

No. 339

**UNITED STATES OF AMERICA
and
UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND**

**Economic Co-operation Agreement (with Annex). Signed at
London, on 6 July 1948**

*English official text communicated by the Officer in charge of the New York
Office of the United States Mission to the United Nations. The registration
took place on 24 December 1948.*

**ETATS-UNIS D'AMERIQUE
et
ROYAUME-UNI DE GRANDE-BRETAGNE ET
D'IRLANDE DU NORD**

**Accord de coopération économique (avec annexe). Signé à
Londres, le 6 juillet 1948**

*Texte officiel anglais communiqué par le Directeur du bureau de New-York de
la Mission des Etats-Unis auprès de l'Organisation des Nations Unies.
L'enregistrement a eu lieu le 24 décembre 1948.*

No. 339. ECONOMIC CO-OPERATION AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM. SIGNED AT LONDON, ON 6 JULY 1948

PREAMBLE

The Governments of the United States of America and of the United Kingdom of Great Britain and Northern Ireland:

Recognising that the restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance;

Recognising that a strong and prosperous European economy is essential for the attainment of the purposes of the United Nations;

Considering that the achievement of such conditions calls for a European recovery plan of self-help and mutual co-operation, open to all nations which co-operate in such a plan, based upon a strong production effort, the expansion of foreign trade, the creation or maintenance of internal financial stability and the development of economic co-operation, including all possible steps to establish and maintain valid rates of exchange and to reduce trade barriers;

Considering that in furtherance of these principles the Government of the United Kingdom has joined with other like-minded nations in a Convention for European Economic Co-operation signed at Paris on 16th April, 1948,² under which the signatories of that Convention agreed to undertake as their immediate task the elaboration and execution of a joint recovery programme, and that the Government of the United Kingdom is a member of the Organisation for European Economic Co-operation created pursuant to the provisions of that Convention;

¹ Came into force on 6 July 1948, as from the date of signature, in accordance with article XIII.

² United States of America, Department of State publication 3145.

Considering also that, in furtherance of these principles, the Government of the United States of America has enacted the Economic Co-operation Act of 1948,¹ providing for the furnishing of assistance by the United States of America to nations participating in a joint programme for European recovery, in order to enable such nations through their own individual and concerted efforts to become independent of extraordinary outside economic assistance;

Taking note that the Government of the United Kingdom has already expressed its adherence to the purposes and policies of the Economic Co-operation Act of 1948;

Desiring to set forth the understandings which govern the furnishing of assistance by the Government of the United States of America under the Economic Co-operation Act of 1948, the receipt of such assistance by the United Kingdom, and the measures which the two Governments will take individually and together in furthering the recovery of the United Kingdom as an integral part of the joint programme for European recovery;

Have agreed as follows:—

Article I

1. The Government of the United States of America undertakes to assist the United Kingdom, by making available to the Government of the United Kingdom or to any person, agency or organisation designated by the latter Government such assistance as may be requested by it and approved by the Government of the United States of America. The Government of the United States of America will furnish this assistance under the provisions, and subject to all of the terms, conditions and termination provisions, of the Economic Co-operation Act of 1948, acts amendatory and supplementary thereto and appropriation acts thereunder, and will make available to the Government of the United Kingdom only such commodities, services and other assistance as are authorised to be made available by such acts.

2. The Government of the United Kingdom, acting individually and through the Organisation for European Economic Co-operation, consistently with the Convention for European Economic Co-operation signed at Paris on the 16th April, 1948, will exert sustained efforts in common with other participating countries speedily to achieve through a joint recovery programme economic conditions in Europe essential to lasting peace and prosperity and to

¹ Public Law 472, 80th Cong., United States of America, *Treaties and Other International Acts Series*, 1795.

enable the countries of Europe participating in such a joint recovery programme to become independent of extraordinary outside economic assistance within the period of this Agreement. The Government of the United Kingdom reaffirms its intention to take action to carry out the provisions of the General Obligations of the Convention for European Economic Co-operation, to continue to participate actively in the work of the Organisation for European Economic Co-operation, and to continue to adhere to the purposes and policies of the Economic Co-operation Act of 1948.

3. With respect to assistance furnished by the Government of the United States of America to the United Kingdom and procured from areas outside the United States of America, its territories and possessions, the Government of the United Kingdom will co-operate with the Government of the United States of America in ensuring that procurement will be effected at reasonable prices and on reasonable terms and so as to arrange that the dollars thereby made available to the country from which the assistance is procured are used in a manner consistent with any arrangements made by the Government of the United States of America with such country.

Article II

1. In order to achieve the maximum recovery through the employment of assistance received from the Government of the United States of America, the Government of the United Kingdom will use its best endeavours:

- (a) To adopt or maintain the measures necessary to ensure efficient and practical use of all the resources available to it, including—
 - (i) Such measures as may be necessary to ensure that the commodities and services obtained with assistance furnished under this Agreement are used for purposes consistent with this Agreement and, as far as practicable, with the general purposes outlined in the schedules furnished by the Government of the United Kingdom in support of the requirements of assistance to be furnished by the Government of the United States of America;
 - (ii) The observation and review of the use of such resources through an effective follow-up system approved by the Organisation for European Economic Co-operation; and
 - (iii) To the extent practicable, measures to locate, identify and put into appropriate use in furtherance of the joint programme for

European recovery, assets, and earnings therefrom, which belong to nationals of the United Kingdom and which are situated within the United States of America, its territories or possessions; it being understood that nothing in this clause imposes any obligation on the Government of the United States of America to assist in carrying out such measures, or on the Government of the United Kingdom to dispose of such assets;

- (b) To promote the development of industrial and agricultural production on a sound economic basis; to achieve such production targets as may be established through the Organisation for European Economic Co-operation; and when desired by the Government of the United States of America to communicate to that Government detailed proposals for specific projects contemplated by the Government of the United Kingdom to be undertaken in substantial part with assistance made available pursuant to this Agreement, including whenever practicable projects for increased production of coal, steel, transportation facilities and food;
- (c) To stabilize its currency, establish or maintain a valid rate of exchange, balance its Governmental budget, create or maintain internal financial stability, and generally restore or maintain confidence in its monetary system; and
- (d) To co-operate with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and in reducing public and private barriers to trade among themselves and with other countries.

2. Taking into account Article 8 of the Convention for European Economic Co-operation, looking toward the full and effective use of manpower available in the participating countries, the Government of the United Kingdom will accord sympathetic consideration to proposals made in conjunction with the International Refugee Organisation directed to the largest practicable utilisation of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this Agreement.

3. The Government of the United Kingdom will take the measures which it deems appropriate, and will co-operate with other participating countries, to prevent, on the part of private or public commercial enterprises, business practices or business arrangements affecting international trade which restrain competition, limit access to markets or foster monopolistic control whenever such