

No. 1753

**UNITED STATES OF AMERICA
and
BELGIUM**

Memorandum of Understanding (with exchanges of memoranda and notes) regarding settlement for lend-lease, reciprocal aid, Plan A, surplus property and claims. Signed at Washington, on 24 September 1946

Memorandum of Agreement (with related letter and exchange of notes) regarding the purchase of Belgian francs for use by the United States Armed Forces. Signed at Washington, on 24 September 1946

Agreement relating to the transfer of United States surplus property in Belgium. Signed at Washington, on 24 September 1946

Agreement amending the above-mentioned Agreement of 24 September 1946 relating to the transfer of United States surplus property in Belgium. Signed at Paris, on 12 May 1949

Agreement relating to joint undertakings under the above-mentioned Agreement of 24 September 1946, as amended, relating to the transfer of United States surplus property in Belgium. Signed at Washington, on 20 April 1950

Official text: English.

Registered by the United States of America on 14 June 1952.

No. 1753. MEMORANDUM OF UNDERSTANDING¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF BELGIUM REGARDING SETTLEMENT FOR LEND-LEASE, RECIPROCAL AID, PLAN A, SURPLUS PROPERTY, AND CLAIMS. SIGNED AT WASHINGTON, ON 24 SEPTEMBER 1946

The Government of the United States of America and the Government of Belgium have reached an understanding regarding a settlement for lend-lease and reciprocal aid, for the Belgian Government's obligation to the United States Government for civilian supplies furnished under the military relief program (Plan A), for certain surplus property, 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. 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 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 at Washington on June 16, 1942.² Both Governments agree that their contributions to each other in the common war effort through lend-lease, reciprocal aid and Plan A are substantially in balance. They agree that no further benefits are due or will be sought by either Government from the other on these accounts or, except as hereinafter specifically provided, as consideration for surplus property or the settlement of claims or other obligations arising out of the war.

1. In recognition of the mutual benefits received by the two Governments from the interchange of lend-lease and reciprocal aid, and from the United States share of civilian supplies furnished under the military relief program (Plan A), it is agreed that :

A. Neither Government will make any payment to the other for lend-lease and reciprocal aid articles and services heretofore transferred or retransferred, or remaining to be transferred under previous agreement.

B. The Belgian Government will make no payment to the United States Government for the United States share of the combined claim against the

¹ Came into force on 24 September 1946, as from the date of signature, in accordance with paragraph 14.

² United Nations, *Treaty Series*, Vol. 105, p. 159.

Belgian Government for Plan A. As agreed in an exchange of memoranda between the two Governments, dated July 23, 1946, and September 24, 1946,¹ the Belgian Government recognizes that the settlement hereby made with the United States Government in no way impairs the obligation of the Belgian Government to the United Kingdom and Canadian Governments for their shares of the combined claim for Plan A, and agrees to establish a reserve of 10 per cent of the combined bills in the Banque Nationale de Belgique which will be made payable to the United Kingdom and Canadian Governments to the extent and in the manner necessary to carry out the existing financial arrangements among the three supplying Governments. Any amounts of the reserve not so paid will not be claimed by the United States Government and will revert to the free disposition of the Belgian Government upon notification by the three supplying Governments.

2. In consideration of the United States surplus property heretofore transferred and heretofore designated for transfer to the Belgian Government under agreed procedures (estimated at approximately \$18,000,000 in transfer value), it is agreed that :

A. (1) As and when requested by the United States Government, the Belgian Government will transfer to the United States Government, or provide Belgian francs for the acquisition of, real property in Belgium, the Belgian Congo and the Grand Duchy of Luxembourg to be mutually agreed upon, and will pay the expense of improvements in and furnishing of property of the United States Government in Belgium, the Belgian Congo and Luxembourg, up to an aggregate value of \$5,450,000.

(2) As and when requested by the United States Government, the Belgian Government will provide Belgian francs up to an aggregate value of \$3,000,000, which will be used exclusively to carry out cultural and educational programs agreed upon between the Government of the United States of America and the Governments of Belgium and Luxembourg.

(3) Any francs provided under this sub-paragraph A will be at the par value between the two currencies 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 in any official Belgian Government transaction at the time payment is requested.

¹ See p. 96 of this volume.

B. (1) The Belgian Government will process certain claims against the United States Government, and its war contractors and subcontractors, and discharge their liability with respect thereto, namely :

(a) Claims of individuals, firms and corporations asserted or about to be asserted in courts of Belgium, the Belgian Congo or Luxembourg against the United States Government, or respecting which the ultimate liability is that of the United States Government, arising from maritime incidents occurring on or after September 3, 1939 and prior to July 1, 1946. In addition, as part of the general settlement, the Belgian 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 in such courts to enforce any such claims.

(b) Claims of individuals, firms and corporations domiciled or resident in Belgium, the Belgian Congo or Luxembourg (except individuals who are exclusively United States nationals) against the United States Government, its contractors and subcontractors, for royalties under licence 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.

(c) Claims of individuals, firms and corporations domiciled or resident in Belgium, the Belgian Congo or Luxembourg against the United States Government arising out of acts or omissions in Belgium, the Belgian Congo or Luxembourg of members of the United States Armed Forces or civilian personnel attached to such forces, both line-of-duty and non-line-of-duty, occurring on or after September 3, 1939 and prior to September 2, 1945 in the case of contracts, and occurring on or after September 3, 1939 and prior to July 1, 1946 in the case of other acts and omissions.

(d) Claims of subjects of Belgium or Luxembourg, whether individuals, firms or corporations, against the United States Government arising out of the requisitioning for use in the war program of property located in the United States in which the claimant had an interest.

(2) The undertaking of the Belgian Government in the preceding subparagraph (1) is valued at \$5,000,000, not subject to adjustment.

C. (1) The undertakings of the Belgian Government in sub-paragraphs A and B above constitute a payment by the Belgian Government to the United States Government of \$13,450,000 toward the total purchase price of the above-mentioned United States surplus property. The excess over \$13,450,000 of the total purchase price (determined in accordance with usual procedures) of the surplus property heretofore transferred to the Belgian Government and hereafter transferred under designations heretofore made will be a dollar obligation of the Belgian Government to the United States Government.

(2) In the event that the United States Government should not be able to avail itself fully of the provisions of sub-paragraph A, the amount not availed of will, upon appropriate notification by the United States Government, be added to the dollar obligation of the Belgian Government to the United States Government.

(3) These dollar obligations of the Belgian Government will be governed by the provisions of paragraph 5 below.

3. The United States Government hereby makes available to the Belgian Government a line of credit of \$10,000,000 for the purchase of United States surplus property contracted for with the Foreign Liquidation Commissioner before October 1, 1946, other than the surplus property referred to in paragraph 2 above. The resulting dollar obligation will be governed by the provision of paragraph 5 below.

4. The two Governments have agreed on the acquisition by the Belgian Government of certain United States surplus property remaining in Belgium on or after October 1, 1946, and, in stated circumstances, before September 30, 1946, on the basis of a division between the two Governments of the proceeds of sales. The share accruing to the United States Government of these proceeds will be a dollar obligation of the Belgian Government and will be governed by the provisions of paragraph 5 below.

5. A. Payment of the total of the dollar obligations of the Belgian Government to the United States Government referred to in paragraphs 2C, 3, and 4 above shall be made in annual instalments over a period ending July 1, 1976. The first annual instalment shall be due and payable on July 1, 1947, and shall be equal to one-thirtieth of the total dollar obligation as of that date. Each subsequent instalment shall be equal to the total unpaid balance as of the date of the instalment divided by the number of instalments remaining to be paid.

B. Interest on the unpaid balance of the total dollar obligation shall be paid by the Belgian Government at the fixed rate of two and three-eighths per cent per annum, accruing from July 1, 1947, except that, with respect to dollar obligations arising after July 1, 1947, interest shall accrue from the first day of July next following the date on which the obligation arises. Interest shall be payable annually, the first payment to be made on July 1, 1948.

C. The Belgian Government may at any time or times anticipate the payment of any instalments or any part thereof. Such payments will be credited first to past due interest, if any, and then to the unpaid instalments in inverse order of maturity, and the number of instalments remaining to be paid will thereby be reduced by the number of instalments thus paid in full.

D. In the event that the United States Government wishes to receive Belgian francs for the payment of any or all expenditures to be made after December 31, 1946 by the United States Government, including its agencies, in Belgium, the Belgian Congo, or Luxembourg, the United States Government may request Belgian francs in specified amounts at any time or times after December 31, 1946 and the Belgian Government agrees to furnish Belgian francs in such amounts at such time or times, subject to the limitations that (1) the aggregate of the dollar equivalents of such amounts (computed at the par value or rate specified in paragraph 2A (3)) shall not exceed \$5,000,000 and (2) the aggregate of the dollar equivalents of any such amounts (computed as so specified) requested in the twelve-month period beginning any first day of July, added to the amount of the annual instalment and interest, if any, payable in such period under sub-paragraphs A and B above and any payments already made by the Belgian Government in such period under sub-paragraph C above, shall not exceed \$2,000,000 and (3) the dollar equivalent of any single amount (computed as so specified) shall not exceed the unpaid balance of the total dollar obligation at the time payment of such amount is requested, plus interest then past due, if any. In the event that Belgian francs are so received, the United States dollar equivalent thereof (computed as so specified) will be credited first to past due interest, if any, and then to the unpaid balance of the total dollar obligation.

6. The two Governments have agreed upon arrangements and procedures for the settlement of past and future troop pay of United States Armed Forces in Belgium. The United States Government will continue to expedite payment under agreed procedures for supplies and services furnished by the Belgian Governments to United States Government agencies on and after September 2, 1945.

7. A. Notwithstanding the provisions of paragraph 1, claims in the following categories will be settled in accordance with procedures already established or to be established after appropriate discussions :

(1) Claims by the United States Government for the cost, and claims by the Belgian Government for the excess of amounts deposited by it with the United States Government over the cost, of supplies and services procured under cash reimbursement lend-lease requisitions filed by the Belgian Government.

(2) Claims arising out of lend-lease requisitions for locomotives wherein the Belgian Government agreed to pay landed cost.

(3) Claims by the Belgian Governments for the excess of amounts deposited by it with the United States Government under the exchange of notes between the Foreign Economic Administration and the Belgian Ambassador on October 20 and October 25, 1944¹ over the cost of supplies and services procured thereunder and transferred to the Belgian Government on or before February 28, 1945.

B. Each Government waives all its claims against the other, and all its claims respecting which the ultimate liability is that of the other, which arose out of (1) maritime incidents occurring prior to July 1, 1946, or (2) requisitioning for use in the war program of property of the other Government.

C. All other financial claims of either Government against the other, except those arising out of established arrangements where liability has heretofore been acknowledged and the method of computation agreed, which (1) arose out of lend-lease or reciprocal aid, or (2) otherwise arose out of incidents connected with the conduct of the war occurring on or after September 3, 1939 and prior to September 2, 1945, and which are not otherwise dealt with in this Memorandum, are hereby waived.

8. Nothing in this Memorandum affects the obligation of the Belgian Government in connection with silver transferred to it by the United States Government under lend-lease.

9. Each Government reserves the right of recapture of any supplies of types essentially or exclusively for use in war or warlike exercises held by the other Government, which were supplied on lend-lease or reverse lend-lease, but each Government has indicated that it does not intend to exercise generally its right of recapture of such supplies. Each Government agrees that all such supplies 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. Merchant vessels which were made available to the Belgium Government under lend-lease are to be returned to the United States Government.

10. Disposals to third Governments of lend-lease and reserve lend-lease supplies of types essentially or exclusively for use in war or warlike exercises will be made only with the consent of the supplying Government. All other materials supplied on lend-lease or reverse lend-lease may be disposed of without

¹ Not printed by the Department of State of the United States of America.

restriction by the recipient Government, and no further payment therefor will be required by the supplying Government.

11. Except as provided under paragraphs 9 and 10 of this Memorandum of Understanding, the Belgian Government and the United States Government receive full title to lend-lease and reverse lend-lease articles respectively held as of September 2, 1945, or transferred at any time thereafter, and not subsequently returned.

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

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

14. This Memorandum of Understanding will be effective upon signature.

DONE at Washington, in duplicate, this 24th day of September, 1946.

For the Government of the United States of America :

W. L. CLAYTON
Acting Secretary of State
of the United States of America

For the Government of Belgium :

SILVERCRUYS
Ambassador of Belgium at Washington

EXCHANGES OF MEMORANDA AND NOTES

I

The Department of State to the Belgian Embassy

MEMORANDUM

In identic notes to the Government of Belgium dated June 19, 1946,¹ the Governments of the United States, the United Kingdom, and Canada set forth the respective share of each Government in the combined claim for the civilian supplies furnished by the Allied armies for the population of Belgium, and indicated that each Government would communicate further with your Government concerning the method of settlement for its share.

Discussions have since been held between representatives of your Government and of the United States Government with regard to the final settlement of war accounts, and consideration has been given to the method of settlement for the United States share of the combined claim for civilian supplies furnished the Government of Belgium and the Government of Luxembourg. As a result of these discussions, the United States Government has decided that the most satisfactory method of accomplishing settlement for its shares of the combined claims against the Government of Belgium and the Government of Luxembourg for civilian supplies would be to regard them as a part of the United States contribution to the common war effort and subject to the concurrence of the Government of Luxembourg to include these shares in the over-all settlement of war accounts between the United States and Belgian Governments.

Since the Government of the United States is committed by written agreements to participate on a combined basis with the United Kingdom and Canadian Governments in the collection of the total bill for these supplies and in the determination of the relative shares of each in the proceeds, it is necessary for this Government to stipulate that this method of settlement for the United States shares of the combined bills is conditional upon the fulfillment of the following conditions :

- (a) That the Belgian Government recognize that the settlement to be made with the United States Government in no way impairs the validity of the obligation of the Belgian Government to the United Kingdom and Canadian Governments for their shares of the combined bills.
- (b) That the Belgian Government establish a reserve of 10 percent of the combined bills being presented to the Government of Belgium and to the Government of Luxembourg. This reserve is to be established forthwith

¹ Not printed by the Department of State of the United States of America.

for bills heretofore submitted and at the time of submission for bills hereafter submitted. It is to be deducted from the United States share, and is to be held in the name of the Belgian Government in the Banque Nationale de Belgique in funds convertible into sterling or Canadian dollars, or both, at rates to be agreed upon by the Government of Belgium with the United Kingdom and Canadian Governments. The reserve will be payable to the United Kingdom and Canadian Governments to the extent and in such proportions of sterling and Canadian dollars as the United States, United Kingdom, and Canadian Governments may determine by combined agreement to be necessary in order to comply with the existing financial arrangements among the three supplying governments. Any amounts of the reserve not so paid will not be claimed by the United States Government and will revert to the free disposition of the Belgian Government upon combined notification by the United States, United Kingdom, and Canadian Governments.

W. L. C.

Department of State
Washington, July 23, 1946

II

The Belgian Embassy to the Department of State

AMBASSADE DE BELGIQUE

D. 1074
No. 8123

MEMORANDUM

Reference is made to the Memorandum from the Government of the United States to the Government of Belgium dated July 23, 1946. The provisions of this Memorandum are accepted by the Government of Belgium.

S.

Washington, September 24th, 1946

[SEAL]

III

The Acting Secretary of State to the Belgian Ambassador

DEPARTMENT OF STATE

WASHINGTON

September 24, 1946

My dear Mr. Ambassador :

Representatives of your Government and of this Government have discussed several questions of interpretation with respect to the language of the Memorandum of Understanding between our two Governments to be signed today. I am writing to state the understanding of this Government with respect to these questions.

1. The "United States surplus property heretofore transferred and heretofore designated for transfer to the Belgian Government under agreed procedures", referred to in the opening sentence of paragraph 2 of the Memorandum of Understanding, is the property which originally was transferred or designated for transfer to the Government of Belgium as defense articles of civilian utility no longer required by the United States Army for its own uses, under the letter of October 19, 1945¹ from the Secretary of State of the United States to the Minister of Foreign Affairs of Belgium.

2. The term "maritime incidents", as used in paragraphs 2B (1) (a) and 7B of the Memorandum of Understanding, includes damages to shore structures, aids to navigation, and port installations, fixed or moveable, arising out of marine operations.

I should appreciate it if you would advise me whether the foregoing is in accordance with the understanding of your Government.

Sincerely yours,

W. L. CLAYTON
Acting Secretary of State

His Excellency
Baron Robert Silvercruys
Ambassador of Belgium

¹ Not printed by the Department of State of the United States of America.

IV

The Belgian Ambassador to the Acting Secretary of State

AMBASSADE DE BELGIQUE

D.1121
No. 8122

Washington, September 24th, 1946

My dear Mr. Secretary :

I have your letter of today's date setting forth your Government's understanding with respect to certain questions of interpretation relating to the language of the Memorandum of Understanding between our two Governments to be signed today.

I am happy to advise you that the understanding of the Government of Belgium on these matters coincides with the understanding of your Government.

Sincerely yours,

The Belgian Ambassador
SILVERCRUYSThe Honorable William L. Clayton
Acting Secretary of State
Washington, D.C.

V

*The Acting Secretary of State to the Belgian Ambassador*DEPARTMENT OF STATE
WASHINGTON

September 24, 1946

My dear Mr. Ambassador :

With reference to paragraph 2A (1) of the Memorandum of Understanding between our two Governments to be signed today, it is the understanding of my Government that the obligation of your Government, set forth in that paragraph, to transfer real property, or provide Belgian francs for the acquisition of real property, and pay the expense of improvements in and furnishing of property, in Belgium, the Belgian Congo, and the Grand Duchy of Luxembourg, up to an aggregate value of \$5,450,000 is subject to the limitation that the obligation of your Government shall not exceed \$5,000,000 with respect to Belgium nor \$200,000 with respect to the Belgian Congo nor \$250,000 with respect to the Grand Duchy of Luxembourg. It is further the understanding of my Government that para-

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graph 2C (2) of the Memorandum of Understanding is applicable to the provisions of paragraph 2A (1) as limited by the above understanding.

I should appreciate it if you would inform me whether the foregoing is in accordance with the understanding of your Government.

Sincerely yours,

W. L. CLAYTON
Acting Secretary of State

His Excellency Baron Robert Silvercruys
Ambassador of Belgium

VI

The Belgian Ambassador to the Acting Secretary of State

AMBASSADE DE BELGIQUE

D.1121
No. 8142

Washington, September 24th, 1946

My dear Mr. Secretary :

In reply to your letter of today's date regarding the obligation of my Government under paragraph 2A (1) of the Memorandum of Understanding between our two Governments to be signed today, I am happy to advise you that the understanding of my Government on the matters mentioned in your letter coincides with the understanding of your Government as set forth in your letter.

Sincerely yours,

The Belgian Ambassador
SILVERCRUYS

The Honorable William L. Clayton
Acting Secretary of State
Washington, D.C.

VII

The Acting Secretary of State to the Belgian Ambassador

DEPARTMENT OF STATE

WASHINGTON

September 24, 1946

My dear Mr. Ambassador :

In the Memorandum of Interpretation, dated April 17, 1945,¹ with respect to the agreement between the United States of America and Belgium under Section 3 (c) of the Lend-Lease Act² my Government gave its consent to the retransfer by the Government of Belgium to the Government of Luxembourg of articles to be delivered by my Government to the Government of Belgium under the agreement referred to. By a letter of the same date from the Secretary of State to the Belgian Ambassador my Government pointed out that if it should not be able to conclude arrangements with the Grand Duchy of Luxembourg required by the Lend-Lease Act my Government's consent to future retransfers of such articles by the Government of Belgium to the Grand Duchy of Luxembourg would have to be qualified or revoked.

I now take pleasure in advising you that in consequence of the signing today of the Memorandum of Understanding between our two Governments no requirement of the Lend-Lease Act remains unsatisfied with respect to retransfers of such articles by the Government of Belgium to the Government of the Grand Duchy of Luxembourg and there will accordingly be no occasion for this Government to qualify or revoke its above-mentioned consent to such retransfers.

You will understand, of course, that any contemplated retransfers by the Government of Belgium to the Government of the Grand Duchy of Luxembourg of lend-lease supplies of types essentially or exclusively for use in war or warlike exercises will be subject to the provisions of paragraph 10 of the Memorandum of Understanding and will therefore be made only with the consent of my Government.

Sincerely yours,

W. L. CLAYTON
Acting Secretary of StateHis Excellency Baron Robert Silvercruys
Ambassador of Belgium

¹ United States of America : *Executive Agreement Series 481*; 59 Stat. 1642.

² United States of America : 55 Stat. 31.

VIII

The Belgian Ambassador to the acting Secretary of State

AMBASSADE DE BELGIQUE

D. 1064
No. 8111

Washington, September 24th, 1946

My dear Mr. Secretary :

I have your letter of today's date with reference to retransfers by my Government to the Government of the Grand Duchy of Luxembourg of articles delivered to my Government by the Government of the United States of America under the Agreement dated April 17, 1945 between our two Governments under Section 3 (c) of the Lend-Lease Act.

I take pleasure in noting your assurance that in consequence of the signing today of the Memorandum of Understanding between our two Governments there will be no occasion for your Government to qualify or revoke its previously given consent to such retransfers.

My Government shares your understanding that any contemplated retransfers by it to the Government of the Grand Duchy of Luxembourg of lend-lease supplies of types essentially or exclusively for use in war or warlike exercises will be subject to the provisions of paragraph 10 of the Memorandum of Understanding and will therefore be made only with the consent of your Government.

Sincerely yours,

The Belgian Ambassador
SILVERCRUYSThe Honorable William L. Clayton
Acting Secretary of State
Washington, D.C.

MEMORANDUM OF AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF BELGIUM REGARDING THE PURCHASE OF BELGIAN FRANCS FOR USE BY THE UNITED STATES ARMED FORCES. SIGNED AT WASHINGTON, ON 24 SEPTEMBER 1946

The Government of the United States of America and the Government of Belgium have agreed upon the following provisions, which shall supersede those provisions of any prior agreements which are inconsistent therewith :

1 (a) All Belgian francs drawn from the Government of Belgium by the United States Armed Forces minus Belgian francs returned to the Government of Belgium and minus Belgian francs paid out for local procurement eligible for reciprocal aid will be purchased at the rate of 43.77325 francs to the dollar.

(b) Except as provided in paragraph 1 (c) below, all Belgian francs required by the United States Armed Forces for use in Belgium and Luxembourg, in addition to those purchased as provided in paragraph 1 (a) above, will be purchased against payment of their counter-value in United States dollars from the Banque Nationale de Belgique, which shall make such francs available.

(c) The United States Armed Forces may accept Belgian francs from, and shall accept Belgian francs from none other than, members of the United States Armed Forces, and 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 Belgian francs derived from non-official channels.

2. Belgian francs acquired by the United States Armed Forces may be used only for : (a) exchange of funds, and encashment of dollar instruments authorized by the United States Armed Forces, of troops and personnel in and under the military establishment, and (b) procurement of goods and services.

3. This Memorandum of Agreement will be effective upon signature.

¹ Came into force on 24 September 1946 by signature.

Signed at Washington, in duplicate, this 24th day of September, 1946.

For the Government of the United States of America :

W. L. CLAYTON
Acting Secretary of State

Joseph J. O'CONNELL JR
Acting Secretary of the Treasury

George J. RICHARDS
Budget Officer for the War Department

For the Government of Belgium :

SILVERCRUYS
Ambassador of Belgium at Washington

RELATED LETTER

The Belgian Ambassador to the Acting Secretary of State

AMBASSADE DE BELGIQUE

D. 1121
No. 8110

Washington, September 24th, 1946

My dear Mr. Secretary :

It is the understanding of my Government that 128 million Belgian francs which the United States Army disbursed for open market procurement in Belgium prior to V-J Day and which it was agreed between our two Governments were disbursed for supplies and services eligible as reciprocal aid, will be deducted from the franc drawings for which the United States War Department will make dollar payment in accordance with the terms of the Memorandum of Agreement between the Government of the United States of America and the Government of Belgium regarding the purchase of Belgian francs for use by the United States Armed Forces. Accordingly, my Government has agreed that it will not present for payment by the United States Army vouchers for supplies and services furnished to the United States Army prior to September 2, 1945.

This letter will confirm to you the understanding of my Government that this claim has been treated as part of the Belgian reverse lend-lease accounts

and accounted for as such rather than as a claim for goods and services for which the United States Army will make payment.

Yours sincerely,

The Belgian Ambassador
SILVERCRUYS

The Honorable William L. Clayton
Acting Secretary of State
Washington, D.C.

EXCHANGE OF NOTES

I

The Belgian Ambassador to the Acting Secretary of the Treasury

AMBASSADE DE BELGIQUE

D. 1056
No. 8112

Washington, September 24th, 1946

My dear Mr. Secretary :

Reference is made to the Memorandum of Agreement between the Government of the United States of America and the Government of Belgium regarding the purchase of Belgian francs for use by the United States Armed Forces, executed in Washington on September 24th, 1946.

I have been instructed by my Government to advise you that Belgian francs acquired by finance officers of the United States Armed Forces in accordance with the provisions of paragraph 1 of the agreement referred to above, may be turned over by finance officers of the United States Armed Forces to the Belgian authorities at any time, and such francs will be purchased by the Government of Belgium against dollars at the rate at which they were acquired by such finance officers.

Yours sincerely,

The Belgian Ambassador
SILVERCRUYS

The Honorable Joseph J. O'Connell
Acting Secretary of the Treasury
Washington, D. C.

II

The Acting Secretary of the Treasury to the Belgian Ambassador

THE SECRETARY OF THE TREASURY
WASHINGTON

September 24, 1946

My dear Mr. Ambassador :

Reference is made to your letter to me of September 24, 1946, regarding the repurchase of Belgian francs acquired by finance officers of the United States Armed Forces in accordance with the provisions of paragraph 1 of the Memorandum of Agreement between the Government of the United States of America and the Government of Belgium regarding the Purchase of Belgian Francs for Use by the United States Armed Forces, executed in Washington on September 24, 1946.

It is the understanding of the United States Government that in the event of a devaluation of the Belgian franc, the two Governments will cooperate to effect the necessary adjustments expeditiously. In order to prepare for such an eventuality it will be the policy of the United States Government to provide to the Belgian Government relevant information regarding the Belgian franc disbursements and holdings of the military establishment in Belgium. It is the intention of the United States Armed Forces to advise you quarterly through a United States Treasury representative of the amount of francs disbursed for the procurement of goods and services and of the amount of francs reported as in the accounts of Army finance officers.

It is our understanding that the obligation of the Belgian Government to repurchase, at the rate of purchase, Belgian francs tendered by the United States Armed Forces shall be limited to the Belgian francs in official United States Armed Forces accounts, and francs held by quasi-official organizations in and under the military establishment.

I am pleased to advise you that under new procedures established by the United States Armed Forces in the European Theater of Operations on the 16th of September, 1946 the United States Armed Forces are no longer accepting Belgian francs from authorized personnel for their accommodation, except in exceptional cases resulting from the change in procedures and orders.

Very truly yours,

Joseph J O'CONNELL JR
Acting Secretary of the Treasury

His Excellency the Ambassador of Belgium
Washington, D.C.

AGREEMENT¹ RELATING TO THE TRANSFER OF UNITED STATES SURPLUS PROPERTY IN BELGIUM. SIGNED AT WASHINGTON, ON 24 SEPTEMBER 1946

As stated in paragraph 4 of the Memorandum of Understanding regarding settlement for lend-lease, reciprocal aid, Plan A, surplus property, and claims, dated September 24, 1946,² and as part of the general settlement set forth in the Memorandum of Understanding, the Government of the United States of America and the Government of Belgium have reached agreement for the transfer to the Belgian Government of certain property which is or may be declared surplus to the needs of the United States Government. This agreement has been reached as a means of implementing and continuing mutual assistance in the solution of the common problem of the liquidation of residual United States surplus stocks in Belgium. It is the intention of the two Governments that the plan herein set forth for the liquidation of these stocks shall operate to their mutual benefit, and without an inequitable burden on either Government.

1. The two Governments agree that, except as set forth in paragraph 2 below, title to all United States Government property in Belgium, declared surplus to the Office of the Foreign Liquidation Commissioner, United States Department of State, and all United States Government scrap and salvage in Belgium, shall pass to the Belgian Government at the following times for the property indicated :

(a) On October 1, 1946 : all such property declared surplus or becoming scrap or salvage prior to that date.

(b) On the date of declaration as surplus or the date on which it becomes scrap or salvage : any such property declared surplus or becoming scrap or salvage on or after October 1, 1946.

(c) Prior to October 1, 1946, on the date or dates of notice of passage of title given by the Office of the Foreign Liquidation Commissioner to the Belgian Government : any such property specified in any such notice.

2. Specifically excepted from the property, title to which is to pass under this agreement, are the following :

¹ Came into force on 24 September 1946 by signature.

² See p. 88 of this volume.

(a) Ammunition and other non-demilitarized combat materiel.

(b) Railway rolling stock (including locomotives) and spare parts therefor.

(c) Special technical facilities of the Air Navigation, Communication and Weather-Control Units. The disposal of these facilities is reserved for separate treatment.

(d) Property located in Belgium which on October 1, 1946 has been sold or is under contract or commitment for sale by the United States Government (1) to any purchasers other than the Belgian Government or (2) to the Belgian Government under arrangements other than this agreement. Property shall be considered under contract or commitment for the purposes of this paragraph if, prior to 2400 hours, Paris time, September 30, 1946, the Central Field Commissioner, Office of the Foreign Liquidation Commissioner, in Paris, in the case of surplus property, or such United States Government authority as has jurisdiction thereof, in the case of scrap and salvage, has received an offer therefor under a formal invitation to bid (which is accepted not later than October 10, 1946) or has arrived at a written or oral understanding which the Central Field Commissioner or such other authority regards as firm.

3. (a) All obligations (including, but not limited to, expenses, claims, rents, and requisitions, but specifically excluding the obligations set forth in sub-paragraph (b) below), incident to the care, custody, and liquidation of United States Government property in Belgium, except property transferred to the Belgian Government under arrangements other than this agreement and except the property specified in sub-paragraphs 2 (a), 2 (b), and 2 (c) above, will, to the following extent, be borne by the Belgian Government :

(1) From the date at which title passes hereunder in the case of any property transferred to the Belgian Government pursuant to this agreement before October 1, 1946.

(2) From October 1, 1946, in the case of all other property which prior to or on that date or at any time thereafter is declared surplus to the Office of the Foreign Liquidation Commissioner, Department of State, or becomes scrap or salvage, except that in the case of property declared surplus or becoming scrap or salvage after December 10, 1946 the obligation of the Belgian Government shall attach only from the date on which such property is declared surplus or becomes scrap or salvage.

(b) The following will not be obligations of the Belgian Government but will continue to be obligations of the United States Government :

(1) Expenses of pay, maintenance and administration of United States military and civilian personnel and of prisoners of war held by the United States.

(2) Tort claims asserted against the United States Government arising in connection with the care, custody and liquidation of property of which the Belgian Government has not taken possession hereunder at the time the claim arises.

4. The Belgian Government agrees to take possession of the property transferred to it under paragraph 1 of this agreement as promptly as possible after transfer of title, and of such other United States surplus property and scrap and salvage in Belgium as may be mutually agreed upon, in accordance, in both cases, with procedures to be agreed upon between representatives of the two Governments.

5. The Belgian Government agrees to sell the property transferred to it under this agreement expeditiously and at the best possible monetary return, with due regard for the necessities of the Belgian economy, and, in case of a contemplated bulk sale, to obtain the prior consent of the United States Government.

6. (a) The gross proceeds of sales of the property transferred hereunder will be shared equally by the two Governments. Gross proceeds, for the purposes of this agreement, are defined as the total amount reported by the Belgian Government as received from purchasers, not including customs duties and transfer taxes insofar as such duties and taxes are shown separately as additions to the sales price on sales documents. The fair value of property transferred to the Belgian Government hereunder and retained by the Belgian Government for its own use will be considered part of the gross proceeds.

(b) The Belgian Government agrees to report to the United States Government quarterly, beginning March 31, 1947, the amount in Belgian francs of the gross proceeds of sales of the property transferred to it under this agreement. The share of such proceeds accruing to the United States will, on the several dates of such reports, become a dollar obligation of the Belgian Government to the United States Government. The dollar amount of the obligation will be computed at the par value between the two currencies 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 in any official Belgian Government transaction at the time payment is requested. The dollar obligations of the Belgian Government under this agreement will be governed by the provisions of paragraph 5 of the Memorandum of Understanding of September 24, 1946, between the two Governments.

7. The two Governments recognize that a time will be reached after which continued disposal by the Belgian Government of the property transferred hereunder on the basis of equal sharing of the gross proceeds may impose an inequitable burden on the Belgian Government. When, in the opinion of the Belgian Government, this time has been reached or is in view, it will so report to the United States Government with supporting data. Promptly thereafter, or promptly after September 30, 1948 if no such report has been submitted, the two Governments will agree on the basis for a final determination of the financial interest of the United States Government in the unsold property transferred hereunder.

8. The Belgian Government will use its best 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, 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 or veteran of the United States Armed Forces for his personal use, or unless such importation is otherwise authorized.

9. The Belgian 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. Because of the importance of maritime property to the economic rehabilitation of Europe the two Governments agree on the desirability of their exchanging views regarding any proposed sale by the Belgian Government of maritime property transferred hereunder. Accordingly, prior to any such sale, the Belgian Government will consult with the United States Government, and will give due consideration to its views as to the relative needs of the various claimant countries and as to a fair and equitable pricing policy for any such property.

DONE at Washington, in duplicate, this 24th day of September, 1946.

For the Government of the United States of America :
Donald H. CONNOLLY
Foreign Liquidation Commissioner
of the United States of America

For the Government of Belgium :
SILVERCRUYS
Ambassador of Belgium at Washington

AGREEMENT¹ AMENDING THE AGREEMENT OF 24 SEPTEMBER 1946²
BETWEEN THE UNITED STATES OF AMERICA AND BELGIUM
RELATING TO THE TRANSFER OF UNITED STATES SURPLUS
PROPERTY IN BELGIUM. SIGNED AT PARIS, ON 12 MAY 1949

Under the terms of the Agreement Relating to the Transfer of U.S. Surplus Property in Belgium dated 24 September 1946, the Belgian Government, through the Office of Mutual Aid (OMA), has sold substantial quantities of the stocks turned over to it for sale under the terms of said Agreement. There still remain, however, considerable quantities which have not yet been sold.

It is the desire of our two governments in accordance with the understanding expressed in paragraph 7 of said Agreement, to agree as to the most advantageous and expeditious manner of liquidating these remaining stocks and to this end agree as follows :

(1) The Belgian Government agrees to sell, prior to 1 July 1951, in accordance with the terms and conditions of the Agreement of 24 September 1946, all property (including scrap and salvage) specified in Article I of the Agreement, located in Belgium which has been or is, prior to 31 March 1949, declared to the Office of the Foreign Liquidation Commissioner as surplus to the needs of the Government of the United States and transferred to the Belgian Government for disposal.

(2) The terms of this Amendment, in so far as they are in conflict with the terms of the Agreement of 24 September 1946, shall be considered as controlling.

DONE at Paris, France, in duplicate this 12 day of May, 1949.

For the Government of Belgium :

J. JACQUIN
Director General—O. M. A.

For the Government of the
United States of America :

A. Eric TAFF
Central Field Commissioner for Europe

¹ Came into force on 12 May 1949 by signature

² See p. 118 of this volume.

AGREEMENT¹ RELATING TO JOINT UNDERTAKINGS UNDER THE AGREEMENT OF 24 SEPTEMBER 1946,² AS AMENDED,³ RELATING TO THE TRANSFER OF UNITED STATES SURPLUS PROPERTY IN BELGIUM. SIGNED AT WASHINGTON, ON 20 APRIL 1950

The Government of the United States of America and the Government of Belgium have reached agreement as set forth below regarding their joint undertakings under the Agreement Relating to the Transfer of United States Surplus Property in Belgium dated September 24, 1946,² as amended,³ and certain other agreements specified in paragraph 1 below in order that a valuable portion of certain military property, previously acquired by Belgium from the United States and now the property of the Government of Belgium, be made available to meet supply requirements of all governments signatory to the North Atlantic Treaty signed at Washington on April 4, 1949.⁴ In arriving at this agreement, both Governments have taken full cognizance of their self help and mutual aid pledges under the North Atlantic Treaty and the Mutual Defense Assistance Agreement of January 27, 1950,⁵ between the two Governments and of the mutual benefits to be derived through utilization of this property to maintain and increase the individual and collective ability of the parties to accomplish the purposes of the North Atlantic Treaty.

1. The Government of Belgium agrees to make available to parties to the Treaty, in accordance with recommendations made by the appropriate agency of the North Atlantic Treaty Organization, for purposes which are in accord with the principles of the Treaty, a portion of the property, acquired by the Government of Belgium from the Government of the United States under—

(a) the arrangements referred to in paragraphs 2, 3, and 4 of the "Memorandum of Understanding Between the Government of the United States of America and the Government of Belgium Regarding Settlement for Lend-Lease, Reciprocal Aid, Plan A, Surplus Property, and Claims" dated September 24, 1946,⁶ and

(b) Contract W-ANL (ETO-II)-3438 dated January 13, 1947,⁷ as amended, between the Office of the Foreign Liquidation Commissioner and the Government of Belgium,

¹ Came into force on 20 April 1950 by signature.

² See p. 118 of this volume.

³ See p. 126 of this volume.

⁴ United Nations, *Treaty Series*, Vol. 34, p. 243 and Vol. 126, p. 350.

⁵ United Nations, *Treaty Series*, Vol. 51, p. 213.

⁶ See p. 82 of this volume.

⁷ Not printed by the Department of State of the United States of America.

as listed in catalogues especially prepared by the Belgian Office d'Aide Mutuelle (OMA) and to be amended for submission to the North Atlantic Treaty Organization after the withdrawals permitted in paragraph 3 below have been determined.

2. The Government of Belgium agrees to transfer the property as is, FOB the Belgian depot, without cost to the recipient government except the actual costs of packing and transporting services. Title to the property shall remain in the Government of Belgium until the recipient government takes delivery at the Belgian depot. In taking delivery of the property, the recipient government will deal directly with the Belgian Office d'Aide Mutuelle (OMA) and will make payment to the Government of Belgium in Belgian francs of the actual costs of packing and transporting services furnished by the Government of Belgium. The Government of Belgium will bear no liability for losses or damage in transit once title has passed to the recipient government.

3. It is agreed that, before any property is reported to the North Atlantic Treaty Organization as being available to other governments, the Government of the United States, in the first instance, may withdraw such supplies and equipment of an OMA catalogue value of not more than three million dollars (\$3,000,000) as may be needed to meet the supply deficiencies of its military establishment, and, after the Government of the United States has had an opportunity to make such withdrawals, the Government of Belgium may withdraw such supplies and equipment of an OMA catalogue value of not more than three million dollars (\$3,000,000) as may be needed to meet the supply deficiencies of its military establishment. There shall be no payment required for such supplies and equipment, except the costs of packing and transportation, which shall be borne by the recipient government.

4. The property of United States surplus origin acquired by Belgium under the Agreements referred to in paragraph 1 above which is not transferred under the provisions of the preceding paragraphs of this agreement shall be disposed of by the Government of Belgium. In order to avoid an inequitable burden being imposed upon the Government of Belgium by reason of its offer of that property referred to in paragraph 1 above to the North Atlantic Treaty Governments, it is agreed that :

a. Equal sharing of gross proceeds under paragraph 6 of the Agreement Relating to the Transfer of United States Surplus Property in Belgium dated September 24, 1946, as amended, shall be suspended as of October 1, 1949.

b. From the gross proceeds of sales made since October 1, 1949 under the provisions of the Agreement Relating to the Transfer of United States Surplus Property in Belgium dated September 24, 1946, as amended, and sales to be made under this agreement, the Government of Belgium shall

be entitled to retain a sum not in excess of 121 million Belgian francs as liquidation expenses. After this sum has been retained, the equal sharing of gross proceeds shall be resumed in accordance with the provisions of paragraph 6 of the Agreement Relating to the Transfer of United States Surplus Property in Belgium dated September 24, 1946, as amended.

c. It is the intent of both Governments to complete the liquidation under this agreement not later than December 31, 1951.

d. The Government of Belgium agrees to report to the Government of the United States quarterly, with the first report to be submitted for the quarter ending December 31, 1949, the amount in Belgian francs of gross proceeds from sales under this agreement.

e. The share of the gross proceeds accruing to the Government of the United States shall continue to be a dollar obligation of the Government of Belgium to the Government of the United States in accordance with the provisions of paragraph 6 (*b*) of the Agreement Relating to the Transfer of United States Surplus Property in Belgium dated September 24, 1946, as amended.

5. This agreement will take effect upon signature.

DONE at Washington, in duplicate, this 20th day of April 1950.

For the Government of the United States of America :

James E. WEBB

Under Secretary of State

of the United States of America

For the Government of Belgium :

SILVERCRUYS

Ambassador Extraordinary

and Plenipotentiary of Belgium

to the United States of America