

No. 3638

UNITED STATES OF AMERICA
and
IRELAND

**Exchange of notes constituting an agreement relating to
guaranties authorized by Section 413 (b) (4) of the
Mutual Security Act of 1954, as amended. Dublin,
5 October 1955**

Official text: English.

Registered by the United States of America on 18 December 1956.

ÉTATS-UNIS D'AMÉRIQUE
et
IRLANDE

**Échange de notes constituant un accord relatif à l'octroi
des garanties prévues au paragraphe b, 4, de l'article
413 de la loi de 1954 sur la sécurité mutuelle, sous sa
forme modifiée. Dublin, 5 octobre 1955**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 18 décembre 1956.

No. 3638. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND IRELAND RELATING TO GUARANTIES AUTHORIZED BY SECTION 413 (b) (4) OF THE MUTUAL SECURITY ACT OF 1954, AS AMENDED. DUBLIN, 5 OCTOBER 1955

I

The American Ambassador to the Irish Minister for External Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA
AMERICAN EMBASSY

No. 105

Dublin, October 5, 1955

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties against risks respecting inconvertibility of currencies and expropriation authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of Ireland and of the United States of America will, upon request of either of them, consult respecting projects in Ireland proposed by nationals of the United States of America with regard to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, are sought or are under consideration.

2. The Government of the United States agrees that it will issue no guaranty with regard to any project unless the project is approved by the Government of Ireland.

3. Where guaranties authorized by the aforesaid Section 413 (b) (4) are issued with regard to projects approved by the Government of Ireland, the said Government agrees :

a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of Ireland will recognize the lawful transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account

¹ Came into force on 5 October 1955 by the exchange of the said notes.

- of which such payment was made and the lawful subrogation of the United States of America to any claim or cause of action, or right of such person arising in connection therewith;
- b. That Irish pound amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such Irish pound amounts will be freely available to the Government of the United States of America for administrative expenditures in Ireland;
- c. That any claim against the Government of Ireland to which the Government of the United States of America may be subrogated as the result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Ireland, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the Governments on this subject, the agreement to enter into force on the date of your note in reply.

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

William H. TAFT, III

His Excellency Liam Cosgrave
Minister for External Affairs
Dublin

II

The Irish Minister for External Affairs to the American Ambassador

DEPARTMENT OF EXTERNAL AFFAIRS
DUBLIN

5th October, 1955

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of the 5th October, 1955, which reads as follows :

[*See note I*]

I have the honour to inform Your Excellency that the terms of the foregoing Note are acceptable to the Government of Ireland and that the Government of Ireland consider Your Excellency's Note and the present reply thereto as constituting an Agreement between our two Governments on this subject, the Agreement to enter into force on to-day's date.

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

Liam COSGRAVE
Minister for External Affairs

His Excellency William Howard Taft, III
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Dublin