

No. 1461

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND,  
UNITED STATES OF AMERICA, FRANCE,  
and  
FEDERAL REPUBLIC OF GERMANY**

**Exchange of notes constituting an agreement on the subject  
of certain German external debts. Bonn, 6 March 1951**

*Official texts: English, French and German.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
16 October 1951.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD,  
ÉTATS-UNIS D'AMÉRIQUE, FRANCE,  
et  
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Échange de notes constituant un accord relatif à certaines  
dettes extérieures de l'Allemagne. Bonn, 6 mars 1951**

*Textes officiels anglais, français et allemand.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
16 octobre 1951.*

No. 1461. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE ALLIED HIGH COMMISSION FOR GERMANY (FRANCE, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, AND UNITED STATES OF AMERICA) AND THE FEDERAL REPUBLIC OF GERMANY ON THE SUBJECT OF CERTAIN GERMAN EXTERNAL DEBTS. BONN, 6 MARCH 1951

## I

*The Chancellor of the Federal Republic of Germany to the  
Chairman of the Allied High Commission for Germany*

Bonn, 6th March, 1951

Mr. High Commissioner,

In reply to your letter of 23rd October, 1950—AGSEC (50) 2339—I have the honour to inform you as follows :—

## I

The Federal Republic hereby confirms that it is liable for the pre-war external debt of the German Reich, including those debts of other corporate bodies subsequently to be declared liabilities of the Reich, as well as for interest and other charges on securities of the Government of Austria to the extent that such interest and charges become due after 12th March, 1938, and before 8th May, 1945.

The Federal Government understands that, in the determination of the manner in which and the extent to which the Federal Republic will fulfil this liability, account will be taken of the general situation of the Federal Republic including, in particular, the effects of the limitations on its territorial jurisdiction and its capacity to pay.

## II

The Federal Government acknowledges hereby in principle the debt arising from the economic assistance furnished to Germany since 8th May, 1945, to the extent to which liability for such debt has not previously been

<sup>1</sup> Came into force on 6 March 1951, by the exchange of the said notes.

acknowledged in the Agreement on Economic Co-operation concluded on 15th December, 1949,<sup>1</sup> between the Federal Republic and the United States of America, or for which the Federal Republic has not already taken over responsibility under Article 133 of the Basic Law. The Federal Government is ready to accord the obligations arising from the economic assistance priority over all other foreign claims against Germany or German nationals.

The Federal Government regards it as appropriate to regulate any questions connected with the recognition and settlement of these debts by bilateral agreements with the Governments of the countries which have rendered economic assistance, patterned on the Agreement concluded with the United States of America on 15th December, 1949. The Federal Government takes for granted that these agreements will contain an arbitration clause for cases of dispute. The Federal Government is prepared at once to enter into negotiations for the conclusion of such agreements with the Governments concerned.

### III

The Federal Government hereby expresses its desire to resume payments on the German external debt. It understands that there is agreement between it and the Governments of France, the United Kingdom of Great Britain and Northern Ireland and of the United States of America on the following :—

It is in the interest of the re-establishment of normal economic relations between the Federal Republic and other countries to work out as soon as possible a settlement plan which will govern the settlement of public and private claims against Germany and German nationals.

Interested Governments, including the Federal Republic, creditors and debtors, shall participate in working out this plan.

The settlement plan shall in particular deal with those claims, the settlement of which would achieve the objective of normalising the economic and financial relations of the Federal Republic with other countries. It will take into account the general economic position of the Federal Republic, notably the increase of its burdens and the reduction in its economic wealth. The general effect of this plan shall neither dislocate the German economy through undesirable effects on the internal financial situation nor unduly drain existing or potential German foreign exchange resources. It shall also not add appreciably to the financial burden of any Occupation Power.

The Governments concerned may obtain expert opinions on all questions arising out of the negotiations on the settlement plan and on the capacity to pay.

<sup>1</sup> United Nations, *Treaty Series*, Vol. 92, p. 269.

The result of the negotiations shall be set forth in agreements. It is agreed that the plan will be provisional in nature and subject to revision as soon as Germany is reunited and a final peace settlement becomes possible.

I beg your Excellency to accept, etc.

ADENAUER

## II

*The Allied High Commission for Germany to the Chancellor  
of the Federal Republic of Germany*

Bonn-Petersberg, 6th March, 1951

Mr. Chancellor,

In reply to your letter of 6th March, 1951, on the subject of German indebtedness we have the honour, on behalf of the Governments of France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, to acknowledge the undertakings of the Federal Government in regard to the responsibility of the Federal Republic for the pre-war external debts of the German Reich and for the debt arising out of the economic assistance furnished to Germany by the three Governments since 8th May, 1945.

With regard to the priority accorded to the obligations arising from the post-war economic assistance we are authorised to state that the three Governments would not propose to exercise this priority in such a way as to restrict settlement of foreign-held claims arising out of trade subsequent to 8th May, 1945, essential to the economic recovery of the Federal Republic.

With regard to the question of an arbitration clause in agreements covering the debts for post-war economic assistance, the three Governments will be prepared, when negotiating such agreements, to consider whether it would be useful to include an arbitration clause to deal with any matters which might be appropriately settled by such a procedure.

We further have the honour on behalf of the three Governments to confirm the understandings of the Federal Government as set forth in the second paragraph of Article I and in Article III of your Excellency's letter. They are now engaged in preparing proposals for the working out of settlement arrangements; these will provide for the participation of foreign creditors, German debtors, and interested Governments including the Federal Government. The proposals will be designed to arrive at an orderly overall settlement of pre-war claims against Germany and German debtors and of the debt arising out of the post-war economic assistance, which would be fair and equitable to all the interests affected, including those of the Federal Government. It is the

intention that the resulting settlement should be embodied in a multilateral agreement; any bilateral agreements that may be considered to be necessary would be concluded within the framework of the settlement plan. As soon as their proposals are ready the three Governments will communicate them to the Federal Government and to other interested Governments and will discuss with them these proposals and the procedure to be adopted for dealing with the subject.

We have the honour to state that our three Governments regard your Excellency's letter under reference and this letter as placing on record an agreement between the Governments of France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, on the one hand, and the Government of the Federal Republic on the other, concerning the questions of German indebtedness covered in these letters. These letters are prepared in English, French and German, each text being equally authentic.

Accept, etc.

For the Government of  
the French Republic :

A. FRANÇOIS-PONCET

For the Government of  
the United Kingdom :

Ivone KIRKPATRICK

For the Government of  
the United States of  
America :

John J. McCLOY

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