

No. 4448

**UNITED STATES OF AMERICA
and
DENMARK**

Exchange of notes (with appendix) constituting an agreement relating to an offshore procurement program for defense purposes. Copenhagen, 8 June 1954

Official text: English.

Registered by the United States of America on 24 July 1958.

**ÉTATS-UNIS D'AMÉRIQUE
et
DANEMARK**

Échange de notes (avec annexe) constituant un accord relatif à un programme d'achats *offshore* pour les besoins de la défense. Copenhague, 8 juin 1954

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 24 juillet 1958.

No. 4448. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND DENMARK RELATING TO AN OFFSHORE PROCUREMENT PROGRAM FOR DEFENSE PURPOSES. COPENHAGEN, 8 JUNE 1954

I

The American Ambassador to the Danish Minister for Foreign Affairs

AMERICAN EMBASSY

No. 583

Copenhagen, June 8, 1954

Excellency :

I have the honor to refer to the fact that the Government of the United States is engaged in a mutual program with the governments of the countries members of the North Atlantic Treaty² to provide as rapidly as possible for the defense of the North Atlantic community. As a part of this program, the United States has contributed substantial quantities of military equipment to its European partners. In large part this equipment has been produced within the United States. The Government of the United States now desires to procure within Europe certain of the equipment which it is to contribute to its partners. The extent of the offshore procurement program in Denmark is dependent upon various considerations including the ability of the United States to negotiate contracts at reasonable prices and with satisfactory delivery dates.

The primary objectives of the United States Government in engaging in this program of offshore procurement are the increase in the ability of the European members of the North Atlantic Treaty to equip and maintain their own forces and the rapid provision in Europe of equipment to meet NATO and other requirements. These objectives will govern the scope and location of the offshore procurement program. It is anticipated that such procurement will also provide additional economic support to those countries in which this program is undertaken.

¹ Came into force on 8 June 1954 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 43, p. 243; Vol. 126, p. 350, and Vol. 243, p. 308.

It is not the intention of the United States Government to engage in procurement which either substitutes for or interferes with the present and planned procurement programs of the other members of the North Atlantic Treaty. Rather, it is the desire of the United States Government to effect a close coordination of its plans for procurement with those of its partners, in order that there may be the most efficient use of resources. Similarly it is the desire and intention of the Government of the United States, in developing and executing its plans for offshore procurement, to take fully into account such recommendations as may be made by the North Atlantic Treaty Organization.

In connection with the foregoing, it is the desire of the Government of the United States to maintain maximum flexibility in the determination of the ultimate recipient of the military equipment or supplies which may be procured under the proposed offshore procurement program. Wherever and when feasible, the United States Government will notify the producing country of the recipient for which the procurement is contemplated. The proposed offshore procurement program is not limited to the procurement of equipment and supplies for delivery to the military forces of the other North Atlantic Treaty powers but also includes procurement for delivery to the military forces of the United States.

The United States Government intends that contracts for the offshore procurement program be placed and administered by the procurement officers of the United States military departments. Such procurement may include necessary services and the purchase, production, maintenance or repair of military end items or component parts.

The Government of the United States envisages that its procurement officers may be authorized to place contracts either on a government-to-government basis or directly with private producers, dependent upon the relative advantages of these methods in each case. The United States Government would, of course, provide the Government of Denmark with information regarding the agencies and personnel of the United States Government involved in the execution of the proposed offshore procurement program. Information would also be given from time to time with reference to the progress of the program.

The United States Government will conduct the offshore procurement program in accordance with the laws of the United States governing procurement and, to the extent applicable, the Mutual Security Program. It is also the intent of the United States that the offshore procurement shall be carried out in Denmark in furtherance of the principles set forth in the Mutual Security Act of 1951 and the Mutual Defense Assistance Control Act of 1951, and shall be so administered as to encourage free private enterprise, to discourage cartels and restrictive business practices, to encourage competition and productivity, and to encourage the development and strengthening of the free labor union movements as the collective bargaining instrument of labor. The United States Government considers that such policies result in the strengthening of the economic and political fabric of

the free Western world and thus contribute to greater moral and economic strength.

Inasmuch as the statutes of the United States prohibit utilization of a contract upon which payment is based on cost plus a percentage of cost, no such system of determining payment shall be employed in contracts entered into between the United States Government and either private contractors or the Government of Denmark.

The Government of the United States would appreciate being informed whether a program of offshore procurement in Denmark such as is described above is acceptable to the Government of Denmark. If such a program is acceptable, the United States Government desires to receive certain assurances from the Government of Denmark which are considered essential to the effective execution of such a program.

Specifically, the Government of the United States desires to be assured that the Government of Denmark :

(a) Will do its utmost, within the framework of Danish law, to insure that materials, equipment, and labor necessary to fulfill production schedules under contracts let under this program will be available to the contractor at the times and in the quantities required to meet the production schedules ;

(b) Will take all reasonable action to assure that contractors who require credit facilities or foreign currencies in order to fulfill contracts let under the program are provided them on a timely basis and on reasonable conditions ;

(c) Will facilitate and assure the granting of any necessary licenses, including exchange control, export and import licenses, which may be required in connection with contracts let by the United States in Denmark under this program, and will, to the maximum degree consistent with the defense requirements of Denmark, similarly facilitate and assure the granting of such licences as may be required in connection with contracts let by the United States in other North Atlantic Treaty or European Defense Community countries ;

(d) Will render all appropriate assistance to facilitate the enforcement of the provisions of contracts let under this program and approves for use, as appropriate, in contracts between the Government of Denmark and the Government of the United States the standard clauses set forth in the appendix¹ to this note. Other clauses may be agreed upon with respect to individual contracts ;

(e) Will furnish to United States contracting officers such information as may be requested regarding the placement by the Danish Government of subcon-

¹ See p. 146 of this volume.

tracts and purchase orders under such contracts as are entered into between the United States Government and the Government of Denmark ;

(f) Agrees that it will not utilize the type of contract in which payment is made on the basis of cost plus a percentage of cost in subcontracts under any contract between the United States Government and the Government of Denmark ;

(g) Agrees that Denmark does not have any law authorizing the recoupment of excess profits similar to the Renegotiation Act of 1951 of the United States ;

(h) Agrees that, on offshore procurement contracts entered into between the Government of the United States and the Government of Denmark, no profits of any nature, including net gains resulting from fluctuations in exchange rates, will be made by the Government of Denmark ; agrees to determine whether it has realized any such profit, and in such event, or in the event that the United States Government considers that such profit may have been realized, to enter immediately into conversations with the United States Government for the purpose of determining the existence and the amount of such profit ; agrees that during such conversations the United States Government shall have access to such documents and accounting data as may be necessary to determine the facts ; agrees that in the computation of profits hereunder, the contracts shall be taken collectively ; agrees that if as a result of conversations between the respective Governments it is established that profit has been realized by the Danish Government on such contract, it will refund the amount of the profit to the United States Government under arrangements and procedures to be agreed upon by the two Governments ; agrees that upon the request of either the Government of the United States or the Government of Denmark that a refund adjustment will be accomplished on completed contracts at the earliest practicable date, such adjustment to be effected on or before December 31, 1954, or such later dates as may be mutually agreed upon by the two governments. Nothing herein shall be construed as affecting in any manner any profit-refunding provisions as may be contained in individual contracts ;

(i) Agrees that the inspection of all materials, services, supplies and equipment procured by the United States Government in Denmark from the Danish Government, in order to ensure conformity with contract specifications and requirements is the responsibility of and will be effected by the Government of Denmark ;

Agrees further that the similar inspection of all materials, services, supplies and equipment procured by the United States Government in Denmark from private contractors is the responsibility of the United States Government but that the Danish Government will insofar as feasible, undertake any such inspections at the request of the United States Government ;

Agrees further that any inspections made by the Danish Government will be free of cost or charge to the United States ;

Agrees further that even in cases where responsibility for inspection has been assumed by the Danish Government that similar inspections may be carried out by representatives of the United States Government and that they will be accorded

necessary facilities by the Danish Government, it being the understanding of the Danish Government in this connection that such inspections by United States Government representatives will insofar as feasible be conducted in company with Danish Government representatives, will be the subject of reports by United States Government representatives to appropriate Danish Government representatives, and will not in general be duplicative of inspections conducted by the Danish Government ;

(j) Agrees that the undertakings with regard to relief from Danish taxation set forth in the Note of April 7, 1952¹ from the Danish Foreign Office are applicable to expenditures under this program ;

(k) Agrees that the following security clauses will be applicable :

In the case of procurement contracts placed by the United States Government with the Government of Denmark, any classified material, including information delivered by one Government to the other will be given a security classification by the recipient government which will afford to the material substantially the same degree of security as that afforded by the originating Government and will be treated by the recipient Government as its own classified material of that security grading. The recipient Government will not use such material, or permit it to be used, for other than military purposes and will not disclose such material, or permit it to be disclosed, to another nation without the consent of the originating Government ;

In the case of procurement contracts placed by the United States Government with private Danish contractors, similar security arrangements for classified material will be followed. Classified material of the United States Government needed by a Danish contractor will be delivered to the appropriate Ministry of the Danish Government. An official of that Ministry will transmit the material to the contractor in such a way as to make the provisions of the Danish Civil Penal Act of 15th April 1930, as amended by Law of 7th June 1952, applicable to it. Such material will, prior to transmittal, receive a security classification of the Danish Government which will afford to the material substantially the same degree of security as that afforded by the United States Government, and at the time of transmittal the Danish Government will notify the contractor that the classified material delivered to him is also classified material of the Danish Government and subject to the provisions of the Danish Civil Penal Act of 15th April 1930, as amended by Law of 7th June 1952 ;

(l) Will, in order to ensure adequate protection of classified information and material, upon request of the United States Government, take requisite security

¹ United Nations, *Treaty Series*, Vol. 177, p. 257.

measures ; talks will be initiated whenever such measures are desired in order to agree upon measures which are acceptable to both Governments ;

No charges will be made by the Government of Denmark for services rendered pursuant to this clause ;

(m) Considers that according to present law and practice in Denmark, the Government of the United States is protected against suits or legal process or other legal liability in Denmark.

Considers that the property of the United States Government is immune from legal process or other legal action which would deprive the United States Government of such property.

(n) Agrees that contracting officers and other authorized procurement personnel who are in Denmark in connection with the offshore procurement program and whose names will have been duly reported to the Danish Government will be accorded the privileges and immunities set forth in paragraphs (b) and (c) of Annex B to the Mutual Defense Assistance Agreement between the United States and Denmark signed at Washington on January 27, 1950¹ provided that upon entry into force² of the NATO Status of Forces Agreement³ between the United States and Denmark, the status of such contracting officers and other authorized procurement personnel will be reconsidered in the light of that agreement, such other pertinent agreements as may be in force between the two Governments and such other considerations as may be appropriate ;

(o) Will take suitable steps to encourage free competitive bidding in instances where it appears that such free competitive bidding is prevented or interfered with by reason of private or other arrangements.

The program of offshore procurement in Denmark is dependent upon the receipt by the United States Government of advice that such program is acceptable to the Government of Denmark, and of assurances with regard to the particular points set forth in the preceding paragraph.

Please accept, Excellency, the renewed assurance of my highest consideration.

Robert COE

Appendix :

Model Contract (in triplicate).

His Excellency H. C. Hansen
Minister for Foreign Affairs
Copenhagen

¹ United Nations, *Treaty Series*, Vol. 48, p. 115.

² 27 June 1955.

³ United Nations, *Treaty Series*, Vol. 199, p. 67 ; Vol. 200, p. 340 ; Vol. 260, p. 452, and Vol. 286, p. 380.

MODEL CONTRACT

Contract No. _____

NEGOTIATED CONTRACT FOR THE PROCUREMENT OF SUPPLIES, SERVICES, AND
MATERIALS IN _____

This contract is entered into by the United States Government pursuant to the provisions of Section 2 (c) (1) of the Armed Services Procurement Act of 1947, as amended (41 U.S. Code 151 *et seq.*) and other applicable law.

Funds Chargeable : _____

Amount of Contract : _____

Fiscal Officer : _____

PAYMENT : to be made in United States Dollars

by _____

at _____

to _____

This contract is entered into this _____ day of _____ 19____ by and between the United States of America (hereinafter called the United States Government) represented by the Contracting Officer executing this contract and the _____ (hereinafter called the _____ Government) represented by _____.

This contract is executed subject to the agreement and conditions included in the Memorandum of Understanding between the United States Government and the _____ Government relating to procurement of supplies, services and materials dated _____.

The parties hereto agree that the _____ Government shall furnish and deliver all of the supplies and perform all the services set forth in the Schedule for the consideration stated therein.

GENERAL PROVISIONS

1. *Definitions*

As used throughout this contract the following terms shall have the meanings set forth below :

(a) The term "Secretary" means the Secretary, the Under-Secretary, or any Assistant Secretary of the United States Military Department concerned ; and the term "his duly authorized representative" means any person or persons (other than the Contracting Officer) authorized to act for the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the United States Government, and any other officer or civilian employee who is properly designated Contracting Officer ; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) The term "United States Government" means the United States of America.

(d) The term "_____ Government" means the _____ or any officer duly authorized to act on behalf of the _____ Government in relation to this contract.

(e) Except as otherwise provided in this contract, the term "subcontracts" means any agreement, contract, subcontract, or purchase order made by the _____ Government with any contractor in fulfillment of any part of this contract, and any agreements, contracts, subcontracts or purchase orders thereunder.

2. *Changes*

The Contracting Officer may at any time, by a written order make changes, within the general scope of this contract, in any one or more of the following :

(i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the United States Government in accordance therewith ;

(ii) Method of shipment or packing ; and

(iii) Place of delivery.

If any such change causes an increase or decrease in the cost of, or the time required for, performance of this contract an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the _____ Government for adjustment under this clause must be asserted within thirty days from the date of receipt by the _____ Government of the notification of change ; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Nothing in this clause shall excuse the _____ Government from proceeding with the contract as changed.

3. *Extras*

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefor has been authorized in writing by the Contracting Officer.

4. *Variation in quantity*

No variation in the quantity of any item called for by this contract will be accepted unless such variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified elsewhere in this contract.

5. *Inspection*

(a) Adequate inspection and test of all supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and end products) to

insure conformity with drawings, designs and specifications of the contract shall be effected by the _____ Government.

(b) The _____ Government will furnish a certificate or certificates stating that the inspection has been made and that all supplies, services or materials covered by the certificate meet all requirements of the schedules, drawings, designs and specifications of the contract.

(c) United States Government representatives shall have the right to verify the certifications and to verify that (1) the end items conform to standards and to drawings, designs and specifications and (2) the quantity of end items specified is delivered. United States representatives will notify the appropriate _____ Government representatives when they intend to conduct inspections and such inspections will, insofar as feasible, be conducted promptly.

(d) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this contract, the United States Government shall have the right to either reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or corrected in place, as requested by the Contracting Officer, by and at the expense of the _____ Government promptly after notice, and shall not again be tendered for acceptance unless the former tender and either the rejection or requirement for correction is disclosed.

(1) The _____ Government will provide and require their contractors and subcontractors to provide to the United States Government inspectors, without additional charge to the United States Government, reasonable facilities and assistance for the safety and convenience of the United States Government representatives in the performance of their duties. Final acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in this contract; but failure to inspect and accept or reject supplies shall neither relieve the _____ Government from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability on the United States Government therefor.

(2) The inspection and test by the United States Government of any supplies or lots thereof does not relieve the _____ Government from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to final acceptance. Except as otherwise provided in this contract, final acceptance shall be conclusive except as regards latent defects.

(e) The _____ Government shall provide and maintain an inspection system acceptable to the United States Government covering the supplies hereunder. Records of all inspection work by the _____ Government shall be kept complete and available to the United States Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

6. *Responsibility for supplies*

Except as otherwise provided in this contract, (1) the _____ Government shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; and (2) the _____ Government shall bear all risks as to rejected supplies after notice of rejection.

7. *Termination*

(a) The performance of work under this contract may be terminated by the United States Government in accordance with this clause in whole, or, from time to time, in part, whenever the Contracting Officer shall determine that such termination is in the best interests of the United States Government. Any such termination shall be effected by delivery to the _____ Government of a Notice of Termination specifying to the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.

(b) After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, the _____ Government shall (1) stop work under the contract on the

date and to the extent specified in the Notice of Termination ; (2) place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract as is not terminated ; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination ; (4) assign to the United States Government, in the manner, at the times, and to the extent directed by the Contracting Officer, all of the right, title, and interest of the _____ Government under the orders and subcontracts so terminated ; (5) settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Contracting Officer to the extent he may require, which approval or ratification shall be final for all the purposes of this clause ; (6) transfer title and deliver to the United States Government, in the manner, at the times, and to the extent, if any, directed by the Contracting Officer, (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of, the work terminated by the Notice of Termination, and (ii) the completed or partially completed plans, drawings, information, and other property which, if the contract had been completed, would have been required to be furnished to the United States Government ; (7) use its best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting Officer, any property of the types referred to in provision (6) of this paragraph, *provided, however*, that the _____ Government (i) shall not be required to extend credit to any purchaser, and (ii) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer ; and *provided* further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the United States Government to the _____ Government under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct ; (8) complete performance of such part of the work as shall not have been terminated by the Notice of Termination ; and (9) take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract which is in the possession of the _____ Government and in which the United States Government has or may acquire an interest. At any time after expiration of the plant clearance period, as defined in Section VIII, Armed Services Procurement Regulation, as it may be amended from time to time, the _____ Government may submit to the Contracting Officer a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by the Contracting Officer, and may request the United States Government to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, the United States Government will accept title to such items and remove them or enter into a storage agreement covering the same, provided that the list submitted shall be subject to verification by the Contracting Officer upon removal of the items, or if the items are stored within forty-five (45) days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

(c) After receipt of a Notice of Termination, the _____ Government shall submit to the Contracting Officer its termination claim, in the form and with the certification prescribed by the Contracting Officer. Such claim shall be submitted promptly but in no event later than two years from the effective date of termination, unless one or more extensions in writing are granted by the Contracting Officer, upon request of the _____ Government made in writing within such two-year period or authorized extension thereof. However, if the Contracting Officer determines that the facts justify such action, he may receive and act upon any such termination claim at any time after such two-year period or any extension thereof. Upon failure of the _____ Government to submit its termination claim within the time allowed, the Contracting Officer may determine, on the basis of information available to him, the amount, if any, due to the _____ Government by reason of the termination and shall thereupon pay to the _____ Government the amount so determined.

(d) Subject to the provisions of paragraph (c), the _____ Government and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid

to the _____ Government by reason of the total or partial termination of work pursuant to this clause. The contract shall be amended accordingly, and the _____ Government shall be paid the agreed amount.

(e) Any determination of costs under paragraph (c) hereof shall be governed by the Statement of Principles for Consideration of Costs set forth in Part 4 of Section VIII of the Armed Services Procurement Regulations, as in effect on the date of this contract.

(f) In arriving at the amount due the _____ Government under this clause there shall be deducted (1) all unliquidated payments on account theretofore made to the _____ Government, (2) any claim which the United States Government may have against the _____ Government in connection with this contract, and (3) the agreed price for, or the proceeds of sale of, any materials supplies, or other things acquired by the _____ Government or sold, pursuant to the provisions of this clause, and not otherwise recovered by or credited to the United States Government.

(g) If the termination hereunder be partial, prior to the settlement of the terminated portion of this contract, the _____ Government may file with the Contracting Officer a request in writing for an equitable adjustment of the price or prices specified in the contract relating to the continued portion of the contract (the portion not terminated by the Notice of Termination) and such equitable adjustment as may be agreed upon shall be made in such price or prices.

(h) Upon notification to the United States Government by the _____ Government that the _____ Government is precluded from performing the contract in accordance with its terms and conditions due to circumstances beyond its control the two Governments will consult with a view toward negotiating an amendment to this contract. If the two Governments cannot agree to an amendment extending the time of performance or otherwise modifying the contract so as to enable the _____ Government to perform it, the United States Government may terminate this contract by reason of the inability of the _____ Government to perform it. Such termination shall be without cost to the United States Government and without liability of either Government to the other; provided that the parties hereto may agree upon the transfer to the United States Government of any or all of the property of the types referred to in paragraph (b) (6) above, in which event the United States Government will pay to the _____ Government (i) the price provided in the contract for items completed in accordance with the contract requirements, and (ii) a price mutually agreed upon for other items.

(i) Unless otherwise provided for in this contract, or by applicable statute, the _____ Government, from the effective date of termination and for a period of six years after final settlement under this contract, shall preserve and make available to the United States Government at all reasonable times at the office of the _____ Government but without direct charge to the United States Government, all its books, records, documents, and other evidence bearing on the costs and expenses of the _____ Government under this contract and relating to the work terminated hereunder, or, to the extent approved by the Contracting Officer, photographs, micro-photographs, or other authentic reproductions thereof.

8. Taxes

(a) The contract prices, including the prices in subcontracts hereunder, do not include any tax or duty which the Government of the United States and the Government of _____ have agreed shall not be applicable to expenditures in _____ by the United States, or any other tax or duty not applicable to this contract under the laws of _____. If any such tax or duty has been included in the contract prices through error or otherwise, the contract prices shall be correspondingly reduced.

(b) If, after the contract date, the Government of the United States and the Government of _____ shall agree that any tax or duty included in the contract prices shall not be applicable to expenditures in _____ by the United States, the contract prices shall be reduced accordingly.

9. *Subcontracting*

(a) The _____ Government undertakes that in any subcontract made in connection with this contract they will employ the same procurement methods and procedures as they employ in contracting for their own requirements.

(b) The _____ Government agrees to indemnify and save harmless the United States Government against all claims and suits of whatsoever nature arising under or incidental to the performance of this contract, by any subcontractor against the _____ Government or the United States Government.

(c) The _____ Government shall not enter into any subcontract with other than NATO countries or private contractors therein for supplies or services in any way incidental to performance of this contract without prior written approval of the Contracting Officer.

10. *Payments*

The _____ Government shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the United States Government when the amount due on such deliveries so warrants; or, when requested by the _____ Government, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either \$1,000 or 50 % of the total amount of this contract.

11. *United States officials not to benefit*

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

12. *Covenant against contingent fees*

The _____ Government 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 _____ Government 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.

13. *Gratuities*

The _____ Government agrees to apply to this contract the provisions embodied in Section 631 of Public Law 179 and Section 629 of Public Law 488, 82nd Congress of the United States.

14. *Filing of patent applications*

While and so long as the subject matter of this contract is classified security information, the _____ Government agrees that it will not file, or cause to be filed, an application or registration for patent disclosing any of said subject matter without first referring the proposed application or registration to the Contracting Officer for determination as to whether, for reasons of security, permission to file such application or registration should be denied, or whether such application may be filed on conditions imposed by the Contracting Officer.

15. *Copyright*

(a) The _____ Government agrees to and does hereby grant to the United States Government, and to its officers, agents and employees acting within the scope of their

official duties, (i) a royalty-free, non-exclusive and irrevocable license to publish, translate, reproduce, deliver, perform, use, and dispose of, and to authorize, in behalf of the United States Government or in the furtherance of mutual defense, others so to do, all copyrightable material first produced or composed and delivered to the United States Government under this contract by the _____ Government, its employees or any individual or concern specifically employed or assigned to originate and prepare such material ; and (ii) a license as aforesaid under any and all copyrighted or copyrightable work not first produced or composed by the _____ Government in the performance of this contract but which is incorporated in the material furnished under the contract, provided that such license shall be only to the extent that the _____ Government now has or prior to completion of final settlement of this contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

(b) The _____ Government agrees that it will exert all reasonable effort to advise the Contracting Officer, at the time of delivering any copyrightable or copyrighted work furnished under this contract, of any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

(c) The _____ Government agrees to report to the Contracting Officer, promptly and in reasonable written detail, any notice or claim of copyright infringement received by the _____ Government with respect to any material delivered under this contract.

16. *Guaranty*

The _____ Government undertakes that the benefit any guarantee obtained in respect of any subcontract shall be passed on to the United States Government.

17. *Security*

Any materials, documents, designs, drawings, or specifications delivered by the United States Government to the _____ Government and any materials, documents, designs, drawings, specifications or supplies delivered by the _____ Government to the United States Government in the performance of this contract which are classified by the originating Government as "Top Secret," "Secret," "Confidential" or "Restricted," shall be given a security classification by the recipient Government which will afford to the material substantially the same degree of security as that afforded by the originating Government and shall be treated by the recipient Government as its own classified material of that security grading.

The recipient Government will not use such material including information, or permit it to be used, for other than military purposes and will not disclose such material, or permit it to be disclosed, to another nation without the consent of the originating Government.

The receiving Government will, on request, give to the originating Government an acknowledgment of receipt in writing for any such classified material.

The recipient Government agrees to include appropriate provisions covering military security material including information in all subcontracts hereunder.

18. *Technical information*

The _____ Government agrees that the United States Government shall have the right to duplicate, use and disclose, in behalf of the United States Government or in the furtherance of mutual defense, all or any part of the reports, drawings, blueprints, data and technical information, specified to be delivered by the _____ Government to the United States Government under this contract.

19. *Assignment of claims*

No claim arising under this contract shall be assigned by the _____ Government except as follows :

(a) Pursuant to the provisions of the Assignment of Claims Act of 1940 as amended (31 U. S. Code 203, 41 U. S. Code 15), if this contract provides for payments aggregating \$1,000 or more claims for moneys due or to become due the _____ Government from the United States Government under this contract may be assigned to a bank, trust company, or other financing institutions, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing.

(b) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," "Confidential," or "Restricted" be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same; *provided*, that a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed to such assignee upon the prior written authorization of the Contracting Officer.

20. *Labor relations and standards*

The provisions of this contract and the performance hereunder shall be subject to and in accordance with the laws of the Government of _____ and any political subdivision thereof, from time to time in effect, which govern the hours, wages, labor relations (including collective bargaining), workman's compensation, working conditions, and other matters pertaining to labor.

21. *Reporting of royalties*

If this contract is in an amount which exceeds \$10,000 the _____ Government agrees to report in writing to the Contracting Officer during the performance of this contract the amount of royalties paid or to be paid by it directly to others in the performance of this contract. The _____ Government further agrees (i) to furnish in writing any additional information relating to such royalties as may be requested by the Contracting Officer, and (ii) to insert a provision similar to this clause in any subcontract hereunder which involves an amount in excess of the equivalent of ten thousand United States dollars.

22. *Examination of records*

The following clause is applicable to the extent required by the laws of the United States :

(a) The _____ Government 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 _____ Government involving transactions related to this contract.

(b) The _____ Government 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 subcontract. 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.

The rights and obligations of the parties to this contract shall be subject to and governed by the Cover Sheet, the Schedule consisting of _____ numbered pages, the General Provisions consisting of 18 numbered pages and this Signature Sheet. To the extent of any inconsistency between the Schedule or the General Provisions, and any specifications or other provisions which are made a part of this contract by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control. It is agreed that quotations and/or conversations leading up to and during the negotiations of this contract have been consummated by signing this contract which, together with the memorandum of understanding dated _____, constitutes the entire agreement between the parties hereto. The provisions of this contract shall be interpreted on the basis of the laws of the United States and the English language version of the contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

_____ By _____ _____ (Authorized Officer) _____ (Address) For _____	The United States of America : By _____ _____ (Contracting Officer) _____ (Address)
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II

The Danish Minister for Foreign Affairs to the American Ambassador

UNDENRIGSMINISTERIET¹

Ø.P.IV. Journal nr. 105.X2.h.

Copenhagen, June 8, 1954

Your Excellency,

I have the honour to refer to your note of June 8, 1954, which reads as follows :

[See note I]

In reply, I have the honour to confirm that the program outlined in the Embassy's note is acceptable to the Government of Denmark. Specifically, the Government of Denmark wish to give its assurances to the Government of the

¹ Ministry of Foreign Affairs.

United States with regard to the particular points set forth in the last paragraph but one of the said note.

Accept, Excellency, the renewed assurances of my most distinguished consideration.

H. C. HANSEN

His Excellency Robert Douglas Coe
Ambassador to the United States of America
Copenhagen