

Treaty Dept

NETHERLANDS

831



Treaty Series No. 72 (1949)

## Exchange of Notes

between His Majesty's Government in the United Kingdom  
and the Royal Netherlands Government regarding  
settlement for United Kingdom purchases  
from the Netherlands under  
long-term contracts

The Hague, 7th July, 1949

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of His Majesty*

LONDON  
HIS MAJESTY'S STATIONERY OFFICE

ONE PENNY NET

Cmd. 7843

EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT  
IN THE UNITED KINGDOM AND THE ROYAL NETHERLANDS  
GOVERNMENT REGARDING SETTLEMENT FOR UNITED  
KINGDOM PURCHASES FROM THE NETHERLANDS UNDER  
LONG-TERM CONTRACTS.

*The Hague, 7th July, 1949*

No. 1

*His Majesty's Ambassador at The Hague to the Netherlands  
Minister of Foreign Affairs*

*British Embassy,*

*The Hague, 7th July, 1949.*

Sir,

I HAVE the honour to put on record the understanding reached between our two Governments in connection with long-term contracts (*i.e.*, contracts for a period of 3 years or more) in respect of United Kingdom purchases from the Netherlands.

2. It is not possible at this stage to foresee the effect on the balance of payments, between the sterling area on the one hand and the Netherlands and the Belgium-Luxembourg Union on the other hand, of the arrangements at present contemplated for the formation of an economic union between the Netherlands and the Belgium-Luxembourg Union.

3. In these circumstances, it is understood between the Royal Netherlands Government and His Majesty's Government in the United Kingdom that if, following arrangements for the formation of an economic union between the Netherlands and the Belgium-Luxembourg Union, His Majesty's Government in the United Kingdom are involved in a liability to make settlements in gold or hard currency, other than a liability emanating from an eventual Western European payment arrangement, the Royal Netherlands Government and His Majesty's Government in the United Kingdom shall consult together and use their best endeavours to avoid the liability for such settlements; and, failing other agreed measures for this purpose, His Majesty's Government in the United Kingdom shall have the right to reduce their purchases under long-term contracts as may be necessary.

I avail, &c.

(Sd.)

PHILIP NICHOLS.

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No. 2

*The Netherlands Minister of Foreign Affairs to His Majesty's  
Ambassador at The Hague*

*Ministry of Foreign Affairs,*

*The Hague, 7th July, 1949.*

Sir,

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 7th July, 1949, reading as follows:—

[As in No. 1]

I have the honour to inform your Excellency that Her Majesty's Government accept the above understanding and will regard your Excellency's note and the present reply as constituting an agreement between our two Governments in this matter.

I avail, &c.

(Sd.)

STIKKER.