

No. 3737

**UNITED STATES OF AMERICA
and
NETHERLANDS**

Exchange of notes (with enclosure and related note) constituting an agreement relating to the establishment and operation of a SHAPE Air Defense Technical Center. The Hague, 14 December 1954

Official text: English.

Registered by the United States of America on 19 March 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAYS-BAS**

Échange de notes (avec pièce jointe et note connexe) constituant un accord relatif à la création et au fonctionnement d'un centre technique de la défense aérienne du SHAPE. La Haye, 14 décembre 1954

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 19 mars 1957.

No. 3737. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE NETHERLANDS RELATING TO THE ESTABLISHMENT AND OPERATION OF A SHAPE AIR DEFENSE TECHNICAL CENTER. THE HAGUE, 14 DECEMBER 1954

I

The American Ambassador to the Netherlands Minister for Foreign Affairs and the Minister without Portfolio

AMERICAN EMBASSY
THE HAGUE, NETHERLANDS

December 14, 1954

Excellencies :

I refer to the statement of the United States Permanent Representative to the NATO² Council on November 10, 1954, regarding the establishment of a SHAPE Air Defense Technical Center. As you know, the Center will be an adjunct of SHAPE and its purpose will be to provide technical advice and assistance to SHAPE in connection with the Air Defense of NATO, so as to strengthen further the defenses of the North Atlantic Area and to facilitate the effective participation of the NATO nations in the United Nations system for collective security. As a means of establishing and operating the center for the benefit of SHAPE and NATO nations and to achieve the purpose mentioned above, the Government of the United States, under the authority of the Mutual Security Act of 1954, is considering entering into a contract with the Rijksverdedigings Organisatie TNO (RVO-TNO) (National Defense Research Council TNO). I enclose as an attachment to this letter a copy of the agreed draft text of this contract.³ It will be seen that this contract would permit RVO-TNO to carry out its contractual responsibilities through the agency of a foundation to be established in the Netherlands under RVO-TNO and to be designated the SHAPE Air Defense Technical Center (ADTC, sometimes herein called the Center).

In order to enable the Center to perform its functions it is in the opinion of my Government essential that your Government support the establishment

¹ Came into force on 14 December 1954 by the exchange of the said notes.

² For the North Atlantic Treaty signed at Washington on 4 April 1949, see *United Nations, Treaty Series*, Vol. 34, p. 243; Vol. 126, p. 350, and Vol. 243.

³ See p. 50 of this volume.

and operation of the Center in the Netherlands and that it be in agreement with the terms of the contract between my Government and RVO-TNO now under consideration. I would appreciate hearing from the Netherlands Government that this is the case and that the Netherlands Government is prepared to make such arrangements as will enable the Center to operate effectively in accordance with the contract.

Prior to concluding any contractual agreement with RVO-TNO my Government desires to be informed about the arrangements, which will be made by your Government in the following particulars :

- a) The establishment and operation of the NATO security system at the Center;
- b) The provision of classified communication facilities and services;
- c) The provision of the attributes of international status for the Center;
- d) The provision of housing for the foreign personnel of the Center;
- e) The audit of expenditures made in connection with the proposed contract between RVO-TNO and the Government of the United States;
- f) The safeguarding of the security of patent applications and the facilitating of the implementation of the patent provisions of the contract;
- g) The provision of the necessary land;
- h) The exemption of United States expenditures under this contract from taxes;
- i) The protection of the United States from liability;
- j) The utilization by the United States of local currency for purposes of discharging its contract obligations;
- k) Special arrangements for the Center regarding foreign exchange;
- l) The determination of residual value of any immovable property erected on property owned or used by the Center;
- m) The granting of waiver, release or licenses from or under regulations affecting the procurement of goods and services;
- n) The facilitating of subcontracting both within and outside the Netherlands.

Furthermore, for the proper execution of the functions of the officer designated as United States Advisor, in accordance with the contract between my Government and RVO-TNO, it would be appreciated if the United States Advisor and the members of his official staff may be accorded appropriate privileges.

Finally, when in the future my Government announces its desire to withdraw from, terminate, or otherwise alter its contractual relationship with RVO-

TNO so as to transfer its rights and responsibilities to SHAPE or to some designated subsidiary body of the North Atlantic Council, it will be necessary that such transfers be facilitated by your Government and that arrangements, rights and immunities equivalent to those accorded by you to the Center, be accorded to SHAPE or such designated subsidiary body of the North Atlantic Council, as well as to RVO-TNO, the Center and all personnel thereof, unless otherwise agreed with the proper NATO authorities.

Please accept, Excellencies, the renewed assurances of my highest consideration.

H. Freeman MATTHEWS

Their Excellencies

J. W. Beyen

Minister for Foreign Affairs

and

J. M. A. H. Luns

Minister without Portfolio

Royal Netherlands Ministry for Foreign Affairs

The Hague

II

*The Netherlands Minister without Portfolio and the Minister for Foreign Affairs
to the American Ambassador*

MIN. VAN BUITENLANDSE ZAKEN¹

The Hague, December 14, 1954

Dear Mr. Ambassador,

1. Receipt is acknowledged of your letter of today regarding the establishment of a SHAPE Air Defense Technical Center. We can assure you that the Netherlands Government are happy to act as host nation for the Center and are fully in agreement with the plan for establishing and operating this Center for the benefit of SHAPE and the NATO nations. The Netherlands Government have noted with approval the contract which your Government under the authority of the Mutual Security Act are considering entering into with the National Defense Research Council — Central National Council for Applied Scientific Research in the Netherlands (RVO-TNO).

2. Our Government are likewise of the opinion that it is essential for the operation of the Center that certain special arrangements be made for it. In reply to the specific questions raised in your letter and in confirmation of

¹ Ministry of Foreign Affairs.

the oral assurances which have been given by our officials to your representatives, we are pleased to give the following undertakings :

3. As to the establishment and operation of the NATO security system, our Government, in accordance with NATO precedents and without charge to the United States or the Center, will in particular to the following :

a. Assume responsibility for establishing and maintaining security measures at the Center and at the facilities of subcontractors within the Netherlands. These security measures will extend to the protection of buildings and other property and to the grading, handling, transmission, storage and distribution of documents and material and to all other matters relating to the security protection of information. The standards for these security measures will be at least as high as those required by the security regulations of NATO.

b. Assume responsibility for verifying the security status of all personnel employed at or assigned to the Center or employed by subcontractors engaged in the performance of work for the Center within the Netherlands. This will include security clearances for all such personnel who are Netherlands nationals. The standards for these clearances shall be at least as high as those required by the Netherlands Government for the assignment of its nationals to the NATO International Staff.

c. Before subcontracts involving classified information are placed with subcontractors outside the Netherlands, assure that arrangements are in effect by which the government of the country in which the subcontractor is located will be responsible for the establishment and maintenance of security measures in connection with these facilities and personnel of the subcontractor substantially corresponding to those required for the Netherlands Government under subparagraphs *a* and *b* above.

4. In accordance with NATO precedents, our Government will provide such classified communication facilities and services as may be necessary for the receipt and despatch of classified information for the Center. Such communications facilities shall, of course, be operated in accordance with the NATO security regulations.

5. Our Government will provide attributes of international status for the Center in order that it may function properly and effectively as an adjunct of SHAPE. Therefore, in addition to the arrangements for the status of personnel set forth in the letter of the Minister of Defense of 14 December 1954 to General Gruenther the following provisions for the status of the Center as such will be made by our Government in anticipation of the implementation of Ambassador Hughes' declaration of November 10, 1954 to the NATO Council and also in

anticipation of the transfer of the Center to SHAPE or some designated subsidiary body of the NATO Council, whenever NATO may so desire :

a. All property, both movable and immovable, furnished to or acquired by or on behalf of the Center, including such property owned, acquired or held by RBO-TNO on behalf of the Center shall be :

- (i) exempt from all direct taxes; the Center will not, however, claim exemption from rates, taxes or dues which are no more than charges for public utility services;
- (ii) exempt from all customs duties, export taxes and quantitative restrictions on imports and exports in respect of articles imported or exported by or for the Center. However, articles imported under such exemption shall not be disposed of by way of either sale or gift in the Netherlands, except under conditions approved by the Netherlands Government;
- (iii) immune from search, requisition, confiscation or expropriation.

b. All documents and records belonging to or held by or on behalf of or for the use of the Center shall be inviolable wherever located.

c. No censorship shall be applied to correspondence or other communications despatched or received in connection with the operation of the Center. The Center shall have the right to use codes and to dispatch correspondence by courier or in sealed bags which shall have the same immunities and privileges as diplomatic couriers and bags.

6. In consideration of the fact that your Government are prepared in accordance with the agreed draft contract with RVO-TNO to provide in appropriate cases for housing allowances for personnel, our Government are prepared to assure, if necessary, by allocations from the defense housing program, that adequate housing shall be made available for the foreign personnel of the Center.

7. Our Government are prepared on the request of your Government to perform, without cost to the United States, the audit of all expenditures made by RVO-TNO under the contract with your Government, and to certify vouchers for payment by your Government in the same manner that such audit and certification are carried out in connection with defense contracts of our Government.

8. With respect to patents

a. Our Government will take appropriate steps in accordance with NATO security regulations to safeguard the security of applications for Netherlands patents where the subject matter of such applications is classified, and the

invention has been developed under the contract between your Government and RVO-TNO.

b. Our Government undertake that they will cooperate in and facilitate the implementation of the patent provisions of the contract between the United States and RVO-TNO or of any subcontract made thereunder.

9. Public lands will be made available by the Netherlands Government to the extent necessary for the operation of the Center, without cost to the United States Government.

10. As regards the exemption from taxes of United States expenditures under the contract between your Government and RVO-TNO and as regards the protection of the United States from liability, we are happy to give assurance that Articles 11 and 13 of the Memorandum of Understanding between our two Governments Relating to Offshore Procurement,¹ which entered into force July 30th, 1954, shall be fully applicable, as well as paragraphs 5, 6, 8, 9, 10 and 15 of the same memorandum.

11. The United States, for the purpose of discharging its obligations under the contract, will be free to use any guilders owned by the United States.

12. The Center may hold currency of any kind and operate accounts in any currency, and the Netherlands authorities, if so required for effective operations of the Center, will facilitate transfers of funds held by the Center from one to another country, and the conversion of any currency held by the Center into any other currency.

13. The Netherlands Government will assure that all buildings or other facilities of an immovable character furnished by the United States Government, or any other NATO nations, to or for the Center, or constructed or acquired for the Center, shall remain available to the Center as long as required for the purposes set forth in this letter, and will take appropriate measures to assure that when such property is no longer required for the operations of the Center, the residual value thereof, if any, will be reimbursed to the Government of the United States or to any other NATO government to such extent as is proportionate to each government's contribution to the particular property.

14. Our Government are prepared upon request to grant waiver or release or licenses, whichever is applicable, from or under regulations affecting the procurement of goods, materials and services in the Netherlands by or for the Center.

¹ United Nations, *Treaty Series*, Vol. 213, p. 325.

15. In appropriate cases RVO-TNO or the Center may subcontract for equipment, materials and services with non-Netherlands suppliers located either within or outside the Netherlands. Our Government will, upon request, use their good offices to facilitate the placing of such contracts.

16. If your Government so request, the principal United States officer designated as United States Advisor to the Center and the members of his official staff, will be accorded the privileges provided in subparagraphs (b) and (c) of Annex E of the Mutual Defense Assistance Agreement signed between the United States and the Netherlands on January 27, 1950.¹

17. We confirm that it is the intention of our Government, when in the future the United States announces its desire to withdraw from, terminate, or otherwise alter its contractual relationship with RVO-TNO so as to transfer its rights and responsibilities to SHAPE or to some designated subsidiary body of the North Atlantic Council, to facilitate such transfer and to accord to SHAPE or such designated subsidiary body of the North Atlantic Council, as well as to RVO-TNO, the Center and all personnel thereof, arrangements, rights and immunities equivalent to those outlined above, unless otherwise agreed with the proper NATO authorities.

18. We can assure you that our Government will further the aims of the Center as far as possible, will take the actions contemplated above with utmost promptness, and will support the performance of the contract by RVO-TNO. Wherever the draft contract provides for action or support by the Netherlands Government, the Netherlands Government will take such action and give such support.

19. Upon receipt of Your Excellency's acceptance of the arrangements set forth herein, Your Excellency's abovementioned letter, this letter and Your Excellency's reply shall constitute an agreement between our two Governments which agreement shall forthwith enter into force, subject in the case of the Netherlands to the provisions of Article 62 paragraph 1, sub *d*, and paragraph 2 of the Constitution.

Please accept, Mr. Ambassador, the renewed assurances of our highest consideration.

The Minister without Portfolio :

J. M. A. H. LUNS

The Minister of Foreign Affairs :

J. W. BEYEN

The Hon. H. Freeman Matthews
Ambassador Extraordinary and Plenipotentiary
of the United States of America
The Hague

¹ United Nations, *Treaty Series*, Vol. 80, p. 219.

III

*The American Ambassador to the Netherlands Minister for Foreign Affairs and
the Minister without Portfolio*

AMERICAN EMBASSY
THE HAGUE, NETHERLANDS

December 14, 1954

Excellencies :

In accordance with the discussions which have taken place and in consideration of and in reliance on the oral assurances received in those discussions, and in particular in consideration of and in reliance on the undertakings set forth in your letter of December 14, 1954, my Government has decided to proceed with plans for establishing a SHAPE Air Defense Technical Center in the Netherlands, and to this end, will sign the agreed draft contract between the United States of America and RVO-TNO dated December 14, 1954.

Please accept, Excellencies, the renewed assurances of my highest consideration.

H. Freeman MATTHEWS

Their Excellencies

J. W. Beyen
Minister for Foreign Affairs

and

J. M. A. H. Luns
Minister without Portfolio

Royal Netherlands Ministry for Foreign Affairs
The Hague

CONTRACT No. TN-01-MWP-AF-55

COST-REIMBURSEMENT CONTRACT FOR THE ESTABLISHMENT AND
OPERATION OF A SHAPE AIR DEFENSE TECHNICAL CENTER

This contract, entered into this 14th day of December 1954 by and between the United States Government represented by the Contracting Officer executing this contract and the "Rijksverdedigings Organisatie TNO" (RVO-TNO) (National Defense Research Council TNO), a corporation organized and existing under the laws of the Netherlands having its principal office at The Hague, The Netherlands (hereinafter called the Contractor).

WITNESSETH THAT

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WHEREAS the United States Government wishes to furnish assistance to the Supreme Headquarters, Allied Powers, Europe (SHAPE) and to the nations of the North Atlantic Treaty Organization (NATO), pursuant to the authority of the Mutual Security Act of 1954 and other applicable law, through the establishment and operation within the Netherlands of a SHAPE Air Defense Technical Center as a facility for SHAPE to meet its needs and requirements for technical advice and assistance in the field of air defense; and

WHEREAS the Netherlands Government and the United States Government have made an exchange of letters today which contemplates the establishment of such a Center in the Netherlands and the operation thereof through contract with the Contractor, and the Contractor has the capabilities and is willing to enter into such a contract.

NOW, THEREFORE, the parties hereto, in consideration of the agreements herein contained and for other good and valuable consideration, agree that the Contractor shall, subject to and in accordance with the terms and provisions hereinafter specified, perform the work described below.

1. *Statement of Work*

A. The Contractor shall establish and operate a technical center which, in accordance with the wishes and with the approval of SHAPE, shall function as an adjunct of SHAPE under the name SHAPE Air Defense Technical Center. Its purpose shall be to provide technical advice and assistance to SHAPE in the field of air defense of the NATO nations. The SHAPE Air Defense Technical Center shall hereinafter be referred to as the Center.

(1) All research, studies and activities of the Center will be carried out in fields of work and on subjects specified by SHAPE and shall be subject to the policy direction and guidance of SHAPE. Authorized representatives of SHAPE will have direct access to and contact with the Center and its personnel for these purposes.

(2) All operations of the Center will be monitored on a full-time basis by a general officer of the United States Air Force having expert competence in the field of air defense, or an individual of equivalent status, designated as the United States Advisor, who will furnish technical advice as appropriate and who will serve in a liaison capacity with SHAPE to assure that the Center is at all times fully responsive to SHAPE's needs and requirements. The United States Advisor is authorized direct contact with SHAPE, the Contractor, and the Center, and with the personnel concerned, and will be kept fully informed by the Contractor of all contacts between itself, the Center, and SHAPE. The United States Advisor shall have a deputy. The United States Deputy Advisor will certify for payment to the Contracting Officer executing this contract in behalf of the United States Government such vouchers submitted by the Contractor as represent allowable costs under the contract, and the Contracting Officer is authorized to accept the certification of the United States Deputy Advisor as an adequate basis for the payment of such voucher.

(3) The functions of the United States Advisor shall include assuring that there are made available for the work of the Center all knowledge and information and developments in the possession of the United States to the maximum extent' permissible

under United States security regulations. Moreover, the United States Advisor shall be responsible for forestalling duplication of effort as between the Center and the United States Government. In order to facilitate the discharge of these responsibilities the United States Advisor or his representative shall :

- (a) Have the right to free interchange of information with the appropriate United States officials.
- (b) Be kept currently informed on all aspects of the work of the Center, and it shall be an affirmative obligation of the contractor to keep the United States Advisor so informed.
- (c) Be given access by the contractor at any time to all operations, research, records, reports, studies, monographs, information, or other data of any nature which are part of the work of the Center. He shall upon request be provided copies of any such data.

B. Consistent with the general provisions of paragraph A above, the Contractor shall be responsible for the following :

(1) Carrying out such research, studies, investigations, developmental work and operational tests in connection with the air defense of the NATO nations (with initial emphasis on surveillance and control), as may be required from time to time by SHAPE.

(2) Acquiring, developing or constructing, or having developed or constructed, articles, equipment, components and facilities necessary to the successful performance of the foregoing work.

(3) Furnishing reports of the progress of such work to the United States Advisor and to SHAPE at intervals no greater than three (3) months and furnishing technical reports on significant accomplishments at such times and in such numbers of copies as may be required by SHAPE.

(4) Providing the necessary organization, personnel, facilities, materials, articles, and services to perform the foregoing work.

(5) Providing for the acceptance of personnel, services, material or funds contributed by other NATO nations for the above purposes.

(6) Providing for the appointment with the approval of SHAPE, of the President and the Technical Director of the Center.

(7) Submitting to the United States Advisor and to SHAPE a complete and final report on or before June 30, 1957.

2. *Time of Performance of Work*

The Contractor shall initiate promptly the steps necessary for the accomplishment of the work called for under Paragraph 1 hereof. All work under this contract shall have been completed by 30 June 1957 unless the parties hereto otherwise agree by modification of or by a supplement to this contract.

3. *Allowable Costs and Payment*

A. The United States Government shall pay to the Contractor such actual costs incurred in the performance of this contract as are determined by the United States Deputy Advisor to be allowable. Costs shall not be determined to be allowable unless

reasonable and unless actually incurred by the Contractor in conformity with the provisions of this contract and charged to this contract under generally accepted accounting principles and practices. Subject to the above, the United States Government shall reimburse the Contractor for the following costs :

(1) Expenditures for reasonable salaries, wages and allowances of personnel employed by or assigned to the Center, including expenditures for personal services obtained under contracts with third parties or otherwise and reasonable supplementary allowances to personnel contributed by NATO countries in accordance with policies approved by the United States Deputy Advisor.

(2) Expenditures by the Contractor for necessary materials and services.

(3) Expenditures by the Contractor necessary for long-distance telephone calls, telegrams, cablegrams, radiograms, postage, freight, express, and drayage.

(4) Expenditures by the Contractor for the necessary travel of personnel, including subsistence allowances while on a travel status.

(5) Necessary costs incurred by the Contractor and expenses paid or reimbursed by the Contractor to employees transferred from their usual place of residence to the location or locations of the work performed under this contract, arising from the transportation of said employees, their immediate families, and their household goods and household possessions, including subsistence, in accordance with policies approved by the United States Deputy Advisor.

(6) Expenditures for necessary rearrangement or relocation of offices, facilities, or other property incident to performance of this contract.

(7) Expenditures by the Contractor for necessary protection and maintenance of Center property or of rented equipment (but expenditures for protection shall be allowable only to the extent that they are deemed by the United States Deputy Advisor to be required in addition to the security protection service furnished by the Netherlands Government).

(8) Cost of honorariums distributed to personnel for invention disclosures and patent assignments, in accordance with policies approved by the United States Deputy Advisor.

(9) Cost of bonds, insurance, and pension, retirement, group health, accident and life insurance plans, and such other insurance as the United States Deputy Advisor may from time to time direct or approve, as provided in Paragraph 14 hereof.

(10) Cost of recruiting and training personnel for the Center, in accordance with policies established by the United States Deputy Advisor.

(11) Cost of constructing, leasing, or purchasing necessary facilities or other property, real or personal (but not including land) for the Center.

(12) Expenditures by the Contractor representing payments in connection with subcontracts, including any agreement or contract made by the Contractor with any other party in carrying out this contract, or any lowertier agreement, contract or subcontract thereunder.

(13) Reasonable amounts representing the Contractor's overhead costs as may be mutually agreed upon by the Contractor and the United States Deputy Advisor.

(14) Expenditures by the Contractor for reasonable entertainment expenses in accordance with policies approved by the United States Deputy Advisor.

(15) Expenditures reasonably necessary for filing patent applications and engaging patent attorneys.

(16) Any other proper costs incurred or expenditures made by the Contractor pursuant to any of the provisions of this contract, or directed or approved by the United States Deputy Advisor; except such costs as arise from contributions and donations, general research other than research called for under this contract, interest on borrowings and other financing charges, losses on other contracts, and loss or damage not covered by insurance in accordance with Paragraph 14 below.

B. The Contractor shall exercise due diligence to secure materials and services at the most advantageous prices available, having due regard for quality, but this provision shall not operate to prevent the placing of subcontracts in appropriate cases with non-Netherlands contractors.

C. Once each month (or at more frequent intervals, if approved by the United States Deputy Advisor) the Contractor may submit to the United States Deputy Advisor, in such form and reasonable detail as he may require, a voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost. Each statement of cost shall be certified by an officer or other responsible official of the Contractor authorized by it to certify such statements, and, where appropriate, by an authorized official of the Netherlands Government. To the extent such vouchers represent items of allowable cost, the United States Deputy Advisor shall promptly certify them for payment to the Contracting Officer executing this contract on behalf of the United States Government.

D. As promptly as may be practicable after receipt of each voucher by the said Contracting Officer, the United States Government shall make payment thereon. However, the United States Government shall not be obligated to pay the Contractor for reimbursement of expenditures any amount in excess of the estimated cost of this contract, and the Contractor shall not be required to make expenditures or to incur costs in amounts in excess of such sum. Reimbursement may be made in the currency in which the expenditure was made.

E. At any time or times prior to final payment under this contract the United States Deputy Advisor may cause to be made such audit of the vouchers and statements of cost as shall be deemed necessary. Each payment theretofore made shall be subject to reduction to the extent of amounts found by the United States Deputy Advisor not to

constitute allowable cost, and shall also be subject to reduction for overpayments or to increase for underpayments on proceeding vouchers.

F. The Contractor shall execute and deliver at the time of and as a condition precedent to final payment under this contract, a release discharging the United States Government, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, except for specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor.

G. The Contractor agrees that any refunds, rebates, or credits (including any interest thereon) accruing to or received by the Contractor which arise out of the performance of this contract and on account of which the Contractor has received reimbursement shall be paid by the Contractor to the United States Government. The Contractor shall execute and deliver at the time of and as a condition precedent to final payment under this contract, an assignment to the United States Government of refunds, rebates, or credits (including any interest thereon) arising out of the performance of this contract, in form and substance satisfactory to the United States Deputy Advisor. Reasonable expenses incurred by the Contractor for the purpose of securing any such refunds, rebates, or credits shall constitute allowable cost when approved by the United States Deputy Advisor.

4. *Estimated Cost and Amount Allotted for this Contract : Changes*

A. The estimated cost of this contract is \$2,500,000. No fee or profit is contemplated in this contract.

B. Upon request by SHAPE, changes may be made at any time by written order within the general scope of the contract in the work to be performed hereunder or in the equipment and facilities to be acquired, developed, or constructed in connection therewith, and if any such change causes an increase or decrease in the estimated cost or time of performance of this contract, this contract shall be modified accordingly.

5. *Inconsistency Between English Version and Translation of Contract*

In the event of inconsistency between any terms of this contract and any translation thereof into another language, the English language meaning shall control.

6. *Inspection*

All of the work called for under this contract shall be subject to inspection at reasonable times by the United States Advisor, his authorized representatives and authorized representatives of SHAPE.

7. *Assignment of Contract or Claims*

The Contractor shall not assign this contract or any interest therein or any claim hereunder.

8. *Records*

The Contractor agrees to maintain books, records, documents, and other evidence pertaining to the costs and expenses of this contract (hereinafter collectively called "records") to the extent necessary to properly reflect all net costs for which reimbursement is claimed under the provisions of this contract.

9. *Subcontracts*

The United States Deputy Advisor shall approve all subcontracts which (1) involve research and development work, (2) which are on a cost or cost-plus-a-fixed-fee basis, or (3) which exceed in dollar amounts \$25,000, before they are placed by the Contractor. No subcontract shall be placed which provides for payment on a cost-plus-a-percentage of cost basis or which contemplates the carrying out of classified work in a non-NATO country.

10. *Excusable Delays*

The Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms if such failure arises out of causes beyond the control and without the fault or negligence of the Contractor, including acts of God or of the public enemy; fires, floods, epidemics; quarantine restrictions; strikes; freight embargoes; unusually severe weather; and failure of subcontractors to perform or make progress due to such causes.

11. *Disputes*

Any dispute arising under this contract shall so far as possible be disposed of by agreement between the Contractor and the United States Deputy Advisor. Any dispute not settled by agreement, shall be decided by the United States Deputy Advisor who shall reduce his decision to writing and furnish a copy thereof to the Contractor. The decision of the United States Deputy Advisor shall be final as to questions of fact unless, within thirty (30) days from receipt of the decision, the Contractor appeals by furnishing to the United States Deputy Advisor a written appeal addressed to the Secretary of Defense of the United States of America. The decision of the Secretary of Defense, or his duly authorized representative, shall be final as to question of fact, unless determined by a court of competent jurisdiction to have been fraudulent, arbitrary, capricious, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal under this paragraph, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract.

12. *United States Officials not to Benefit*

No member of or delegate to the Congress of the United States of America, or resident commissioner of the United States of America shall be admitted to any share or part of this contract or to any benefit that might arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

13. *Property*

A. Title to any movable property furnished by the United States Government to or for the Center, or acquired for the Center pursuant to this contract shall vest in SHAPE.

B. All such property covered by subparagraph A above shall remain in the possession of the Contractor during the life of this contract and of any successor contract in which SHAPE or any other subsidiary body of NATO is substituted for the United States Government, and shall be available only for the purposes of this contract or such successor contract; provided that any property which SHAPE considers is no longer required for the purposes of the Center may be disposed of as SHAPE may direct in the case of movable property and the proceeds from the sale of any such property shall inure to the benefit of the Center.

C. The Contractor shall take adequate steps, in accordance with sound business practices, to protect and maintain properly all property in the possession of the Center so that the same shall be available for the work to be performed under this contract, and shall keep adequate property control records. The United States Deputy Advisor and his authorized representatives shall have access at all reasonable times to all property in the possession of the Center and to all property control records.

D. The Contractor shall not be liable for any loss of or damage to any property furnished by the United States Government to or for the Center or acquired for the Center pursuant to this contract, except for loss or damage :

(1) which results from a risk expressly required to be insured under this contract pursuant to the direction of the United States Deputy Advisor or his representatives or otherwise, but only to the extent of the insurance required to be maintained; or

(2) which results from a risk in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement.

E. Upon the happening of loss or damage to such property, the Contractor shall promptly notify the United States Deputy Advisor thereof and shall give him a statement of the property involved, the damage thereto, origin of the damage, and any insurance covering the property, and shall take all steps necessary to protect the property from further damage. In the event the Contractor is indemnified by insurance or otherwise for the damage to or loss of such property, it shall use the proceeds in such manner as the United States Deputy Advisor may direct.

F. Upon the expiration or termination of this contract, the Contractor shall take such action with regard to any movable property of the Center remaining in the Contractor's hands as SHAPE may direct and with regard to any immovable property shall take such action as the Netherlands Government may direct.

14. *Insurance*

The Contractor shall procure and maintain such insurance related to the performance of this contract as may be mutually agreed between the Contractor and the United

States Deputy Advisor is reasonable and necessary. The Contractor shall save the United States harmless from any loss or damage which is not covered by insurance in accordance with the foregoing.

15. *Security*

A. The Contractor shall comply with the security measures established and maintained at the Center by the Netherlands Government.

B. The Contractor agrees to insert in all subcontracts hereunder which involve access to classified information provisions specified by the Netherlands Government which will insure that the facilities of the subcontractor are afforded adequate protection, that all employees of the subcontractor who have access to classified information receive prior security clearance in accordance with the requirements of the NATO security system, and that no classified information relating to the work under the subcontract will be disclosed except in accordance with NATO Security Regulations. No access to classified information shall be made available to any subcontractor outside the Netherlands until SHAPE is satisfied that adequate security arrangements are in effect for the facilities and personnel of the subcontractor.

C. All classified information received by the Center or developed through or in connection with the work to be performed under this contract shall be disseminated by the Contractor only through the channels authorized by SHAPE.

16. *Patent Rights under Contractor's Inventions*

A. *Definitions.* As used in this paragraph, the terms (1) "NATO Government" includes the Government of any nation which is now or hereafter becomes a member of NATO; (2) "Employee" includes a consultant or any other person who furnishes services in the performance of this contract with the consent of Contractor whether or not paid directly by Contractor; (3) "Governmental Purposes" means all manufacture, use and disposal by or for any NATO Government that is necessary or important to the mutual defense of NATO nations; and (4) "Subject Inventions" means all patentable inventions conceived by Contractor's Employees in the performance of the work under this contract, and all patentable inventions owned or controlled by the Contractor which are (a) made, first actually reduced to practice, improved, or further developed as a part of the work under this contract and which have not been covered by a patent application in some country prior to the date of this contract; and (b) conceived by Subcontractors or persons employed by them in the performance of work done under this contract.

B. *Employee Agreements.* Except as otherwise authorized by the United States Advisor, the Contractor shall not engage or assign any Employee or accept the services of any Employee for, or to work upon this contract except upon the conditions that such Employee (1) agree to assign to the Contractor all inventions, whether or not patentable, he conceives in the performance of work under this contract and all inventions as to which he has the right and power of disposition which are made, first actually reduced to practice, improved or further developed during performance of work under this con-

tract, and which are not covered by a patent application in any country prior to the date of this contract, (2) agree to subscribe all necessary papers including lawful oaths required for the filing and prosecution of applications for patent throughout the world covering the inventions he assigns to the Contractor under provision (1) above; and (3) agree to grant to the Contractor and, upon the request of SHAPE, to NATO Governments on a reasonable and equal basis, an irrevocable, nonexclusive license for Government Purposes under any patents which (1) cover inventions other than Subject Inventions owned or controlled by such Employee at the time of his employment, and (2) which will be necessary to utilize the products or processes developed under this contract. Such license shall be limited to the right to utilize the products or processes developed under this contract.

C. *Netherlands Patent Applications.* Except as otherwise authorized by the United States Advisor, the Contractor shall file or cause to be filed timely applications for patents in the Netherlands covering all Subject Inventions.

D. *Patent Assignments to NATO Governments.* Contractor shall provide copies of all Netherlands patent applications covering Subject Inventions to SHAPE for distribution to NATO Governments which are designated by SHAPE and which agree to safeguard the security of information in accordance with NATO Security Regulations, and upon request of any such Government, Contractor shall assign without charge the rights under such patent application within the territorial limits of that Government to such Government, provided that such NATO Government shall have agreed to grant an irrevocable, nonexclusive, royalty-free license within its territorial limits for Governmental Purposes to each other NATO Government under the application and any patent eventuating from such patent application.

E. *Contractor's Patent Rights.* The Contractor shall have the right to file or cause to be filed patent applications covering Subject Inventions (1) in any country other than NATO countries, but only with consent of the United States Advisor; and (2) in any NATO country in which the Government of such Country shall not have requested an assignment of the patent rights to it as provided in paragraph D above within six months from the date that a copy of the Netherlands application shall have been furnished to such NATO Government. The Contractor agrees to grant to NATO Governments designated by SHAPE irrevocable, nonexclusive, royalty-free licenses for Governmental Purposes under any patent application and any patent eventuating from such patent application which the Contractor shall obtain under the provisions of this subparagraph.

F. *Contractor's Patent Returns.* Any financial returns derived by Contractor from commercial exploitation of Subject Inventions shall inure to the benefit of the Center during the existence of the Center.

G. *License under Contractor's Background Patents.* Subject to any other arrangements which may be entered into between the Government of the Netherlands and the Governments of any other NATO countries, the contractor agrees to grant to each NATO

Government on a reasonable and equal basis, upon request of SHAPE, an irrevocable, nonexclusive license for Governmental Purpose under any patents which (1) cover inventions other than Subject Inventions owned or controlled by the Contractor at the time of entering into this contract, and (2) will be necessary to utilize the products or processes developed under this contract. Such licenses under such patents shall be limited to the right to use the inventions when necessary to utilize the products or processes developed under this contract.

17. *Patent Rights under Subcontractor's Inventions*

A. *Patent Rights Clause in Subcontracts.* Unless otherwise approved by the United States Advisor, the Contractor shall not enter into any subcontract hereunder in which \$3,000 or more is to be paid for experimental, developmental or research work, which does not include the following contractual provision :

"Patent Rights

"(a) *Definition of terms.* This is a subcontract under Contract No. *TN-01-MWP-AF-55* between the United States Government and (*RVO-TNO*) as Contractor. As used in this clause entitled 'Patent rights', the terms (i) 'Subcontractor' means (*name of subcontractor*); elsewhere in this subcontract referred to as (*vender, etc.*); (ii) 'United States Advisor' means the Advisor representing the United States Government in Contract No. *TN-01-MWP-AF-55*; (iii) 'NATO Government' includes the Government of any nation which is now or hereafter becomes a member of NATO; (iv) 'Subcontract Work Period' means the period of time beginning with date of this subcontract or the date of beginning work in contemplation that this subcontract would be awarded, whichever is earlier; (v) 'Governmental Purposes', means all manufacture, use and disposal by or for any NATO Government that is necessary or important to the mutual defense of NATO nations and (vi) 'Subcontractor's Subject Inventions' means all patentable inventions conceived by Subcontractor's employees during the Subcontract Work Period and in the performance of the work under this Subcontract, and all patentable inventions owned or controlled by Subcontractor which are made, first actually reduced to practice, improved, or further developed as a part of the work under this Subcontract and which have not been covered by a patent application in some country prior to the Subcontract Work Period.

"(b) *Filing of Patent Applications.* Subcontractor agrees not to file applications for patents covering Subcontractor's Subject Inventions in any country other than a NATO country designated by SHAPE except with approval of the United States Advisor.

"(c) *Disclosure of Subcontractor's Subject Inventions.* Subcontractor shall make written disclosure to RVO-TNO of each Subcontractor's Subject Invention

which Subcontractor considers reasonably patentable in Subcontractor's country promptly after conception or first actual reduction to practice, whichever is applicable. At the time of making such disclosure or not later than six months thereafter, Subcontractor shall (i) inform RVO-TNO of all countries in which Subcontractor has filed or intends to file application for patent covering Subcontractor's Subject Inventions; and (ii) furnish to RVO-TNO copies of such applications concurrently with their filing.

“(d) *License under Subcontractor's Subject Inventions.* Subcontractor agrees to grant to NATO Governments designated by SHAPE an irrevocable, nonexclusive and royalty-free license for Governmental Purposes throughout the World under Subcontractor's Subject Inventions. Subcontractor shall furnish to each such Government, upon request of SHAPE, a confirmatory document evidencing such license under any patent application and any patent eventuating from such patent application which the Subcontractor shall obtain for any Subcontractor's Subject Invention.

“(e) *Assignment of "Optional Rights" in Subcontractor's Subject Inventions.* The rights for Subcontractor's Subject Inventions in any country in which the Subcontractor shall not have filed an application for patent within six months after making written disclosure to RVO-TNO as required in paragraph (c) above, or within six months after the first filing in any country of an application for such an Invention, whichever is earlier, are herein called “Optional Rights”. Subcontractor shall assign to any NATO Government, upon request of SHAPE, the Optional Rights within such NATO country. Subcontractor shall assign to RVO-TNO, upon request of SHAPE, the Optional Rights in any country other than NATO countries, and in any NATO country which shall not have requested assignment to it of the Optional Rights after having had the right to so request for two months. Subcontractor agrees to furnish all necessary papers including lawful oaths required for the filing and prosecution of applications for patent under Optional Rights whenever Subcontractor shall have been requested to assign such Optional Rights as above provided.

“(f) *License under Background Patents.* Subcontractor agrees to grant to each NATO Government on a reasonable and equal basis, upon request of SHAPE, an irrevocable, nonexclusive license for Governmental Purposes under any patents which (1) cover inventions other than Subject Inventions owned or controlled by the Subcontractor at the time of entering into this contract, and (2) will be necessary to utilize the products or processes developed under this contract. Such license under such patents shall be limited to the right to use the inventions when necessary to utilize the products or processes developed under this contract.

“(g) *Lower-tier Subcontracts.* Except as may otherwise be approved by the United States Advisor under Contract No. *TN-01-MWP-AF-55* Subcontractor shall include this clause entitled “Patent rights” (making appropriate changes in paragraph (a) hereof for name of Subcontractor and name of Vendor, etc.) in any

subcontract placed by Subcontractor in which payment is to be made in amount of \$3,000 or more for experimental, developmental or research work.”

B. *Contractor's Duties under Subcontracts.* Contractor shall provide promptly to SHAPE copies for distribution to NATO Governments which are designated by SHAPE and which agree to safeguard security of information in accordance with NATO Security Regulations of (1) disclosure to Contractor by subcontractors of Subcontractor's Subject Inventions; and (2) applications for patents furnished to Contractor by subcontractors.

18. *Copyrights (Contractor)*

A. *Definitions.* As used in this Paragraph, the terms (1) “Employee” includes a consultant or other person who furnishes services in the performance of this contract with the consent of Contractor whether or not paid directly by Contractor; (2) “NATO Government” includes the Government of any nation which is now or hereafter becomes a member of NATO; (3) “Governmental Purposes” means the making of copies or the exercise of any other copyright right by or for any NATO Government that is necessary or important to the mutual defense of NATO nations; and (4) “Subject Copyright” means the copyright in, and the right to establish copyright in, any copyrightable material first produced or composed in the performance of work under this contract by Contractor's Employees.

B. *Employee Agreement.* Except as otherwise authorized by the United States Advisor, the Contractor shall not permit any Employee to work on this contract except upon the condition that such Employee (1) agree to assign to the Contractor all Subject Copyrights of which he is the author or originator, and (2) grant to the Contractor and to NATO Governments designated by SHAPE an irrevocable, non-exclusive, royalty-free license for Governmental Purposes under any copyright which he owns or controls and which he includes or causes to be included in any material produced or composed in the performance of this contract.

C. *Establishing Copyright.* The Contractor shall establish copyright in the Netherlands as to such copyrightable material as the United States Advisor shall direct. The Contractor may at its own expense establish copyright with the consent of the United States Advisor as to such other copyrightable material as it desires, provided that to do so does not violate NATO Security Regulations, and the Contractor may at its own expense, and to the extent required by the laws of the country concerned, apply for registration of copyright in any country for such material, with the consent of the United States Advisor, provided that to do so does not violate NATO Security Regulations.

D. *Copyright Assignments to NATO Governments.* The Contractor shall assign without charge to NATO Governments which are designated by SHAPE and which agree to safeguard the security of information in accordance with NATO Security Regula-

tions, upon request of such Government, the copyright right within the territorial limits of the country of that Government, for any Subject Copyright, provided that such NATO Government shall have agreed to grant an irrevocable, nonexclusive, royalty-free license within its territorial limits for Governmental Purposes to each other NATO Government under Subject Copyright.

E. *License under Contractor's Copyright Rights.* Contractor agrees to grant to NATO Governments designated by SHAPE an irrevocable, nonexclusive, royalty-free license for Governmental Purposes under any copyright in Subject Copyrights which the Contractor shall establish in any country.

F. *Contractor's Copyright Returns.* Any financial returns derived by Contractor from commercial exploitation of Subject Copyrights shall inure to the benefit of the Center.

19. *Copyrights (Subcontractors)*

Copyright Clause in Subcontracts. Unless approved by the United States Advisor, the Contractor shall not enter into any subcontract hereunder in which technical data or copyrightable material is to be produced or composed or furnished to the Contractor which does not include the following contractual provision :

"Copyrights

"(a) *Definition of Terms.* This is a subcontract under Contract No. *TN-01-MWP-AF-55* between the United States Government and (*RVO-TNO*) as Contractor. As used in this clause entitled 'Copyrights', the terms (i) Subcontractor means (*name of subcontractor*), elsewhere in this subcontract referred to as (*vendor, etc.*); (ii) 'United States Advisor' means the Advisor representing the United States Government in Contract No. *TN-01-MWP-AF-55*; (iii) 'NATO Government' includes the Government of any nation which is now or hereafter becomes a member of NATO; (iv) 'Governmental Purposes' means the making of copies or the exercise of any other copyright right by or for any NATO Government that is necessary or important to the mutual defense of NATO nations; and (v) 'Subcontractor's Subject Copyrights' means the copyright in, and the right to establish copyright in, any copyrightable materials first produced or composed in the performance of work under this subcontract by Subcontractor or its employees.

"(b) *Establishing Copyright.* Subcontractor agrees not to establish copyright nor to apply for registration for copyright under Subcontractor's Subject Copyrights in any country other than a NATO country designated by SHAPE, except with the approval of the United States Advisor.

"(c) *License by Subcontractor.* Subcontractor agrees to grant and does hereby grant to Contractor and to NATO Governments designated by SHAPE an irrevoca-

ble, nonexclusive, royalty-free license for Government Purposes under (i) Subcontractor's Subject Copyrights which the Subcontractor shall establish in any country, and (ii) any other copyright owned or controlled by the Subcontractor covering material which Subcontractor furnishes under this subcontract for use in the performance of Contract No. *IN-01-MWP-AF-55*.

“(d) *Lower-tier Subcontracts*. Except as may otherwise be approved by the United States Advisor under Contract No. *TN-01-MWP-AF-55*, Subcontractor shall include this clause entitled ‘Copyrights’ (making appropriate changes in paragraph (a) hereof for name of Subcontractor and name of Vendor, etc.) in any subcontract placed by Subcontractor in which technical data or copyrightable material is to be produced or composed or furnished to the Subcontractor.”

20. *Technical Data, Information and Copyrightable Material*

A. *Ownership and Free Use*. Except for patent rights and the right to copyright which are to be disposed in accordance with Paragraphs 16, 17, 18 and 19 of this contract, all technical data, information and copyrightable material which are first produced in the performance of this contract whether by subcontractors, employees, or persons assigned with the consent of the Contractor to work in the performance of this contract, shall become the property of the Contractor, provided that, except for security restrictions or regulations, Contractor shall not impose any restriction on the free use of such technical data, information or copyrightable material by any employee, subcontractor, or NATO Government. However, such technical data, information or copyrightable material shall be disseminated only in accordance with the directions of SHAPE.

B. *Copies of Significant Reports*. The Contractor shall furnish copies of all significant reports involving technical data, information, and copyrightable material only to SHAPE and the United States Advisor, or in accordance with the directions of SHAPE.

21. *Termination*

A. This contract or the performance of any work hereunder may be terminated by the United States Government whenever the Contracting Officer for any reason determines that such termination is in the best interests of the United States Government. Termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which the contract is terminated and the date upon which such termination becomes effective.

B. Upon receipt by the Contractor of a Notice of Termination by the United States Government, the Contractor shall :

(1) Cancel outstanding subcontracts and other commitments under the contract or the part thereof terminated and with the approval of the United States Deputy Advisor settle all outstanding liabilities and claims arising out of such cancellations;

(2) Assume no further commitments under the contract or the part thereof terminated;

(3) Assign to the United States Government or SHAPE in accordance with directions of the United States Deputy Advisor any outstanding right, title and interest of the Contractor under the subcontracts or commitments cancelled;

(4) Complete performance of such work under the contract as shall not have been terminated;

(5) Take such action with regard to all movable property in the possession of the Contractor of every type or description, including any completed or partly completed reports, plans, drawings, information or other property produced, developed or acquired under the contract as SHAPE may direct. As soon as possible thereafter, the Contractor shall submit its termination claim to the United States Deputy Advisor and such termination claim, to the extent deemed allowable by the United States Deputy Advisor, shall be paid as soon as practicable thereafter. The Contractor may include in such termination claim and is entitled to be paid any costs, as defined in Paragraph 3 A, of performing the contract to the date of termination not previously reimbursed to it; the cost of settling liabilities and claims arising out of the cancellation of subcontracts and other commitments pursuant to the Notice of Termination; and the reasonable costs of preparing the termination claim and supporting data, including accounting, legal, clerical and other expenses. However, the total amount to be paid by the United States Government hereunder shall not exceed the estimated total cost of this contract, less amounts previously reimbursed to the Contractor.

22. *Transfer of Rights and Responsibilities of United States Government*

The Contractor agrees that at any time during the period of this contract, after reasonable notice to and consultation with the Contractor, the United States Government may transfer and assign all its rights, title and interest under this contract to SHAPE and that SHAPE may be substituted for the United States Government in this contract and may assume its responsibilities and liabilities hereunder. The Contractor further agrees to amend this contract in appropriate respects so as to give effect to the foregoing arrangement or alternatively to enter into a new contract with SHAPE which will accord SHAPE the same arrangements, rights and interest granted to the United States Government under this contract. It is agreed that all the provisions of this paragraph which apply to SHAPE shall be equally applicable to any other subsidiary body of NATO which may be substituted as successor to the United States.

23. *Covenant against Contingent Fees*

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor

for the purpose of securing business. For breach or violation of this warranty the United States Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage or contingent fee.

24. *Examination of Records*

A. The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers and records of the Contractor involving transactions related to this contract.

B. Except as otherwise authorized by the United States Deputy Advisor, the Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract with the United States Government, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the Subcontractor. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding \$1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

For the "Rijksverdedigings
Organisatie TNO" (RVO-TNO)
(National Defense Research
Council TNO):

Professor G. J. SIZOO
President, RVO-TNO

P. F. TANJA
Secretary, RVO-TNO

For the Government
of the United States
of America :

Ward H. MARIS, Maj. Gen., USA (Ret.)
Director, Mutual Weapons Development
Program (Contracting Officer)

Approved :
C. STAF
Minister of War

The Netherlands Minister for Foreign Affairs to the American Ambassador

MIN. VAN BUITENLANDSE ZAKEN

No. 8677

The Hague, January 15, 1955

Dear Mr Ambassador :

With reference to the letters exchanged between you and my Ministry, and to the letter of the Minister of Defense to General Gruenther concerning the establishment and operation, in the Netherlands, of a SHAPE Air Defense Technical Center,¹ I am pleased to let you know that foreign personnel of the Center who will temporarily reside in the Netherlands by reasons solely of their employment by the Center, in addition to the exemption of taxes on their salaries and emoluments as stated in the letter of the Minister of Defense to General Gruenther under (6), will for the purpose of the levying of taxes on income and property, be considered as non-residents.

It should be understood that with regard to this arrangement, a period of residence of 5 years after first arrival for employment at the Center will be considered as a temporary residence.

This arrangement will be subject to revision at the time of the transfer of the Center to SHAPE or to some designated subsidiary body of the North Atlantic Council.

The Minister for Foreign Affairs :

J. W. BEYEN

To H.E. H. Freeman Matthews
United States Ambassador
The Hague

¹ Not printed by the Department of State of the United States of America.