

No. 2440

**UNITED STATES OF AMERICA
and
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

Agreement (with annex) on mutual assistance in raw materials. Initialled at Washington, on 18 January 1952

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Washington, 29 January and 12 February 1952

Exchange of notes constituting an agreement amending the Agreement of 18 January 1952 as amended. Washington, 24 July 1952

Official texts: English.

Registered by the United States of America on 19 January 1954.

**ÉTATS-UNIS D'AMÉRIQUE
et
ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

Accord d'assistance mutuelle en ce qui concerne les matières premières (avec annexe). Paraphé à Washington, le 18 janvier 1952

Échange de notes constituant un accord modifiant l'Accord susmentionné. Washington, 29 janvier et 12 février 1952

Échange de notes constituant un accord modifiant l'Accord du 18 janvier 1952 sous sa forme modifiée. Washington, 24 juillet 1952

Textes officiels anglais.

Enregistrés par les États-Unis d'Amérique le 19 janvier 1954.

No. 2440. AGREEMENT¹ BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ON MUTUAL ASSISTANCE IN RAW MATERIALS. INITIALLED AT WASHINGTON, ON 18 JANUARY 1952

As a result of discussions between the President of the United States and the Prime Minister of the United Kingdom and their advisers, which took place in the week beginning Monday, January 7th, 1952, it has been agreed as follows : —

A. STEEL

2. It is agreed that the requirements of the United Kingdom in the calendar year 1952 from the United States are 1,400,000 net tons of steel or its equivalent in ore, scrap, or pig iron. Allowances having been made for the difference in the iron content of 750,000 gross tons of iron ore to be made available by the United States steel industry to the United Kingdom, after consultation with the United States Government, and of the home produced ore of the United Kingdom, the tonnage the United States will be ready to supply in 1952 to the United Kingdom is 1,108,000 net tons of steel, scrap and pig iron.

3. It is the intention that the deliveries by the United States to the United Kingdom in steel or its equivalent in scrap or pig iron will be 135,000 net tons for the first quarter, 250,000 net tons for the second quarter, 361,500 net tons for the third quarter and 361,500 net tons for the fourth quarter. The price will be the controlled price of the mills making delivery.

B. ALUMINIUM

His Majesty's Government agrees to supply the Government of the United States with 5,000 metric tons of aluminium in each of the last three quarters of 1952 on the same financial terms as those which applied to the original loan of 10,000 metric tons which formed the subject of the letter dated 6th November, 1951 from Lord Knollys to Mr. Manly Fleischmann,² the last 4,000 tons of which is now hereby confirmed by His Majesty's Government.

¹ Came into force on 18 January 1952 by the initialling thereof.

² Not printed by the Department of State of the United States of America.

2. As the additional amount of aluminium (15,000 metric tons) can only be made available by the United Kingdom at some risk to adequate supplies being available for essential use in the United Kingdom, it is agreed that if through force majeure the expected supplies of the United Kingdom have to be restricted, as was the case in 1951, the United Kingdom reserves the right to reduce the deliveries of the said 15,000 metric tons.

3. It is agreed that this additional loan of 15,000 metric tons (or that part actually delivered to the United States Government) as well as the original 10,000 metric tons shall be replaced by the United States Government not later than June 30th, 1953.

4. The United States Government reserves the right to postpone replacement of actual deliveries up to 25,000 metric tons if the expected expanded production in the United States does not materialise through force majeure.

C. TIN

His Majesty's Government will deliver to the appropriate agency of the United States Government 20,000 long tons of tin between the date of signature of this Agreement and 1 January 1953 in roughly equal quarterly installments.

2. The United States Government will pay for this tin in United States currency at the rate of one dollar eighteen cents per pound for tin of Straits quality or equivalent free on board ocean going vessel at port of shipment and will accept delivery at Penang, Singapore, London or Liverpool at the option of His Majesty's Government.

3. If during the period in which deliveries are to be made under this Agreement, the United States Government agrees to pay any other supplier a price for tin higher than \$1.18 plus x cents on dock New York, or in the event of f. o. b. sale a price higher than \$1.18 f. o. b. port of shipment, the higher price on dock New York minus x cents or the higher price f. o. b. port of shipment applicable during the period of this agreement will be applied to the quantities to be shipped under this Agreement not yet declared available for shipment by His Majesty's Government. Any such higher price so agreed applicable subsequent to the period during which deliveries are to be made under this Agreement shall be subject of consultation by the two governments.

4. While this Agreement remains in force the United States Government undertakes to refrain from bidding, either directly or through private parties for tin on the London and Singapore markets without prior consultation with His Majesty's Government. The United States Government undertakes to

be the sole importer of tin during the period this Agreement is in force, or for such portion thereof as its legislation permits. The United States Government will consult with His Majesty's Government before relaxing import control or before a change in such legislation becomes effective. The United States Government and His Majesty's Government agree that existing private import arrangements, if extended on substantially the present terms, are not covered by this agreement and that tin returned to the United States against export of drosses and residues is likewise exempt.

5. The United States Government may wish to accept offers of tin of Malayan origin in addition to the 20,000 tons to be supplied by His Majesty's Government. If the United States Government obtains tin from other suppliers at a price above \$1.18 the provisions of Clause (3) will apply. If the United States Government buys tin of Malayan origin below \$1.18 per pound the difference between the aggregate cost to the United States Government of tin so procured and the aggregate cost of the same amount of tin at \$1.18 per pound will be calculated at the end of 1952 and paid to His Majesty's Government up to, but not in excess of, any net loss His Majesty's Government may have sustained in purchasing tin in fulfillment of this Agreement.

6. This Agreement for the supply of tin to the United States from sterling sources is intended as an interim arrangement, and it is the desire of both parties that more normal arrangements for the conduct of this trade should be established as soon as possible.

O. S. F.
D.A.

18 January 1952

ANNEX

Clause (1) of Section (C)

(1) It is assumed that the Agency of the United States Government will be the Reconstruction Finance Corporation.

(2) Tin deliverable under this agreement shall be of Straits quality or equivalent, i. e. :

E. S. Coy
Straits Trading Company
Pass # 1
Chempur
Mellaneer (Guaranteed 99.9%)
Banka
Billiton
Katanga (U. M. H. K.)

except that His Majesty's Government may deliver at their option not more than 25 per cent of the total in grades lower than Straits quality in accordance with a schedule and at discounts based on market premiums current at the time of delivery as may be agreed.

Clause (2) of Section (C)

Payment for each shipment shall become due on completion of loading. After declaration of the availability of tin for shipment, His Majesty's Government agree to store it free of charge for 30 days after which rental at the rate of—

(1) In the East, 50 Straits cents (say 1s.2d.) per ton a week or part of a week;

(2) in United Kingdom 6s.2d. a ton a week or part of a week shall be payable by the United States Government.¹

Clause (3) of Section (C)

x cents is the total of freight and insurance between port of shipment and New York, and weighing and customs entry at New York.

O. S. F.
D. A.

¹ See amendment of this sub-clause, p. 88 of this volume.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
AMENDING THE AGREEMENT OF 18 JANUARY 1952
BETWEEN THE GOVERNMENTS OF THE UNITED
STATES OF AMERICA AND THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND
ON MUTUAL ASSISTANCE IN RAW MATERIALS.
WASHINGTON, 29 JANUARY AND 12 FEBRUARY 1952

I

The British Ambassador to the Secretary of State

BRITISH EMBASSY, WASHINGTON, D. C.

January 29th, 1952

Sir,

I have the honour to refer to the Agreement on Steel, Tin and Aluminium initialled by us on January 18th, 1952, and in particular to sub-clause (2) at the top of page 6,² which reads as follows : —

(2) In United Kingdom, 6s.2d. a ton a week or part of a week shall be payable by the United States Government.

2. I have to inform you with regret that in the initialled document there is an error in the sub-clause to which I have referred in the previous paragraph. The sub-clause should read as follows : —

(2) In United Kingdom, 6.2 pence a ton a week or part of a week shall be payable by the United States Government.

3. I have the honour to suggest that the present Note and your reply in that sense shall be regarded as constituting an agreement between the two Governments in the matter and modifying to the extent indicated in paragraph two above the Agreement referred to in paragraph one above.

4. The White Paper to be published by His Majesty's Government on Tuesday, January 29th, 1952, giving the text of the Agreement initialled by us will contain the correct wording of the sub-clause in question.

I avail myself of this opportunity to renew to you the assurance of my highest consideration.

Oliver FRANKS

The Honourable Dean G. Acheson
Secretary of State of the United States, Washington, D. C.

¹ Came into force on 12 February 1952 by the exchange of the said notes.

² See p. 80 of this volume.

II

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE, WASHINGTON

February 12, 1952

EXCELLENCY :

I have the honor to refer to your note of January 29, 1952 which states, in pertinent part, as follows :

[*See note I*]

The modification of the Agreement on Steel, Tin and Aluminium dated January 18, 1952 proposed in your note is acceptable to the Government of the United States. It is agreed that your note and this reply are to be regarded as constituting an agreement between the two Governments in the matter, modifying to the extent indicated in paragraph two of your note the Agreement of January 18, 1952.

Accept, Excellency, the renewed assurances of my most distinguished consideration.

Dean ACHESON

His Excellency The Right Honorable Sir Oliver Shewell Franks,
G.C.M.G., K.C.B., C.B.E.
British Ambassador

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENTS OF UNITED STATES
OF AMERICA AND THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND, AMENDING THE
AGREEMENT OF 18 JANUARY 1952 ON MUTUAL
ASSISTANCE IN RAW MATERIALS, AS AMENDED.
WASHINGTON, 24 JULY 1952

I

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE, WASHINGTON

July 24, 1952

Excellency :

I have the honor to refer to conversations between representatives of our two Governments concerning the establishment of more normal arrangements for the conduct of the trade in tin, as envisaged in Section C, paragraph 6 of the Agreement on Mutual Assistance in Raw Materials signed at Washington on January 18, 1952.²

Since these conversations have disclosed that the Government of the United States of America intends in the near future to permit the private importation of tin to be resumed, and that the United Kingdom Government expects, by August 1, 1952, to have completed or virtually completed the purchase of tin for delivery to the Government of the United States pursuant to Section C, paragraph 1 of the aforesaid Agreement, I have the honor to propose that, from the latter date, the obligations contained in paragraph 4 of Section C of the aforesaid Agreement respecting the purchase or importation of tin shall no longer be binding upon the Government of the United States.

If the United Kingdom Government is in agreement with this proposal, I have the honor to suggest that Your Excellency's reply in that sense should, together with the present note, be regarded as constituting an agreement between our two Governments in this matter, effective upon the receipt of the reply note.

Accept, Excellency, the renewed assurances of my highest consideration.

Dean ACHESON

His Excellency The Right Honorable Sir Oliver Shewell Franks
G.C.M.G., K.C.B., C.B.E.
British Ambassador

¹ Came into force on 25 July 1952 in accordance with the terms of the said notes.

² See p. 84 of this volume.

II

The British Minister to the Secretary of State

BRITISH EMBASSY, WASHINGTON, D. C.

24th July, 1952

Sir,

I have the honour to acknowledge receipt of your note of 24 July, 1952, in the following terms : —

[*See note I*]

I have the honour to inform you that Her Majesty's Government are in agreement with the foregoing.

Please accept, Sir, the assurance of my highest consideration.

Christopher STEEL
Her Britannic Majesty's Minister

The Honourable Dean Acheson
Secretary of State of the United States, Washington, D. C.
