

# SETTLEMENT OF CERTAIN WAR ACCOUNTS AND CLAIMS

*Agreement and exchanges of notes signed at Prague July 25, 1947  
Entered into force July 25, 1947*

61 Stat. 3410; Treaties and Other  
International Acts Series 1675

## AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC REGARDING SETTLEMENT FOR CERTAIN WAR ACCOUNTS AND CLAIMS INCIDENT TO THE OPERATIONS OF THE U.S. ARMY IN EUROPE

The Government of the United States of America and the Government of the Czechoslovak Republic have reached an understanding regarding the settlement for outstanding War Accounts and claims incident to the operations of the U.S. Army in Czechoslovakia. This settlement is complete and final, and the signatory governments agree that, except as herein specifically provided, no further benefits will be sought by either of them as consideration for the foregoing. In arriving at this understanding, the signatory governments have recognized the benefits accruing to each from their contributions to the defeat of their common enemies as well as the difficulties connected on each side with the keeping of detailed accounts during a period of and following actual combat operations of field armies. Further, the rapid removal of American troops from Czechoslovakia tended to create certain economic and financial unbalances within the accounts of each government or its governmental agencies.

### ARTICLE 1

With respect to U.S. Army procurement in Czechoslovakia including procurement of coal through 31 March 1946, certain Allied Military Marks held by the Czechoslovak Republic, Czech crowns advanced by the U.S. Army to Czechoslovak troops, and certain supplies and services provided representatives of the Czechoslovak Government by the U.S. Army, there is agreed to be due from the Government of the United States to the Czechoslovak Republic, the net amount of \$5,018,007.07. In addition, the United States Government will return to the Czechoslovak Republic a total of 42,500,000 crowns presently held by the U.S. Army.

## ARTICLE 2

All claims by the Czechoslovak Republic and its nationals against the United States Armed Forces with respect to procurement of facilities, goods and services/other than coal/by official, quasi-official and personal representatives of the United States Army in Czechoslovakia through 31 March 1946, and not heretofore finally settled by the United States Army, will be considered discharged in full in accordance with the terms of the settlement set out in paragraph one. In this connection, financial responsibility for such procurement has been calculated at a dollar-crown conversion rate of 50 Czech crowns equal 1 dollar in accordance with prior agreement between the U.S. military authorities and the Czechoslovak government.

## ARTICLE 3

Amounts owing the Czechoslovak government in full settlement for coal provided to the U.S. Army by the Czechoslovak government during the war through 31 March 1946, and which are considered a dollar obligation of the U.S. Army, are considered paid in full by the terms of payment included in paragraph one. In this connection, financial responsibility for coal has been calculated at 50 crowns equal one U.S. dollar in accordance with prior agreement between the U.S. Military Authorities and the Czechoslovak government.

## ARTICLE 4

In consideration of this settlement, and the payments by the United States Government in paragraph one, the Czechoslovak Government will consider 1,500,000 Allied Military Marks, presently held by that government and claimed to be a result of expenditures by U.S. Army personnel in Czechoslovakia, as redeemed with full dollar value at a rate of 10 marks equal 1 dollar. These Allied Military Marks will be returned to the U.S. Army by the Czechoslovak Government at the time of and in accordance with the terms of this settlement.

## ARTICLE 5

Czech crowns presently held in official U.S. Army disbursing officers' accounts, representing captured enemy funds will be returned to the Czechoslovak Government without reimbursement.

## ARTICLE 6

Amounts owing by the Czechoslovak Government for certain supplies and services provided Czechoslovak Nationals by the United States Forces, European Theatre in the occupied zone of Germany from 2 March 1946 through 31 March 1947, on a cash reimbursable basis are considered as finally settled within the terms of payment in paragraph one. The records of

the U.S. Army will be made available for inspection upon request relative to these supplies and services thus furnished.

#### ARTICLE 7

To the extent that the United States Army advanced Czech crowns to Czechoslovak military units, and has not heretofore been reimbursed by the Czechoslovak Government or any other Allied Government with whom the Czech military forces were operating during the war, such advances are considered a responsibility of the Czechoslovak Government. All such outstanding advances are considered to be reimbursed to the U.S. Army under the terms of payment in paragraph one.

#### ARTICLE 8

Facilities, goods and services procured by the United States Army subsequent to 31 March 1946 will be paid for on the basis of the Czechoslovak authorities presentation of appropriate documents in a form acceptable to the United States Army as has been, or may be, agreed upon between the Czechoslovak authorities and the U.S. Army. Payments already made by the United States Army for facilities, goods and services provided by the Czechoslovak Government prior to 31 March 1946, are not included within the payment terms of paragraph one of this settlement and are final.

#### ARTICLE 9

Payments made by the U.S. Army under the agreement of 28 June 1946,<sup>1</sup> and similar supplemental agreement of 25 September 1946<sup>1</sup> between representatives of the two signatory governments are also to be considered final.

#### ARTICLE 10

The U.S. Army will continue to effect payment of claims against itself for damages to real or personal property, personal injuries, and death arising from acts or omissions of military personnel or civilian employees of the U.S. Army in the Czechoslovak Republic. Payment of such claims will be in accordance with the terms of agreement of 6 November 1946<sup>1</sup> between representatives of the two signatory governments and will be final.

#### ARTICLE 11

All claims against the U.S. Army arising out of the operations of the U.S. Army in Czechoslovakia through 31 March 1946, other than those in paragraph ten above, are considered as settled under the provisions of this agreement. This agreement shall supersede all prior agreements between the two governments or officials thereof relating to the matters referred to herein.

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<sup>1</sup> Not printed.

## ARTICLE 12

The present Agreement comes into force on the day it is signed.

Done in duplicate at Praha, this 25th day of July in the year 1947.

For the Government of the United States of America:

LAURENCE A. STEINHARDT [SEAL]

For the Government of the Czechoslovak Republic:

DR. BYSTRICKY [SEAL]

## EXCHANGES OF NOTES

*An Official of the Ministry for Foreign Affairs to the American Ambassador*

PRAGUE, July 25, 1947

MY DEAR MR. AMBASSADOR:

With reference to the agreement signed today between our government regarding the settlement for certain outstanding war accounts, I am glad to confirm that under the payment arrangements referred to in paragraph one of that agreement, claims detailed below and totaling \$6,053,647.03 are settled by that agreement:

1. Claims in the amount of \$5,200,000 covering all unpaid U.S. Army Procurement of facilities, goods and services /other than coal/ in Czechoslovakia through 31 March 1946.
2. Payment in the amount of \$703,647.03 covering all coal provided the U.S. Army by the Czechoslovak Government through 31 March 1946.
3. In addition to the above, the Czechoslovak Government will turn over to the designated disbursing officer of the United States Army a total of 1,500,000 Allied Military Marks at a value of \$150,000 in further consideration of the exchange made under the terms of the settlement agreement.

It is the further understanding of my government that Czech crowns remaining in the official accounts of U.S. Army disbursing officers in an amount not to exceed 69,039.355 Czech crowns, apart from the Czech crowns mentioned in the settlement under the terms of paragraph one of the agreement, will be available for expenditure in Czechoslovakia by the U.S. Army and its affiliated entities at a rate not less favorable to the U.S. than 50 crowns equal one U.S. dollar. Procurement of facilities, goods, and services for use outside Czechoslovakia by the U.S. Army and its affiliated entities with such crowns will be freely permitted by my government on a basis no less favorable to the U.S. than 25 percent of the payment for such procurement to be made with these crowns and 75 percent of the payment to be with U.S. dollars.

I should appreciate your advising me whether the foregoing is in accordance with the understanding of the United States Government.

Sincerely yours,

DR. BYSTRICKY

His Excellency

LAURENCE A. STEINHARDT

*Ambassador of the United States,  
Prague.*

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*The American Ambassador to an Official of the Ministry for Foreign Affairs*

PRAGUE, July 25, 1947

MY DEAR DR. BYSTRICKY,

With reference to your letter to me of today concerning certain specific claims and procurements settled in accordance with the principal settlement agreement between our two countries of this date, I am glad to confirm that your letter is in accordance with the understanding of my government.

Sincerely yours,

LAURENCE A. STEINHARDT

Dr. RUDOLF BYSTRICKY,

*Ministry of Foreign Affairs,  
Prague.*

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*The American Ambassador to an Official of the Ministry for Foreign Affairs*

PRAGUE, July 25, 1947

DEAR DR. BYSTRICKY,

In connection with the agreement signed today between our two governments for the settlement of certain war accounts, I wish to inform you more specifically that a total of 5,639,174 crowns, now represented in the dollar accounts of U.S. Army finance officers, is shown by United States Army records to have been captured from the enemy. This amount of crowns will be turned over to the Czechoslovak government by the United States Army without reimbursement on the part of the Czechoslovak government.

It is my further understanding that advances by the U.S. Army to the Independent Czech Brigade of 7,322,935 Czech crowns /\$146,458.70/ for expenditure purposes by that unit is assumed as an obligation of the Czechoslovak government to the United States Army and is accordingly settled under the terms of settlement in paragraph one of today's agreement.

I also understand that certain facilities, supplies and services furnished on a cash reimbursable basis to the Czechoslovak government by the U.S. Forces, European Theater in the amount of \$39,181.26 during the period 2 March 1946 through 31 March 1947 are settled in full under the terms of settlement in paragraph one of the agreement signed today.

I should appreciate your advising me whether the above is in accordance with the understanding of the Czechoslovak government.

Sincerely yours,

LAURENCE A. STEINHARDT

Dr. RUDOLPH BYSTRICKY  
*Ministry of Foreign Affairs,  
Prague.*

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*An Official of the Ministry for Foreign Affairs to the American Ambassador*

PRAGUE, July 25, 1947

MY DEAR MR. AMBASSADOR:

With reference to your letter to me of today concerning certain specific details of claims and procurements settled in accordance with the financial settlement agreement between our two governments this date, I am glad to confirm that your letter is in accordance with the understanding of my government.

Sincerely yours,

DR. BYSTRICKY

His Excellency  
LAURENCE A. STEINHARDT,  
*Ambassador of the  
United States of America,  
Prague.*