4. The amounts of local currency to be deposited with respect to each accounting period should be equivalent to the United States dollar value of the credit balances utilized with respect to such accounting period as communicated to the Government of the United States of America by the agent. For the purpose of the foregoing, the dollar value of the European Payments Union unit of account shall be that existing on the last day of the accounting period. The rate of exchange governing the computation of amounts of local currency deemed equivalent to the United States dollar value of credit balances utilized shall be the same as that governing deposits made in accordance with Article IV of the Economic Cooperation Agreement between the Netherlands and the United States of America. The time of notification, relevant for purposes of determining the rate of exchange governing deposits of local currency, shall in each case be deemed to be the date of the last day of the accounting period, covered by the notification with respect to which the credit balances have been utilized.

5. Deposits of local currency made pursuant to this exchange of notes shall be held and governed in accordance with all the terms and conditions applicable to deposits made pursuant to Article IV of the Economic Cooperation Agreement between the Netherlands and the United States of America.

6. It is understood that obligations to deposit local currency in accordance with this exchange of notes apply only in the case of credit balances utilized to which no obligations of repayment attach.

Please accept, Excellency, the renewed assurances of my highest consideration.

*(Signed)* Robert COE  
Chargé d'Affaires, a.i.

His Excellency Dr. D. U. Stikker  
Royal Netherlands Minister for Foreign Affairs  
The Hague

## II

## MINISTRY OF FOREIGN AFFAIRS

Western Hemisphere Department  
North American Section

No. 100650

The Hague, October 7th 1950

Sir,

I have the honour to acknowledge receipt of your Note No. 158 of October 6, 1950 reading as follows:

[*See note I*]

The provisions set forth above are acceptable to Her Majesty's Government and I therefore have the honour to state that your Note and the present reply constitute an agreement between our two Governments on this matter.

Please accept, Sir, the assurances of my high consideration.

For the Minister,

(*Signed*) H. N. BOON  
Secretary-General

To Robert D. Coe, Esq.  
Chargé d'Affaires a.i. of the United States of America

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