

LEND-LEASE SETTLEMENT

Agreement signed at Addis Ababa May 20, 1949

Entered into force May 20, 1949

63 Stat. 2446; Treaties and Other
International Acts Series 1931

AGREEMENT ON LEND LEASE SETTLEMENT BY AND BETWEEN ETHIOPIA AND THE UNITED STATES OF AMERICA

The Government of the United States of America and the Imperial Government of Ethiopia,

Having reached an understanding regarding settlement of lend-lease and reciprocal aid and of financial claims of each Government against the other Government arising out of World War II;

Having decided that this settlement shall be complete and final and that no further benefits shall be sought as consideration for lend-lease or reciprocal aid or for the settlement of claims or other obligations arising out of the war, except as herein specifically provided;

Having taken full cognizance of the benefits already received by each of them in the defeat of their common enemies and having also taken full cognizance of the general obligation assumed by each of them, in Article VII of their Agreement of August 9, 1943,¹ on the Principles Applying to Mutual Aid under the Act of March 11, 1941,² of the Congress of the United States of America;

Being desirous of continuing to discuss arrangements for agreed action for the attainment of the economic objectives referred to in Article VII of the Agreement of August 9, 1943;

Have agreed as follows:

ARTICLE 1

The term "Lend-Lease article" as used in this agreement means any article transferred by the Government of the United States of America under the Act of March 11, 1941:

¹ EAS 334, *ante*, p. 668.

² 55 Stat. 31.

- (a) to the Imperial Government of Ethiopia, or
- (b) to any other government and retransferred to the Imperial Government of Ethiopia.

ARTICLE 2

(a) The Imperial Government of Ethiopia will pay to the Government of the United States of America the sum of \$200,000 (two hundred thousand U.S. Dollars) by any of the following methods, or any combination thereof, designated by the Government of the United States of America:

- (i) by providing for delivery to the Government of the United States of America real property and improvements to real property in Ethiopia as selected and determined by agreement between the two Governments; or
- (ii) by providing against request Ethiopian dollars for expenditure by the Government of the United States of America, or by such foundation, person or organization as the United States may designate, in accordance with agreements to be reached between the two Governments for carrying out educational and cultural programs of benefit to the two countries; or
- (iii) by providing against request Ethiopian dollars for the payment of any or all expenditures in Ethiopia of the Government of the United States and its agencies; or
- (iv) by paying, within five (5) years and ninety (90) days after the date of this Agreement, in United States dollars the difference between \$200,000 and the United States dollar value of the payments made under sub-sections (i), (ii), and (iii) above during the five (5) years following the date of this Agreement.

(b) The exchange rate applicable to payments under the provisions of paragraph (a) of this Article shall be that established by the International Monetary Fund which is in effect at the time of payment, provided that, if no such rate exists, the rate shall be that rate most favorable to the Government of the United States of America which was used in any official transaction of the Imperial Government of Ethiopia with any party in the preceding twelve months' period.

(c) The Imperial Government of Ethiopia agrees to use its best efforts to deliver without undue delay to the Government of the United States of America any real property or improvements to real property which have been selected and determined by representatives of the two Governments, pursuant to paragraph (a) (i) above. Representatives of the Government of the United States of America may, at their discretion, conduct discussion directly with property owners and contractors regarding the acquisition of such property or improvements by the Imperial Government of Ethiopia

for delivery to the Government of the United States of America. But no such discussions shall give rise to any obligations whatsoever on the part of the Imperial Government of Ethiopia.

ARTICLE 3

(a) The Imperial Government of Ethiopia hereby acquires full title, without qualification as to disposition or use, to all lend-lease articles transferred to the Imperial Government of Ethiopia, except lend-lease articles now in the possession or control of the Armed Forces of the Imperial Government of Ethiopia.

(b) The Government of the United States of America hereby acquires full title, without qualification as to disposition or use, to all articles transferred to the Government of the United States of America by the Imperial Ethiopian Government under reciprocal aid.

ARTICLE 4

Under Article V of the Agreement of August 9, 1943, the Government of the United States of America has the right to recover at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under that Agreement as have not been destroyed, lost, or consumed and as shall be determined by the President to be of use to the United States of America. Although the Government of the United States of America does not intend to exercise generally this right of recapture, the Government of the United States of America expressly reserves such right with respect to lend-lease articles of types essentially or exclusively for use in war or warlike exercises now in the possession or control of the Armed Forces of the Imperial Government of Ethiopia; and the Imperial Government of Ethiopia hereby agrees that the Government of the United States of America at any time hereafter may exercise this right of recapture with respect to lend-lease articles of types essentially or exclusively for use in war or warlike exercises now in the possession or control of the Armed Forces of the Imperial Government of Ethiopia which, as of the date upon which notice requesting return is communicated to the Imperial Government of Ethiopia, have not been destroyed, lost, or consumed.

ARTICLE 5

The Imperial Government of Ethiopia will not transfer or dispose of lend-lease articles in the categories of arms, munitions and other lethal weapons now in the possession or control of its Armed Forces to any third country

without the prior consent of the Government of the United States of America.

ARTICLE 6

Nothing in this Agreement affects the obligation of the Imperial Government of Ethiopia in connection with silver transferred to it by the Government of the United States of America under lend-lease.

ARTICLE 7

Financial claims between the two Governments arising out of existing arrangements, where the liability for payment has heretofore been acknowledged and the methods of computation mutually agreed, are not covered by this settlement as they will be settled in accordance with such arrangements. Likewise claims submitted in accordance with the practice whereby one Government espouses a claim of one of its nationals and presents it through diplomatic channels to the other Government are not covered by this settlement. In consideration of the mutual undertakings described in this Agreement, and with the objective of arriving at as comprehensive a settlement as possible, all other financial claims whatsoever of one Government against the other which (i) have heretofore arisen, or hereafter arise out of lend-lease or reciprocal aid, or (ii) otherwise arose on or after September 3, 1939, and prior to September 2, 1945, out of or incidental to the conduct of World War II, and which are not otherwise dealt with in this Agreement, are hereby waived, and neither Government will hereafter raise or pursue any such claims against the other.

ARTICLE 8

The Government of the United States of America and the Imperial Government of Ethiopia reaffirm their adherence to Articles IV and VII of their Agreement dated August 9, 1943, and in connection with Article VII, agree to confer together with other governments in the near future in order to bring about the expansion, by appropriate international and domestic measures of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; the elimination of all forms of discriminatory treatment in international commerce; and the reduction of tariffs and other trade barriers. Pending such a conference, the two Governments declare it to be their policy to avoid the adoption of new measures affecting international trade, payments, or investments which would prejudice the objectives of such a conference. Furthermore, the Government of the United States of America and

the Imperial Government of Ethiopia agree to afford to each other adequate opportunity for consultation regarding measures falling within the scope of this paragraph.

This Agreement shall enter into force on the day it is signed.

Signed in duplicate at Addis Ababa this Twentieth day of May, nineteen hundred and forty-nine.

For the Imperial Government of Ethiopia

DERESSA [SEAL]

For the Government of the United States of America

DONALD F BIGELOW
*Chargé d'Affaires ad interim of
the United States of America at
Addis Ababa*