



Treaty Series No. 9 (1952)

Exchange of Notes

between the Government of the United Kingdom
of Great Britain and Northern Ireland and the
Government of the United States of America

on United States Economic Aid

London, 8th January, 1952

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of Her Majesty
February 1952*

LONDON
HER MAJESTY'S STATIONERY OFFICE

THREEPENCE NET

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND AND THE GOVERNMENT OF THE UNITED STATES
OF AMERICA ON UNITED STATES ECONOMIC AID**

London, 8th January, 1952

No. 1

*The United States Ambassador at London to the Secretary of State for
Foreign Affairs*

American Embassy,

Excellency:

London, January 8, 1952.

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the Economic Cooperation Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland signed at London on July 6, 1948,⁽¹⁾ as amended by Exchanges of Notes on January 3, 1950,⁽²⁾ and on May 25, 1951,⁽³⁾ to the Mutual Defence Assistance Agreement between our two Governments signed at Washington on January 27, 1950,⁽⁴⁾ and to the enactment by the Congress of the United States of the Mutual Security Act of 1951, Public Law 165, 82nd Congress. I also have the honor to confirm the understandings reached as a result of these conversations, as follows:—

(1) The Government of the United Kingdom have expressed their adherence to the purposes and policies of the Economic Cooperation Act of 1948 as heretofore amended, including the statement of purpose contained in Section 2 of the Mutual Security Act of 1951, which recognizes the primary importance of strengthening the mutual security and individual and collective defences of the free world, developing their resources in the interest of the security and independence and national interest of friendly countries and facilitating the effective participation of those countries in the United Nations system for collective security.

(2) Whenever reference is made in this Note or in any of the articles of the Economic Cooperation Agreement to the Economic Cooperation Act of 1948; or to that Act as amended, or in this Note or in any articles of the Mutual Defence Assistance Agreement to the Mutual Defence Assistance Act of 1949 or to that Act as amended, such reference shall be construed as meaning the Economic Cooperation Act of 1948, or the Mutual Defence Assistance Act of 1949, respectively, as heretofore amended.

(3) The Government of the United Kingdom confirm that they have agreed to—

- (a) join in promoting international understanding and goodwill, and maintaining world peace;
- (b) take such action as may be mutually agreed upon to eliminate causes of international tension;

(1) "Treaty Series No. 41 (1948)," Cmd. 7469.

(2) "Treaty Series No. 32 (1950)," Cmd. 7961.

(3) "Treaty Series No. 48 (1951)," Cmd. 8275.

(4) "Treaty Series No. 13 (1950)," Cmd. 7894.

- (c) fulfil the military obligations which they have assumed under multi-lateral or bilateral agreements or treaties to which the United States is a party;
- (d) make, consistent with their political and economic stability, the full contribution, permitted by their manpower, resources, facilities, and general economic condition, to the development and maintenance of their own defensive strength and the defensive strength of the free world;
- (e) take all reasonable measures which may be needed to develop their defence capacities; and
- (f) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

(4) The two Governments will establish such procedures as may be practicable under which equipment and material furnished by the Government of the United States under the Mutual Defence Assistance Act of 1949, or by either Government under the Mutual Defence Assistance Agreement of the 27th January, 1950 (other than equipment or material furnished under terms requiring reimbursement), and no longer required by the Government which received them for the purposes referred to in Article II of that Agreement, will be offered for return to the Government which furnished them.

(5) Expenditures of sums allocated to the use of the Government of the United States pursuant to paragraph 4 of Article IV of the Economic Cooperation Agreement will not be limited to expenditures in the United Kingdom.

(6) Paragraph 6 of Article IV of the Economic Cooperation Agreement shall include expenditures for military production, construction, equipment and material. It shall also include expenditures for the encouragement of emigration from participating countries having permanent surplus manpower to areas, particularly the undeveloped and dependent areas, where such manpower can be effectively utilized.

(7) For the purposes of paragraph 7 of Article IV of the Economic Cooperation Agreement, the amount of unencumbered balances referred to in that paragraph shall be determined as of the date of the termination of the assistance program under that Agreement instead of the 30th June, 1952.

(8) The Government of the United Kingdom will so deposit, segregate or protect their title to all funds allocated to them or derived by them from any program of assistance undertaken by the Government of the United States that such funds shall not be subject to garnishee proceedings, attachment, seizure or other legal process by any person, firm, agency, corporation, organization or government.

(9) Pounds Sterling will be deposited pursuant to Article IV of the Economic Cooperation Agreement commensurate with assistance on a grant basis in the form of transfers of funds pursuant to Section III (d) of the Economic Cooperation Act of 1948, in the same way as amounts commensurate with the dollar cost of commodities, services and technical assistance are deposited pursuant to that Article.

(10) The Government of the United Kingdom will immediately consult Governments of the territories to which the Economic Cooperation Agreement extends under Article XII thereof with a view to securing their consent to the extension to them of all those provisions of this Note which relate to that Agreement. The Government of the United Kingdom will notify the Government of the United States of the extension of those provisions to each territory whose Government gives such consent, and the provisions shall extend to that territory upon receipt of the notification by the Government of the United States.

Upon receipt of a Note from your Excellency confirming that the foregoing understandings are acceptable to the Government of the United Kingdom, the Government of the United States will consider that this Note and your reply thereto constitute an Agreement between the two Governments which shall enter into force on the date of your Note in reply and shall remain in force as long as either the Economic Cooperation Agreement or the Mutual Defence Assistance Agreement remains in force, except in so far as any part of the present Agreement relating to any provision of either of those prior Agreements is terminated sooner by the termination of that provision.

Accept. &c.

WALTER S. GIFFORD.

No. 2

*Secretary of State for Foreign Affairs to the United States Ambassador
at London*

Foreign Office, S.W. 1,

8th January, 1952.

Sir,

I have the honour to acknowledge the receipt of your Note of to-day's date which reads as follows:—

[As in No. 1]

In reply I have the honour to confirm to you that the provisions set forth in the said Note are acceptable to His Majesty's Government in the United Kingdom and that they agree with your proposal that your Note and this reply shall constitute an agreement between our two Governments on this subject, which shall enter into force on the date of this Note.

I have, &c.

ANTHONY EDEN.

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