

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
AUSTRIA**

Agreement for repayment and amortisation (with exchange of letters). Signed at Paris, on 9 July 1954

Exchange of letters constituting a supplementary arrangement for giving effect to the provisions of article I (b) of the above-mentioned Agreement. Paris, 28 and 30 July 1954

Official texts of the Agreement: English and German.

Official text of the exchange of letters: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 25 November 1954.

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
AUTRICHE**

Accord de remboursement et d'amortissement (avec échange de lettres). Signé à Paris, le 9 juillet 1954

Échange de lettres constituant un accord complémentaire destiné à donner effet aux dispositions de l'article I, b, de l'Accord susmentionné. Paris, 28 et 30 juillet 1954

Textes officiels de l'Accord: anglais et allemand.

Texte officiel de l'échange de lettres: anglais.

Enregistrés par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 25 novembre 1954.

No. 2720. AGREEMENT¹ FOR REPAYMENT AND AMOR-
TISATION BETWEEN THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND AND
AUSTRIA. SIGNED AT PARIS, ON 9 JULY 1954

The Government of the United Kingdom of Great Britain and Northern Ireland and the Austrian Government,

Desiring to make arrangements to provide for the repayment of part of the credits granted to the United Kingdom by the European Payments Union (hereinafter referred to as the Union) and by Austria to the Union under the Agreement for the Establishment of the Union, signed in Paris on September 19, 1950 (hereinafter referred to as the European Payments Agreement),²

Have agreed as follows :—

Article I

The Government of the United Kingdom shall repay a total amount of seventeen million units of account, as defined in article 26 of the European Payments Agreement (hereinafter referred to as units of account), owed by the United Kingdom to the Union as follows :—

- (a) by a payment of the equivalent of four and one quarter million units of account to Austria on the value date of the Union for the month of June 1954,
- (b) by semi-annual instalments in sterling to Austria on September 15 and March 15 of each year until December 1959. The instalments shall be the sterling equivalent of the amounts due on those dates from the Austrian Government to the Government of the United Kingdom for the settlement of certain British post-war claims referred to in a letter dated December 23, 1953 from H.M. Ambassador in Vienna to the Austrian Minister of Finance, and
- (c) by four equal payments to Austria on the value dates of the Union for the months of December 1959, June and December 1960 and June 1961, if on completion of the payments referred to in subparagraphs (a) and (b) of this article there remains unpaid any balance of the total amount referred to in this Article.

¹ Came into force on 9 July 1954, as from the date of signature, in accordance with article XI.

² United Kingdom : " Miscellaneous No. 14 (1950)," Cmd. 8064.

On the liquidation of the Union, the provisions of sub-paragraphs (b) and (c) of this article shall cease to have effect.

Article II

Any payment made under article I (a) and (c) of the present Agreement may, at the option of the Government of the United Kingdom, be made (i) in gold or (ii) in United States dollars calculated at the official price for gold of the United States Treasury at the date of payment or (iii) in any other currency acceptable to Austria. The amount of any such payment otherwise than in gold or United States dollars shall be calculated at a rate of exchange, between the unit of account and the currency of payment, agreed between the two Contracting Parties.

Article III

Each payment made under article I of the present Agreement shall be reported to the Agent for the Organisation for European Economic Co-operation (hereinafter referred to as the Agent) in order that adjustments may be made in the credits granted by the Union to the United Kingdom and the credits granted by Austria to the Union. These adjustments will be made in accordance with the provisions of the European Payments Agreement and the decisions of the Organisation for European Economic Co-operation relating thereto. The rate of exchange between sterling and the unit of account, and between the schilling and the unit of account, used for calculating the number of units of account to be reported to the Agent, shall be that notified to him by the United Kingdom and by Austria respectively for the purposes of the operations for the month preceding that in which payment is made, unless another rate has been subsequently notified to him.

Article IV

If, at any date before the liquidation of the Union, the United Kingdom ceases to be a debtor of the Union or Austria ceases to be a creditor of the Union, the present Agreement shall terminate upon the expiration of a period of 28 days after that date, unless before the expiration of that period the two Contracting Governments agree that it shall continue in force.

Article V

If, on the liquidation of the Union, the United Kingdom's debt to Austria, established in accordance with the provisions of the European Payments Agreement, is greater than or equal to the sum remaining due to the Government of the United Kingdom from the Austrian Government for the settlement referred to in article I (b) of the present Agreement, when that sum is expressed

in units of account at the rate of exchange between the unit of account and sterling communicated by the United Kingdom to the Agent for the purposes of the final operations under the European Payments Agreement,

- (i) an amount of the United Kingdom's debt to Austria, so established, equal to that sum, shall be converted into schillings at the rate of exchange between the unit of account and that currency communicated by Austria to the Agent for the purposes of the final operations under the European Payments Agreement and shall be repaid to Austria in that currency on March 15 and September 15 of each year in equal semi-annual instalments, the last instalment being paid on September 15, 1959, and
- (ii) the terms of settlement of the excess, if any, shall be determined in accordance with the provisions of annex B of the European Payments Agreement.

Article VI

If, on the liquidation of the Union, the United Kingdom's debt to Austria, established in accordance with the provisions of the European Payments Agreement, is less than the sum remaining due to the Government of the United Kingdom from the Austrian Government for the settlement referred to in article I (b) of the present Agreement, the amount repayable by the Government of the United Kingdom to Austria in accordance with the provisions of article V (i) of the present Agreement shall be the amount of the United Kingdom's debt to Austria established in accordance with the provisions of the European Payments Agreement, and the two Contracting Parties shall consult together to decide the extent to which the instalments, the period, and the rate of interest mentioned in article VII of the present Agreement, or any of them, shall be reduced.

Article VII

With effect from the date of liquidation of the Union, interest, at the rate of three per cent. per annum, shall be paid semi-annually, on the same dates as the instalments referred to in article V (i) and article VI of the present Agreement, by the Government of the United Kingdom to Austria in schillings on any balance from time to time outstanding of the amount repayable by the Government of the United Kingdom to Austria in accordance with the provisions of article V (i) and article VI.

Article VIII

The payments to Austria referred to in the present Agreement shall be made to the Austrian National Bank.

Article IX

The Government of the United Kingdom shall have the right at any time to repay all or any of the instalments referred to in the present Agreement on a date or dates earlier than those provided for in the Agreement.

Article X

If, at any date before the liquidation of the Union, the United Kingdom or Austria or both withdraw from the Union, the provisions of the present Agreement shall apply as though the Union had been liquidated on that date.

Article XI

The present Agreement shall enter into force on the date of signature.

IN WITNESS WHEREOF the undersigned, being duly authorised by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in duplicate at Paris this ninth day of July, 1954, in the English and German languages, both texts being equally authoritative.

For the Government of the United
Kingdom of Great Britain and
Northern Ireland :

[L.S.] Hugh ELLIS-REES

For the Austrian Government :

[L.S.] Herbert PRACK

EXCHANGE OF LETTERS

I

The Head of the Austrian Delegation to the Organisation for European Economic Co-operation to the Head of the United Kingdom Delegation to that Organisation

Your Excellency,

Paris, July 9, 1954

I have the honour to refer to the Agreement signed to-day by the Government of the United Kingdom of Great Britain and Northern Ireland and the Austrian Government (hereinafter referred to as the Agreement) concerning the repayment of part of the credits granted by the European Payments Union (herein referred to as the Union) to the United Kingdom and by Austria to the Union under the Agreement for the Establishment of the Union, signed in Paris on September 19, 1950, and to discussions which have taken place in Paris between representatives of the two Governments concerning the implementation of certain articles of the Agreement.

2. With regard to the manner of any gold payments made by the Government of the United Kingdom under article II of the Agreement, the Austrian Government propose that any payments made to the Austrian National Bank in gold by the Government of the United Kingdom shall be made, at the option of the Government of the United Kingdom, in any of the following centres:—

Bank of England, London.

Bank of France, Paris.

Federal Reserve Bank of New York, New York.

The bars used for making these payments shall be of a fineness of 995 per mille or over, and shall otherwise conform to the specifications necessary to be of good delivery in London. Such gold payments shall be made to the nearest bar and any balance shall be paid in United States dollars.

3. It is the understanding of the Austrian Government that the provisions of article I (c) of the Agreement in no way prejudice the discussions which may take place between the Government of the United Kingdom and the Austrian Government regarding the terms of settlement of the excess referred to in article V (ii) of the Agreement.

4. If the Government of the United Kingdom agree with the proposals made in this letter, I have the honour to suggest that this letter together with your reply to that effect shall be regarded as constituting an agreement between the two Governments.

I have, &c.

Herbert PRACK

II

*The Head of the United Kingdom Delegation to the Organisation for European
Economic Co-operation to the Head of the Austrian Delegation to that
Organisation*

Your Excellency,

Paris, July 9, 1954

I have the honour to acknowledge the receipt of your letter of July 9, 1954,
reading as follows :—

[*See letter I*]

In reply, I have the honour to inform your Excellency that the Government
of the United Kingdom agree with the proposals made in your letter, and will
regard that letter and this reply as constituting an agreement between the two
Governments.

I have, &c.

Hugh ELLIS-REES

EXCHANGE OF LETTERS CONSTITUTING A SUPPLEMENTARY ARRANGEMENT¹ FOR GIVING EFFECT TO PROVISIONS OF ARTICLE I (b) OF THE AGREEMENT OF 9 JULY 1954 BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND AUSTRIA FOR REPAYMENT AND AMORTISATION. PARIS, 28 AND 30 JULY 1954

I

The Head of the Austrian Delegation to the Organisation for European Economic Co-operation to the Head of the United Kingdom Delegation to that Organisation

Your Excellency,

Paris, 28 July, 1954

I have the honour to refer to the Agreement signed on July 9, 1954, by the Government of the United Kingdom of Great Britain and Northern Ireland and the Austrian Government (hereinafter referred to as the Agreement) concerning the repayment of part of the credits granted by the European Payments Union (hereinafter referred to as the Union) to the United Kingdom and by Austria to the Union under the Agreement for the Establishment of the Union, signed in Paris on September 19, 1950, and to the Exchange of Letters concerning the implementation of certain Articles of the Agreement which took place in Paris on the same day between representatives of the two Governments.

The Austrian Government proposes the following supplementary arrangements for giving effect to the provisions of article I (b) of the Agreement in the light of the requirement, contained in paragraph 2 *bis* of the Directives for the Application of the Agreement for the Establishment of the Union, that the amounts of the repayment instalments shall be reported to the Agent in thousands of units of account.

The actual amounts of the sterling instalments paid by the Government of the United Kingdom to Austria on September 15 and March 15 of each year shall be equal, at the rate of exchange mentioned in article III of the Agreement, to a round amount in thousands of units of account. This round amount shall be arrived at by calculating, at the rate of exchange referred to above, the unit of account equivalent of the sterling instalment due from the Government of the United Kingdom to Austria on September 15, 1954, and taking the nearest thousands of units of account below that figure. The actual amounts of the

¹ Came into force on 30 July 1954 by the exchange of the said letters.

instalments to be paid in the succeeding half-years shall be calculated in the same manner, any residual balance carried forward from the preceding half-year being added to the amount currently due for payment.

If the Government of the United Kingdom agree with the proposal made in this letter, I have the honour to suggest that this letter, together with your reply to that effect, shall be regarded as constituting an agreement between the two Governments.

I have, &c.

Herbert PRACK

II

The Head of the United Kingdom Delegation to the Organisation for European Economic Co-operation to the Head of the Austrian Delegation to that Organisation

Your Excellency,

Paris, July 30, 1954

I have the honour to acknowledge the receipt of your letter of July 28, 1954, reading as follows :—

[See letter I]

In reply, I have the honour to inform your Excellency that the Government of the United Kingdom agree with the proposal made in your letter, and will regard that letter and this reply as constituting an agreement between the two Governments.

I have, &c.

Hugh ELLIS-REES