

No. 3817

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**UNITED STATES OF AMERICA  
and  
LUXEMBOURG**

**Exchange of notes constituting an agreement relating to the guaranty of private investments authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. Luxembourg, 26 November and 7 December 1956**

*Official texts: English and French.*

*Registered by the United States of America on 18 April 1957.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
LUXEMBOURG**

**Échange de notes constituant un accord relatif à la garantie des investissements privés autorisée par le paragraphe b, 4, de la section 413 de la loi de sécurité mutuelle de 1954, sous sa forme modifiée. Luxembourg, 26 novembre et 7 décembre 1956**

*Textes officiels anglais et français.*

*Enregistré par les États-Unis d'Amérique le 18 avril 1957.*

No. 3817. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND LUXEMBOURG RELATING TO THE GUARANTY OF PRIVATE INVESTMENTS AUTHORIZED BY SECTION 413 (b) (4) OF THE MUTUAL SECURITY ACT OF 1954, AS AMENDED. LUXEMBOURG, 26 NOVEMBER AND 7 DECEMBER 1956

Nº 3817 ÉCHANGE DE NOTES CONSTITUANT UN ACCORD<sup>1</sup> ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET LE LUXEMBOURG RELATIF À LA GARANTIE DES INVESTISSEMENTS PRIVÉS AUTORISÉE PAR LE PARAGRAPHE b, 4, DE LA SECTION 413 DE LA LOI DE SÉCURITÉ MUTUELLE DE 1954, SOUS SA FORME MODIFIÉE. LUXEMBOURG, 26 NOVEMBRE ET 7 DÉCEMBRE 1956

## I

*The American Chargé d'Affaires ad interim to the Luxembourg Acting Minister of Foreign Affairs*

AMERICAN EMBASSY  
LUXEMBOURG, LUXEMBOURG

No. 24

November 26, 1956

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to guaranties regarding convertibility and expropriation authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. As a consequence of those conversations, the Government of the United States proposes the following agreement to the Government of Luxembourg :

The Governments of Luxembourg and of the United States will, upon the request of either of them, consult respecting projects in Luxembourg proposed by nationals of the United States with regard to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration. With respect to such guaranties extending to projects which are approved by the Government of Luxembourg in accordance with the provisions of the aforesaid section, the Government of Luxembourg agrees :

a. That if the Government of the United States makes payment in United States dollars to any person under any such guaranty, the Government of Luxembourg will

<sup>1</sup> Came into force on 7 December 1956 by the exchange of the said notes.

<sup>1</sup> Entré en vigueur le 7 décembre 1956 par l'échange des dites notes.

recognize the transfer to the United States of any rights, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the United States to any claim or cause of action of such person arising in connection therewith. The Government of Luxembourg shall also recognize any transfer to the Government of the United States pursuant to such guaranty of any compensation for loss covered by such guaranties received from any source other than the Government of the United States;

*b.* That franc amounts acquired by the Government of the United States pursuant to such guaranties shall be accorded treatment not less favorable than that accorded, at the time of such acquisition, to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such franc amounts will be freely available to the Government of the United States for administrative expenditures;

*c.* That any claim against the Government of Luxembourg, to which the Government of the United States 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 Government are unable, within a period of three months, to agree upon 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.

If this proposal is acceptable to the Government of Luxembourg, it is suggested that you reply by note. This note, together with such reply, will constitute an agreement between our two Governments on this subject, the agreement to enter into force on the date of receipt of your reply note.

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

William H. CHRISTENSEN  
Chargé d'Affaires, ad interim

His Excellency Pierre Frieden  
Acting Minister of Foreign Affairs  
Luxembourg

*The Luxembourg Minister of Foreign Affairs to the American Chargé d'Affaires ad interim*

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

MINISTRY OF FOREIGN AFFAIRS

Luxembourg, December 7, 1956

Mr. Chargé d'Affaires,

I have the honor to acknowledge the receipt of your note of November 26, 1956, which reads as follows :

[*See note I*]

I have the honor to inform you that the Government of Luxembourg accepts the agreement as proposed by your above-mentioned note and considers that your note and the present reply constitute an agreement between our two Governments on this subject, to enter into force on the date of receipt of the present reply.

Accept, Mr. Chargé d'Affaires, the assurance of my highest consideration.

BECH  
Minister of Foreign Affairs

Mr. William Christensen  
Chargé d'Affaires ad interim of the United States of America  
Luxembourg

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<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.