

No. 3067

---

**UNITED STATES OF AMERICA  
and  
FEDERAL REPUBLIC OF GERMANY**

**Agreement regarding the settlement of the claim of the United States of America for post-war economic assistance (other than surplus property) to Germany. Signed at London, on 27 February 1953**

*Official texts : English and German.*

*Registered by the United States of America on 20 December 1955.*

---

**ÉTATS-UNIS D'AMÉRIQUE  
et  
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Accord relatif au règlement de la créance des États-Unis d'Amérique au titre de l'aide économique fournie à l'Allemagne après la guerre (en dehors des biens en surplus). Signé à Londres, le 27 février 1953**

*Textes officiels anglais et allemand.*

*Enregistré par les États-Unis d'Amérique le 20 décembre 1955.*

No. 3067. AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND THE FEDERAL REPUBLIC OF GERMANY REGARDING THE SETTLEMENT OF THE CLAIM OF THE UNITED STATES OF AMERICA FOR POST-WAR ECONOMIC ASSISTANCE (OTHER THAN SURPLUS PROPERTY) TO GERMANY. SIGNED AT LONDON, ON 27 FEBRUARY 1953

---

WHEREAS the United States of America, (hereinafter called the "United States") furnished certain economic assistance to Germany since the date of the initial entry of the forces of the United States into Germany during World War II hereinafter more specifically mentioned ; and

WHEREAS the Federal Republic of Germany (hereinafter called "The Federal Republic") has by the Economic Cooperation Agreement between the United States and the Federal Republic signed on December 15, 1949<sup>2</sup> assumed the liability for the claims of the United States arising from economic assistance extended to Germany under the ECA program, including the assistance extended under the Economic Cooperation Agreements concluded on July 9<sup>3</sup> and 14,<sup>4</sup> 1948, and by the exchange of the letters of March 6, 1951<sup>5</sup> has acknowledged in principle the debt to the United States for economic assistance furnished to Germany since May 8th 1945, to the extent to which liability for such debt had not previously been acknowledged, and has stated that it was ready to accord the obligations arising from post-war economic assistance priority over all other foreign claims against Germany or German nationals ; and

---

<sup>1</sup> Came into force on 16 September 1953, the date of entry into force of the Agreement of 27 February 1953 on German External Debts, in accordance with article VIII. The instruments of ratification were exchanged at Washington on 15 September 1953.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 92, p. 269 ; Vol. 141, p. 390, and Vol. 212, p. 329.

<sup>3</sup> United Nations, *Treaty Series*, Vol. 24, p. 103.

<sup>4</sup> United Nations, *Treaty Series*, Vol. 23, p. 3.

<sup>5</sup> United Nations, *Treaty Series*, Vol. 106, p. 141.

WHEREAS the total amount of the claims of the United States for assistance authorized by it prior to July 1, 1951 to be furnished to Germany under the GARIOA<sup>1</sup> and ECA programs has been determined to be \$3,013,974,677 ; and

WHEREAS it is the policy of the United States of adjust such claims so that the obligations of the Federal Republic to the United States for such post-war economic assistance may be reduced and placed on a basis generally similar to that established for the other free nations of Europe ; and

WHEREAS the United States and the Federal Republic desire that the adjusted and reduced indebtedness and the terms of payment thereon should now be set forth in one agreement ;

NOW, THEREFORE, the United States and the Federal Republic have entered into the following agreement :

#### *Article I*

1. The Federal Republic is indebted to the United States in the total amount of one billion United States dollars (\$1,000,000,000) for economic assistance to Germany which was authorized under the GARIOA and ECA programs of the United States (as defined in Article VII of the present Agreement) prior to July 1, 1951.
2. The Federal Republic hereby promises to pay to the Export-Import Bank of Washington, an agency of the United States, its successors or assigns, in liquidation of the aforementioned indebtedness, the principal sum of one billion United States dollars (\$1,000,000,000) and interest at the rate of 2½% per annum on the unpaid principal balance thereof from time to time outstanding from January 1, 1953, such interest to be paid semiannually. The first payment of interest in the amount of \$12,500,000 shall be made on July 1, 1953 ; thereafter until and including January 1, 1958, \$12,500,000 shall be paid on January 1 and July 1 of each year as interest. Beginning July 1, 1958 and semiannually thereafter, fifty-nine installments of \$23,790,000 and one final installment of the unpaid balance shall be paid, such installments to be applied first to accrued interest and the remainder to principal.
3. The principal and interest are payable at the office of the Export-Import Bank of Washington, Washington, D.C. in lawful money of the United States.
4. The Federal Republic at any time may anticipate the payment of all or any part of the outstanding principal indebtedness under this Agreement. Any prepayment made to the United States shall be in United States dollars. Such payment shall be credited first to payments of interest or principal that are past due and unpaid if any, otherwise the prepayment shall be credited in equal propor-

<sup>1</sup> Government and Relief in Occupied Areas.

tions to all unpaid installments of principal. To the extent that the Federal Republic makes a payment of principal under agreements on postwar economic assistance entered into contemporaneously with the United Kingdom of Great Britain and Northern Ireland and France, which it is not required to make pursuant to the terms of such agreements, it shall, unless the United States agrees otherwise, make prepayments with respect to the principal indebtedness under this Agreement proportionate to the prepayments made by the Federal Republic on the indebtedness under the agreements with the United Kingdom of Great Britain and Northern Ireland and France.

5. Upon default in the prompt and full payment of any installment of principal or interest, the entire unpaid principal hereof and interest thereon to the date of payment shall become due and be payable at the option of the United States. The nonexercise of such right with respect to any particular default shall not constitute a waiver of such right with respect to such default or any other default.

### *Article II*

The Federal Republic on behalf of itself and all persons subject to its jurisdiction hereby waives, and releases and discharges the United States and its nationals from, any and all claims and liabilities arising out of or in any way relating to the furnishing, pursuant to GARIOA and ECA programs, of economic assistance authorized prior to July 1, 1951, and related operations, including but not limited to, claims based upon expenditures of dollars or counterpart funds under such programs not of direct benefit to the German economy. The waiver, release, and discharge in the first sentence of this Article do not include claims against others than the Government of the United States, or any agency or entity thereof, arising out of or in any way relating to contracts for the export of commodities or services with United States non-governmental suppliers.

### *Article III*

1. Except as provided in paragraph 2 of this Article, in consideration of the undertakings of the Federal Republic herein provided, and of the conclusion of a satisfactory agreement for the settlement of German external debts, the United States hereby waives all claims of the United States against the Federal Republic arising from the furnishing, pursuant to the GARIOA and ECA programs, of economic assistance authorized prior to July 1, 1951, to the extent that such claims would cause the payment by the Federal Republic of more than the amount specified in Article I of this Agreement or before the times specified therein, provided, however, that this waiver shall not be construed as in any way affecting

the obligations of the Federal Republic to make deposits to the ECA and GARIOA counterpart accounts of any sums it may be obligated so to deposit under any existing agreements, or the rights of the United States in respect of the use of funds from such accounts for the benefit of the German economy or people, nor shall this waiver be construed as in any way affecting the right of the United States to use for its own purposes the funds from such accounts for which it gave the Federal Republic credit in determining the total amount of its claim set forth in the preamble to this Agreement.

2. The obligation of the Federal Republic or its predecessors to refund dollars disbursed by the Economic Cooperation Administration or successor agencies under the applicable regulations governing the disbursement of such funds, shall in no way be affected by this Agreement ; provided, however, that to the extent that such refunds are attributable to procurement or technical assistance authorizations issued on or before June 30, 1951, which refunds are received after authority under the Mutual Security Act, as amended or supplemented,<sup>1</sup> to provide for assistance to the Federal Republic has ceased, they shall be considered as a reduction of principal, applied first to payments of principal past due and unpaid if any, otherwise at the option of the United States to the next due unpaid installment of principal or to all unpaid installments of principal in equal proportion.

#### Article IV

1. The Federal Republic agrees that it will accord to the indebtedness covered by this Agreement a treatment with respect to security and to priority of payment and of transfer not less favorable than that accorded to any indebtedness of the Federal Republic covered by the Agreement on German External Debts and its Annexes<sup>2</sup> and the agreements mentioned in the last clause of the preamble thereto. The Federal Republic further agrees that it will accord to the indebtedness covered by this Agreement a treatment with respect to priority of transfer not less favorable than that accorded to any other indebtedness covered by the Agreement on German External Debts and its Annexes.

2. The Federal Republic further agrees that it will not take any action with respect to security and to priority of payment and of transfer accorded to any future loans or credits contracted by it or by persons, organizations or enterprises subject to its jurisdiction which would result in the impairment of the Federal Republic's ability to carry out its obligations regarding the indebtedness covered by this Agreement.

<sup>1</sup> United States of America : 65 Stat. 373 ; 22 U.S.C. § 1651 *et seq.*

<sup>2</sup> United States of America : *Treaties and Other International Acts Series 2792.*

*Article V*

All agreements relating to the economic assistance herein mentioned, shall remain in full force and effect, except that provisions for security and priority in such agreements are hereby superseded by Article IV of this Agreement.

*Article VI*

If at any time or from time to time the parties hereto determine that it would be in their common interests because of adverse economic conditions or for any other reasons to postpone, or provide for the postponement of, any installments of interest or principal, or to alter or provide for the alteration of any of the provisions of this Agreement relating to the payment of interest and principal, or to alter this Agreement in any other respect, they may by mutual agreement in writing provide for any such postponement or alteration or other modification.

*Article VII*

For the purpose of this Agreement :

1. The term "GARIOA program" shall mean the program of economic assistance authorized by applicable provisions of the United States Appropriation Acts for the Government and Relief of Occupied Areas, as well as any other economic assistance, other than (a) surplus property and (b) assistance included in the ECA program, furnished by the United States directly or indirectly, to Germany or the German people since the date of the initial entry of the forces of the United States into Germany during World War II.

2. The term "ECA program" shall mean the program under which the United States furnished economic assistance to Germany pursuant to the Economic Cooperation Agreement between the United States and the United States and United Kingdom Occupied Areas in Germany dated July 14, 1948 ; the Economic Cooperation Agreement between the United States and the French Zone of Occupation of Germany dated July 9, 1948 ; and the Economic Cooperation Agreement between the United States and the Federal Republic dated December 15, 1949, as amended.

*Article VIII*

This Agreement shall enter into force on the date of the coming into force of the Agreement on German External Debts between the Federal Republic on the one hand, and France, the United Kingdom of Great Britain and Northern Ireland, the United States and other nations on the other hand. The contracting parties

will exchange instruments confirming that this Agreement has been approved in accordance with their respective constitutional requirements.

IN WITNESS WHEREOF, the undersigned representatives duly authorized thereto by their respective governments have signed this Agreement.

DONE at London on February 27, 1953 in duplicate in the English and German languages, both texts being equally authentic.

For the United States of America :  
Warren Lee PIERSON

For the Federal Republic of Germany :  
ABS