



Treaty Series No. 68 (1957)

## Exchange of Letters

between the Government of the United Kingdom  
of Great Britain and Northern Ireland and the  
Government of the Federal Republic of Germany  
concerning the Agreement of July 10, 1954, for the  
Repayment of Credits granted to the Government of the  
United Kingdom by the European Payments Union and  
by the German Federal Government to the Union

Paris, July 26, 1957

*Presented to Parliament by the Secretary of State for Foreign Affairs  
by Command of Her Majesty  
November 1957*

LONDON  
HER MAJESTY'S STATIONERY OFFICE

FOURPENCE NET

**EXCHANGE OF LETTERS BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING THE AGREEMENT OF JULY 10, 1954, FOR THE REPAYMENT OF CREDITS GRANTED TO THE GOVERNMENT OF THE UNITED KINGDOM BY THE EUROPEAN PAYMENTS UNION AND BY THE GERMAN FEDERAL GOVERNMENT TO THE UNION**

*Paris, July 26, 1957*

No. 1

*The Head of the United Kingdom Delegation to the Organisation for European Economic Co-operation to the Head of the Delegation of the Federal Republic of Germany to that Organisation*

Your Excellency,

*Paris, July 26, 1957.*

I have the honour to refer to the Agreement signed at Paris on July 10, 1954, between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Federal Republic of Germany (hereinafter referred to as the Agreement)<sup>(1)</sup> for the repayment of credits granted by the European Payments Union (hereinafter referred to as the Union) to the United Kingdom and by the Federal Republic of Germany to the Union in accordance with the provisions of the Agreement of September 19, 1950, for the Establishment of a European Payments Union<sup>(2)</sup>, and to the Letters exchanged on July 10, 1954, between the Heads of the United Kingdom and German Delegations to the Organisation for European Economic Co-operation<sup>(1)</sup> concerning the implementation of certain Articles of the Agreement.

2. Acting upon instructions I now have the honour to state that the Government of the United Kingdom propose that:—

- (a) the amount due to be paid by the Government of the United Kingdom to the Federal Government under Article I of the Agreement be increased by a further amount of one hundred and five million units of account;
- (b) the total amount owed of one hundred and forty-seven million units of account which will then be due under Article I of the Agreement shall be paid to the Federal Government in equal annual instalments on August 1 in each year commencing August 1, 1957;
- (c) the provisions of sub-paragraphs (b) of Articles I and II of the Agreement be suspended for as long as the instalments which will fall due from the Federal Government to the Government of the United Kingdom under the Agreement regarding the Settlement of the United Kingdom claim in respect of Post-War Economic Assistance to

<sup>(1)</sup> "Treaty Series No. 62 (1954)," Cmd. 9267.

<sup>(2)</sup> "Miscellaneous No. 14 (1950)," Cmd. 8064.

Germany signed on February 27, 1953,<sup>(3)</sup> are paid wholly from the transferable sterling account of the Bank deutscher Länder at the Bank of England as defined in paragraph 1 of the relevant Note dated June 7, 1957, from the Minister for Foreign Affairs of the Federal Republic of Germany to Her Majesty's Ambassador<sup>(4)</sup>:

- (d) the instalments referred to in sub-paragraph (b) of this paragraph shall, so long as the conditions specified in (c) above apply, be the equivalent of twenty-one million units of account and shall be paid to the Federal Government, at the option of the Government of the United Kingdom (i) in gold or (ii) in United States dollars calculated at the official price for gold of the United States Treasury at the date of payment or (iii) in any other currency acceptable to the creditor. The amount of any payments made otherwise than in gold or United States dollars shall be calculated at a rate of exchange, between the unit of account and the currency of payment, agreed between the two parties concerned.

3. The Government of the United Kingdom further propose that after the payment of the final instalment due under paragraph 2 (b) above they shall continue to pay annual instalments to the Federal Government on August 1 in successive years. For so long as the conditions prescribed in sub-paragraph (c) of paragraph 2 above apply, these instalments shall be the equivalent of twenty-one million units of account payable in the manner prescribed in sub-paragraph (d) of paragraph 2 above; thereafter these instalments shall be equivalent to seven and one half million pounds sterling payable in the manner prescribed in sub-paragraph (b) of Articles I and II of the Agreement.

4. If on the liquidation of the Union the provisions of sub-paragraph (c) of paragraph 2 of this letter still have effect and for so long as these provisions apply the amount of the annual instalments due under sub-paragraph (b) of Article V of the Agreement will be the deutschmark equivalent of twenty-one million units of account calculated on the date of liquidation of the Union at the rate of exchange as defined in sub-paragraph (c) of Article V of the Agreement.

5. The provisions of Articles I, II, III and V (so far as they are now appropriate) and Articles IV, VI, VII, VIII and IX of the Agreement and of the Exchange of Letters between the Heads of the German and United Kingdom Delegations to the Organisation for European Economic Co-operation of July 10, 1954, shall apply to the arrangements set out in paragraphs 2, 3 and 4 above.

6. If the foregoing proposals are acceptable to the Federal Government I have the honour to suggest that this letter, together with your reply to that effect, shall be regarded as constituting an Agreement between the two Governments in this matter which shall enter into force immediately.

I have, &c.

HUGH ELLIS-REES.

<sup>(3)</sup> "Germany No. 2 (1953)," Cmd. 8782.

<sup>(4)</sup> "Germany No. 4 (1957)," Cmnd. 256.

No. 2

*The Head of the Delegation of the Federal Republic of Germany to the  
Organisation for European Economic Co-operation to the Head of the  
United Kingdom Delegation to that Organisation*

Your Excellency,

Paris, July 26, 1957.

I have the honour to acknowledge the receipt of your letter of July 26, 1957, reading as follows:—

[As in No. 1.]

In reply, I have the honour to inform Your Excellency that the Government of the Federal Republic of Germany agree with the proposals made in your letter, and will regard that letter and this reply as constituting an agreement between the two Governments.

I have, &c.

KARL WERKMEISTER.

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