

No. 4747

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
FEDERAL REPUBLIC OF GERMANY**

**Agreement (with annex and exchange of letters) regarding
the settlement of the United Kingdom claim in respect
of post-war economic assistance to Germany. Signed
at London, on 27 February 1953**

Official texts: English and German.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
15 June 1959.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Accord (avec annexe et échange de lettres) sur le règlement
de la créance du Royaume-Uni au titre de l'assistance
économique fournie à l'Allemagne après la guerre.
Signé à Londres, le 27 février 1953**

Textes officiels anglais et allemand.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
15 juin 1959.*

No. 4747. AGREEMENT¹ BETWEEN HER MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY REGARDING THE SETTLEMENT OF THE UNITED KINGDOM CLAIM IN RESPECT OF POST-WAR ECONOMIC ASSISTANCE TO GERMANY. SIGNED AT LONDON, ON 27 FEBRUARY 1953

Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as " Her Majesty's Government ") of the one part and

The Government of the Federal Republic of Germany (hereinafter referred to as " the Federal Government ") of the other part,

Considering that, by an agreement on 6th March, 1951,² with the Governments of the United Kingdom, the United States of America and the French Republic (hereinafter called " the three Governments "), the Federal Government acknowledged in principle the liability of the Federal Republic for the debts arising from the economic assistance furnished to Germany since 8th May, 1945, and stated its readiness to accord the obligations arising from this economic assistance priority over all other foreign claims against Germany or German nationals;

Considering that the three Governments had informed the Federal Government that, in order to facilitate an overall settlement of Germany's external debts, they were prepared to make important concessions with respect both to priority and to the total amount of their claims for post-war economic assistance, on condition that a satisfactory and equitable settlement of Germany's pre-war debts was achieved;

Considering that the three Governments have this day signed an Agreement between the Governments of the interested creditor countries and the Federal Government to give effect to settlement terms for Germany's pre-war external debts,³ which were recommended by the International Conference on German

¹ In accordance with article 10, the Agreement came into force on 16 September 1953, the date of entry into force of the Agreement of 27 February 1953 on German external debts, the instruments of ratification having been exchanged at London on 4 September 1953.

² United Nations, *Treaty Series*, Vol. 106, p. 141.

³ United Kingdom of Great Britain and Northern Ireland : *Treaty Series No. 7 (1959)*, Cmnd. 626. Will also appear in United Nations, *Treaty Series*, Vol. 333.

External Debts and which the three Governments found to be satisfactory and equitable;

Have agreed as follows :

Article 1

Her Majesty's Government will accept the payment of the sum of £150,000,000 (one hundred and fifty million pounds sterling), in the manner provided in Article 2, as a full and final discharge of all their claims amounting to £201,800,000 (two hundred and one million eight hundred thousand pounds sterling) in respect of the economic assistance furnished to Germany by the United Kingdom since 8th May, 1945, details of which are set out in the Annex¹ to the present Agreement.

Article 2

The Federal Government will pay to Her Majesty's Government the sum of £150,000,000 (one hundred and fifty million pounds sterling) by twenty equal yearly instalments of £7,500,000 (seven million five hundred thousand pounds sterling) each payable on 1st August. The first payment shall become due on 1st August, 1953.

Article 3

Her Majesty's Government will be responsible for meeting any liabilities outstanding on 30th September, 1951, in connexion with the imports into Germany by Her Majesty's Government since 8th May, 1945, and the Federal Government waive all claims in respect of any amounts collected by Her Majesty's Government after 30th September, 1951, as proceeds of exports from the British Zone of Occupation before 1st January, 1947.

Article 4

The Federal Government on behalf of itself and of all persons subject to its jurisdiction hereby releases and discharges Her Majesty's Government and all organisations and persons who have acted on behalf of or under the authority of Her Majesty's Government from any claims and liabilities arising out of or relating to the execution of the programme of economic assistance furnished to Germany since 8th May, 1945, and covered by the present Agreement, or arising out of or relating to the use of counterpart funds.

Article 5

In the event of the failure on the part of the Federal Government to make the payments agreed to be made in Article 2 of the present Agreement, the

¹ See p. 224 of this volume.

claim of Her Majesty's Government amounting to £150,000,000 (one hundred and fifty million pounds sterling) shall become due and payable in full, subject, however, to the deduction of the instalments previously paid by the Federal Government under the present Agreement.

Article 6

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

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

Article 7

In the event of the Federal Republic making a payment under agreements on post-war economic assistance entered into contemporaneously with the United States and France, which it is not required to make pursuant to the terms of such agreements, it shall, unless Her Majesty's Government agree otherwise, make proportionate payments with respect to the indebtedness under the present Agreement.

Article 8

If at any time the Parties to the present Agreement determine that it would be in their common interests, because of adverse economic conditions, or for any other reasons, to alter the provisions of the present Agreement relating to payment, or in any other respect, they will by mutual agreement in writing provide for such alteration or modification.

Article 9

The present Agreement shall be subject to ratification. Instruments of ratification shall be exchanged at London.

Article 10

The present Agreement shall enter into force when the instruments of ratification have been exchanged but not before the entry into force of the Agreement on German External Debts signed this day at London.

IN WITNESS WHEREOF the undersigned, having been duly authorised by their respective Governments, have signed the present Agreement.

DONE in duplicate at London this twenty-seventh day of February nineteen hundred and fifty-three, in the English and German languages respectively, both texts being equally authoritative.

George RENDEL
ABS

ANNEX

SUMMARY OF UNITED KINGDOM EXPENDITURE ON ECONOMIC ASSISTANCE TO GERMANY
FROM 8TH MAY, 1945-30TH SEPTEMBER, 1951

	<i>£ million</i>
1. Imports through Combined Civil Affairs channels	23·7
2. Other imports up to 31st December, 1946	87·2
3. 1947 Imports	78·6
4. 1948 to 1950 Imports	31·3
	<hr/> 220·8
5. <i>Less</i> proceeds of exports by Military Government in British Zone of Germany up to 31st December, 1946	45·3
	<hr/> 175·5
6. Contributions by the United Kingdom to the Joint Export-Import Agency (J.E.I.A.) in cash and goods as Working Capital	23·4
7. Payment to the Joint Export-Import Agency in final settlement of obliga- tions under the Revised Fusion Agreement	2·5
8. Deferred charge for supplies and surplus stores furnished by the British Army of the Rhine	·4
	<hr/> 201·8

EXCHANGE OF LETTERS

I

Sir George Rendel to Herr Hermann J. Abs

London, 27th February, 1953

Dear Herr Abs,

In connexion with the Agreement we have this day signed concerning the settlement of the claim of Her Majesty's Government in the United Kingdom in respect of post-war economic assistance to Germany,¹ I confirm that the payments which are to be made under that Agreement will be effected in accordance with the current payment arrangements between our respective countries. Further, while both our Governments are members of the European Payments Union, it is agreed by Her Majesty's Government that these payments shall be brought to account through the accounting arrangements of the European Payments Union.

Yours sincerely,

George RENDEL

II

Herr Hermann J. Abs to Sir George Rendel

[GERMAN TEXT — TEXTE ALLEMAND]

London, den 27. Februar 1953

Sehr geehrter Sir George,

Ich bestätige mit Dank den Eingang Ihres Schreibens vom heutigen Tage, betreffend die Zahlungsweise für die Beträge, die nach dem Abkommen über die Regelung der Ansprüche Ihrer Regierung aus der Nachkriegs-Wirtschaftshilfe zu leisten sind; das Schreiben lautet wie folgt :

[*See English text, letter I — Voir lettre I, texte anglais*]

Das Schreiben lautet in deutscher Übersetzung :

„Im Zusammenhang mit dem von uns heute unterzeichneten Abkommen über die Regelung der Ansprüche Ihrer Majestät Regierung im Vereinigten Königreich aus der Deutschland geleisteten Nachkriegs-Wirtschaftshilfe bestätige ich, dass die nach diesem Abkommen zu leistenden Zahlungen gemäss den zwischen unseren Ländern jeweils in Kraft befindlichen Zahlungsabkommen durchgeführt werden. Des weiteren ist Ihrer

¹ See p. 218 of this volume.

Majestät Regierung damit einverstanden, dass diese Zahlungen über das Verrechnungssystem der Europäischen Zahlungsunion verrechnet werden, solange unsere beiden Regierungen der Europäischen Zahlungsunion angehören.“

Ihr sehr ergebener,

ABS

[TRANSLATION¹ — TRADUCTION²]

London, February 27, 1953

Dear Sir George,

I have to acknowledge and thank you for your letter of to-day's date concerning the method of payment of the amounts due under the Agreement on the settlement of your Government's claim in respect of post-war economic assistance; the letter reads as follows :

[*See letter I*]

The letter in German translation reads :

[*See above*]

Yours sincerely,

ABS

¹ Translation by the Government of the United Kingdom.

² Traduction du Gouvernement du Royaume-Uni.