

**Agreement regarding the Complete and Final Settlement of the Question of
Reparations from Germany, and Annexes I-XII
(The Hague, 20 January 1930)
Entry into force generally: 17 May 1930**

Entry into force for Australia: 21 July 1930

Also included:

**Protocol concerning the Approval in Principle of Report of the Experts, the
Settlement of various Questions connected with its Application and the
Establishment of various Committees intended to Prepare the Putting into Force
of that Report
(The Hague, 31 August 1929)**

AGREEMENT BETWEEN GERMANY, BELGIUM, GREAT BRITAIN AND
NORTHERN IRELAND, CANADA, AUSTRALIA, NEW ZEALAND, THE
UNION OF SOUTH AFRICA, INDIA, FRANCE, GREECE, ITALY, JAPAN,
POLAND, PORTUGAL, ROUMANIA, CZECHOSLOVAKIA AND
YUGOSLAVIA, REGARDING THE COMPLETE AND FINAL SETTLEMENT OF
THE QUESTION OF REPARATIONS

The representatives of Germany, Belgium, France, Great Britain, Italy and Japan, meeting at Geneva on 16 September 1928, expressed their determination to make a complete and final settlement of the question of reparations and, with a view to attaining this object, provided for the constitution of a Committee of Financial Experts.

With this object the experts met at Paris and their report was made on 7 June 1929. Approval in principle was given to this report by the Hague Protocol of 31 August 1929.

The duly authorised representatives of the Government of the German Reich, the Government of His Majesty the King of the Belgians, the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of Canada, the Government of the Commonwealth of Australia, the Government of New Zealand, the Government of the Union of South Africa, the Government of India, the Government of the French Republic, the Government of the Greek Republic, the Government of His Majesty the King of Italy, the Government of His Majesty the Emperor of Japan, the Government of the Republic of Poland, the Government of the Republic of Portugal, the Government of His Majesty the King of Roumania, the Government of the Czechoslovak Republic and the Government of His Majesty the King of Yugoslavia have reached the following agreement:

Article I

The Experts' Plan of 7 June 1929, together with this present Agreement and the Protocol of 31 August 1929 (all of which are hereinafter described as the New Plan) is definitely accepted as a complete and final settlement, so far as Germany is concerned, of the financial questions resulting from the War. By their acceptance the

Signatory Powers undertake the obligations and acquire the rights resulting for them respectively from the New Plan.

The German Government gives the Creditor Powers the solemn undertaking to pay the annuities for which the New Plan provides in accordance with the stipulations contained therein.

Article II

As from the date when the New Plan is put into execution as provided in the final clause of this present Agreement, Germany's previous obligation is entirely replaced, except in respect of the German External Loan 1924, by the obligation laid down in the New Plan. The payment in full of the annuities there mentioned, in so far as the same are due to the Creditor Powers, is accepted by those Powers as a final discharge of all the liabilities of Germany still remaining undischarged, referred to in Section XI of Part I of the Dawes Plan as interpreted by the decisions of the Interpretation Tribunal set up under the London Agreement of 30 August 1924.[\[1\]](#)

Article III

A. The Signatory Governments recognise that the accounts between the Reparation Commission and Germany relating to transactions prior to the period of the Dawes Plan, together with all accounts involving credits to Germany, either now or in the future, against the original capital debt are henceforth obsolete and without practical effect and declare them closed in their present condition.

B. (a) In execution of paragraph 143 of the Experts' Report of 7 June 1929, on the understanding that the following declaration is to be considered as a full compliance with the requirements of that paragraph as to a waiver, Germany declares that she waives every claim as defined by the following list, whether for a payment or for property, which she may have addressed or might hereafter address to the Reparation Commission or to any Creditor Power signatory of the present Agreement for any transaction prior in date to the signature of this Agreement, connected with the World War, the Armistice Conventions, the Treaty of Versailles or any agreements made for their execution:

(1) claims relating to property or pecuniary rights of prisoners of war in so far as they have not already been settled by special agreements;

(2) claims seeking to obtain the reimbursement of payments made under paragraph 11 of the Annex to Article 296 of the Treaty of Versailles;

(3) claims relating to loans issued by the former German Colonies;

(4) any claims, whether for a payment or for property, which the German Government has presented or might present for its own account other than State claims notified, under the clearing procedure provided for under Articles 296 and 72 of the Treaty of Versailles, by the Creditor to the Debtor Office.

(b) By way of reciprocity the Creditor Powers accept in conformity with the recommendation of paragraph 96 of the Experts' Report of 7 June 1929, the payment in full of the annuities fixed thereby as a final discharge of all the liabilities of Germany still remaining undischarged and waive every claim additional to those annuities, either for a payment or for property, which has been addressed or might be addressed to Germany for any past transaction falling under the same heads of claims as those appearing under (1) to (4) above.

(c) The provisions of the present Article do not affect the execution of agreements later in date than 10 January 1920, for the abandonment of the liquidation of German private property, rights or interests or the restitution either of those properties, rights or interests or the proceeds of their liquidation.

C. (a) The Creditor Governments undertake, as from the date of the acceptance of the Experts' Report of 7 June 1929, to make no further use of their right to seize, retain and liquidate the property, rights and interests of German nationals or companies controlled by them, in so far as not already liquid or liquidated or finally disposed of, including the rights of the signatory Creditor Powers under Article 306, paragraphs (5), (6) and (7) of the Treaty of Versailles.

(b) The execution of this undertaking will be regulated by special agreements between the German Government and each of the Governments concerned.

(c) The Signatory Governments will use every effort to clear up definitely all outstanding questions relating to the execution of this undertaking within one year after the coming into force of the New Plan.

(d) This undertaking has no application in cases where special settlements have already been made.

D. All or some of the questions mentioned in the present Article as to the waiver of claims and the cessation of liquidation are governed, as between the German Government on the one hand and the following Governments respectively on the other hand, by the Agreements concluded on the following dates, that is to say: Belgium, 13 July 1929 and 16 January 1930; Great Britain, 28 December 1929; Canada, 14 January 1930; Commonwealth of Australia, 17 January 1930;^[2] New Zealand, 17 January 1930; France, 31 December 1929; Italy, 20 January 1930; Poland, 31 October 1929.

Article IV

From and after the date on which the New Plan comes into force, the Office for Reparation Payments and the organisations in Berlin connected therewith shall be abolished and the relations with Germany of the Reparation Commission shall come to an end.

Under the regime of the New Plan only those of the functions of these organisations the maintenance of which is necessitated by the New Plan will continue in existence; these functions will be transferred to the Bank for International Settlements by the "Small Special Committee"; the Bank for International Settlements will exercise them

within the conditions and limits of the New Plan in conformity with the provisions of its Statutes.

Under the regime of the New Plan the powers of the Creditor Powers in relation to Germany will be determined in accordance with the provisions of the Plan.

In regard hereto the representatives of the Belgian, British, French, Italian and Japanese Governments and the representatives of the German Government have made the declarations contained in Annex I.

The other measures necessary in view of the change from the present system to that of the New Plan, are those provided for in Annex II.

Article V

The annuities mentioned in the present Agreement include the amounts required for the German External Loan, 1924. These annuities do not include the amounts which the Experts' Plan of 7 June 1929, assigns to the United States of America.

Article VI

The Contracting Parties recognise the necessity, with a view to putting into force the New Plan, of the constitution of the Bank for International Settlements. They recognise the corporate existence of the Bank to take effect as soon as it is constituted in accordance with the Statutes annexed to the law incorporating the Bank which is the subject of the Convention concluded with the Government of the Swiss Confederation.

Article VII

The Government of the Reich will deliver to the Bank for International Settlements, as Trustee for the Creditor Powers, the Debt Certificate referred to in Annex III.

Further, the German Government guarantees that the German Railway Company (*Deutsche Reichsbahngesellschaft*) will deliver to the Bank for International Settlements the Certificate mentioned in Annex IV.

Article VIII

With a view to facilitating the successful working of the New Plan the German Government declares spontaneously that it is firmly determined to make every possible effort to avoid a declaration of postponement and not to have recourse thereto until it has come to the conclusion in good faith that Germany's exchange and economic life may be seriously endangered by the transfer in part or in full of the postponable portion of the annuities. It remains understood that Germany alone has authority to decide whether occasion has arisen for declaring a postponement as provided by the New Plan.

Article IX

The German Government undertakes to take the measures necessary for the enactment of the special laws required for the application of the New Plan, that is to say:

(a) the law for the amendment of the Bank Law of 30 August 1924, in accordance with Annex V;

(b) the law for the amendment of the law of the Deutsche Reichsbahngesellschaft, in accordance with Annex VI.

These laws may only be amended in the conditions and in accordance with the procedure laid down by Annexes Va and VIa.

The German Government further undertakes to apply the provisions contained in Annexes VII and XI relating to the assignment of the proceeds of certain taxes by way of collateral security for the service of the several parts of the German annuities.

Article X

The Contracting Parties will take in their respective territories the measures necessary for securing that the funds and investments of the Bank, resulting from the payments by Germany, shall be freed from all national or local fiscal charges.

The Bank, its property and assets, and also the deposits of other funds entrusted to it, on the territory of, or dependent on the administration of, the Parties shall be immune from any disabilities and from any restrictive measures such as censorship, requisition, seizure or confiscation, in time of peace or war, reprisals, prohibition or restriction of export of gold or currency and other similar interferences, restrictions or prohibitions.

Article XI

The Governments of the Creditor Powers have settled the text of a Trust Agreement, appearing in Annex VIII, for the receipt, management and division of the German annuities.

The Bank for International Settlements upon its establishment will be invited to give its adhesion to the Agreement, and the Governments referred to will appoint delegates with the powers necessary to sign.

The German Government declares that it has been informed of the text of the Agreement.

Article XII

The system of deliveries in kind will be governed by the provisions contained in Annex IX hereto and in the second Annex to the Protocol of 31 August 1929.

The methods of administering the law of Great Britain entitled "The German Reparation (Recovery) Act 1921" and the levy on German imports into France have

been settled by Agreements between the German Government on the one hand, the British and French Governments respectively on the other; the text of these Agreements is set out in Annex X.

Article XIII

The German Government confirms all the priorities, securities and rights hitherto created for the benefit of the German External Loan, 1924, and declares that nothing in the New Plan or in consequence of the termination of the Dawes Plan, diminishes or varies the nature and extent of its prior obligations and engagements assumed under the General Bond securing said Loan, all of which are preserved in their integrity. The Governments of the other Signatory Powers similarly confirm and recognise the absolute prior position of the service of the German External Loan, 1924, and declare, in so far as they are concerned, that all the priorities, securities and rights hitherto granted said Loan remain unimpaired including those under the London Protocol dated 30 August 1924. In particular, but without limiting the foregoing general declarations, the Governments of the German Reich and of the other Signatory Powers recognise that the specific first prior charge for the benefit of the said Loan continues to attach to all payments hereafter to be made by Germany for Reparation or other Treaty costs, including not only the non-postponable portion of the German annuities to be paid into the Annuity Trust Account but also the postponable portion of the German annuities to be paid into the Annuity Trust Account; and the said Powers accordingly agree that the amounts currently required for the service of said Loan shall be paid out of said annuities to, or upon the order of, the Trustees of said Loan in priority to any other disbursements made therefrom. The Government of the German Reich further accepts and confirms the provisions for the security of the German External Loan, 1924, which are contained in Annex XI, of which the English text is alone authentic.

Article XIV

The Creditor Powers recognise that their acceptance of the solemn undertaking of the German Government replaces all controls, special securities, pledges or charges existing at the present time, with the exception of those specially mentioned in Article XIII and in Annexes VI, VII and XI.

Article XV

1. Any dispute, whether between the Governments signatory to the present Agreement or between one or more of those Governments and the Bank for International Settlements, as to the interpretation or application of the New Plan shall, subject to the special provisions of Annexes I, Va, VIa and IX be submitted for final decision to an arbitration tribunal of five members appointed for five years, of whom one, who will be the Chairman, shall be a citizen of the United States of America, two shall be nationals of States which were neutral during the late war; the two other shall be respectively a national of Germany and a national of one of the Powers which are creditors of Germany.

For the first period of five years from the date when the New Plan takes effect this Tribunal shall consist of the five members who at present constitute the Arbitration Tribunal established by the Agreement of London of 30 August 1924.

2. Vacancies on the Tribunal, whether they result from the expiration of the five-yearly periods or occur during the course of any such period, shall be filled, in the case of a member who is a national of one of the Powers which are creditors of Germany, by the French Government, which will first reach an understanding for this purpose with the Belgian, British, Italian and Japanese Governments; in the case of the member of German nationality, by the German Government; and in the cases of the three other members by the six governments previously mentioned acting in agreement, or in default of their agreement, by the President for the time being of the Permanent Court of International Justice.

3. In any case in which either Germany or the Bank is plaintiff or defendant, if the Chairman of the Tribunal considers, at the request of one or more of the Creditor Governments parties to the proceedings, that the said Government or Governments are principally concerned, he will invite the said Government or Governments to appoint - and in the case of more Governments than one by agreement - a member, who will take the place on the Tribunal of the member appointed by the French Government.

In any case in which, on the occasion of a dispute between two or more Creditor Governments, there is no national of one or more of those Governments among the Members of the Tribunal, that Government or those Governments shall have the right to appoint each a Member who will sit on that occasion. If the Chairman considers that some of the said Governments have a common interest in the dispute, he will invite them to appoint a single member. Whenever, as a result of this provision, the Tribunal is composed of an even number of members, the Chairman shall have a casting vote.

4. Before and without prejudice to a final decision, the Chairman of the Tribunal, or, if he is not available in any case, any other Member appointed by him, shall be entitled, on the request of any Party who makes the application, to make any interlocutory order with a view to preventing any violation of the rights of the Parties.

5. In any proceedings before the Tribunal the Parties shall always be at liberty to agree to submit the point at issue to the Chairman or any one of the Members of the Tribunal chosen as a single arbitrator.

6. Subject to any special provisions which may be made in the Submission - provisions which may not in any event affect the right of intervention of a Third Party - the procedure before the Tribunal or a single arbitrator shall be governed by the rules laid down in Annex XII.

The same rules, subject to the same reservation, shall also apply to any proceedings before this Tribunal for which the Annexes to the present Agreement provide.

7. In the absence of an understanding on the terms of Submission, any Party may seize the Tribunal directly by a proceeding *ex parte*, and the Tribunal may decide, even in default of appearance any question of which it is thus seized.

8. The Tribunal, or the single arbitrator, may decide the question of their own jurisdiction, provided always that, if the dispute is one between Governments and a question of jurisdiction is raised, it shall, at the request of either Party, be referred to the Permanent Court of International Justice.

9. The present provisions shall be duly accepted by the Bank for the settlement of any dispute which may arise between it and one or more of the signatory Governments as to the interpretation or application of its Statutes or the New Plan.

Final Clause

M. Henri Jaspar, Prime Minister of Belgium, as Chairman of the Hague Conference of 1930, will deliver to each of the signatory Governments a certified copy of the present Agreement (which expression here, and in all places where the context admits, includes the Annexes hereto) immediately after signature. The French and English texts are both, in the absence of special provision to the contrary, authentic, provided that, for the Certificates mentioned in Article VII and the German Laws mentioned in Article IX of the present Agreement the German text, and for the provisions of Annex XI the English text, alone will be authentic.

The present Agreement shall be ratified and the deposit of ratifications shall be made at Paris with the French Government.[\[3\]](#)

The Powers of which the seat of government is outside Europe will be entitled merely to inform the French Government through their diplomatic representatives at Paris that their ratification has been given; in that case they must transmit the instrument of ratification as soon as possible.

The New Plan will come into force and will be considered as having been put into execution on the date on which the Reparation Commission and the Chairman of the Krieglastenkommission have agreed in reporting:[\[4\]](#)

(1) The ratification of the present Agreement by Germany and the enactment of the German laws in accordance with the relative Annexes.

(2) The ratification of the present Agreement by four of the following Powers, that is to say, Belgium, Great Britain, France, Italy and Japan.

(3) The constitution of the Bank for International Settlements and the acceptance by the Bank of the undertakings by it for which the present Agreement provides, and also its receipt of the Certificate of the German Government and the Certificate of the German Railway Company as provided in Annexes III and IV.

The report of the Reparation Commission shall require a unanimous vote of the members of the Commission as constituted for the purposes of the Treaty of

Versailles when a question concerning Germany is under consideration, the Japanese Delegate nevertheless taking part in the discussion and giving his vote.

The report of the Reparation Commission and the Chairman of the Kriegslastenkommission will be notified to all the Powers signatory of the present Agreement.

Provided always that the substitution of the obligations and annuities of the New Plan for those of the Experts' Plan of 9 April 1924, shall date from 1 September 1929, regard being had to the provisions of the Hague Protocol of 31 August 1929, and of Annex II to the present Agreement.

The present Agreement will come into force for each Government other than the four of those mentioned above by name who first ratify, on the date of notification or deposit of ratification.

Provided always that any such ratification shall have the same effect as if it had taken place before the report of the Reparation Commission and the Chairman of the Kriegslastenkommission.

The French Government will transmit to all the signatory Governments a certified copy of the *procès-verbaux* of the deposit.

DONE in a single copy at The Hague, the 20th day of January, 1930.

[Signatures not reproduced here.]

ANNEX I

EXCHANGE OF DECLARATIONS BETWEEN THE BELGIAN, BRITISH, FRENCH, ITALIAN AND JAPANESE GOVERNMENTS ON THE ONE HAND AND THE GERMAN GOVERNMENT ON THE OTHER

The representatives of the Belgian, British, French, Italian and Japanese Governments make the following declaration:

The New Plan rests on the principle that the complete and final settlement of the reparation question is of common interest to all the countries which this question concerns and that the Plan requires the collaboration of all these countries. Without mutual good will and confidence the object of the Plan would not be attained.

It is in this sense that the Creditor Governments have, in the Hague Agreement of January 1930, accepted the solemn undertaking of the German Government to pay the annuities fixed in accordance with the provisions of the New Plan as the guarantee for the fulfilment of the German Government's obligations. The Creditor Governments are convinced that, even if the execution of the New Plan should give rise to differences of opinion or difficulties, the procedures provided for by the Plan itself would be sufficient to resolve them.

It is for this reason that the Hague Agreement of January 1930 provides that, under the regime of the New Plan, the powers of the Creditor Powers shall be determined by the provisions of the Plan.

There remains, however, a hypothesis outside the scope of the Agreements signed today. The Creditor Governments are forced to consider it without thereby wishing to cast doubt on the intentions of the German Government. They regard it as indispensable to take account of the possibility that in the future a German Government, in violation of the solemn obligation contained in the Hague Agreement of January 1930, might commit itself to actions revealing its determination to destroy the New Plan.

It is the duty of the Creditor Governments to declare to the German Government that if such a case arose, imperilling the foundations of their common work, a new situation would be created in regard to which the Creditor Governments must, from the outset, formulate all the reservations to which they are rightfully entitled.

However, even on this extreme hypothesis, the Creditor Governments, in the interests of general peace, are prepared, before taking any action, to appeal to an international jurisdiction of incontestable authority to establish and appreciate the facts. The Creditor Power or Powers which might regard themselves as concerned, would therefore submit to the Permanent Court of International Justice the question whether the German Government had committed acts revealing its determination to destroy the New Plan.

Germany should forthwith declare that, in the event of an affirmative decision by the Court, she acknowledges that it is legitimate that, in order to ensure the fulfilment of the obligations of the Debtor Power resulting from the New Plan, the Creditor Power or Powers should resume their full liberty of action.

The Creditor Governments are convinced that such a hypothetical situation will never in fact arise and they feel assured that the German Government shares this conviction. But they consider that they are bound in loyalty and by their duty to their respective countries to make the above declaration in case this hypothetical situation should arise.

II

The representatives of the German Government, on their side, make the following declaration:

The German Government takes note of the above declaration of the Creditor Governments whereby, even if the execution of the New Plan should give rise to differences of opinion or difficulties in regard to the fulfilment of the New Plan, the procedures provided for in the Plan would be sufficient to resolve them.

The German Government take note accordingly that under the regime of the New Plan the powers of the Creditor Powers will be determined in accordance with the provisions of the Plan.

As regards the second part of the declaration and the hypothesis formulated in this declaration, the German Government regrets that such an eventuality, which for its part it regards as impossible, should be contemplated.

Nevertheless, if one or more of the Creditor Powers refer to the Permanent Court of International Justice the question whether acts originating with the German Government reveal its determination to destroy the New Plan, the German Government, in agreement with the Creditor Governments, accepts the proposal that the Permanent Court should decide the question, and declares that it acknowledges that it is legitimate, in the event of an affirmative decision by the Court, that, in order to ensure the fulfilment of the financial obligations of the Debtor Power resulting from the New Plan, the Creditor Power or Powers should resume their full liberty of action.

The French, German and English texts of the present Annex are equally authoritative.

[Signatures not reproduced here.]

ANNEX II

MEASURES OF TRANSITION

1. The transfer to the Bank for International Settlements of the documents belonging to the Reparation Commission and the Organisations of the Dawes Plan, will take place in so far only as may be deemed by the small Special Committee referred to in Annex V of the Experts' Report of 7 June 1929 (paragraph 166) to be strictly necessary for the exercise of the functions of the Bank for International Settlements.

2. (i) Germany's previous obligation, except in respect of the German External Loan 1924, being entirely replaced by the obligation laid down in the New Plan, the German A, B and C bonds, the bonds of the Deutsche Reichsbahngesellschaft, the German Industrial bonds and the bonds of the Bank für Deutsche Industrie Obligationen are finally cancelled and shall be destroyed.

(ii) The claims of Germany against Austria, Hungary and Bulgaria referred to in Article 261 of the Treaty of Versailles and the debts of Germany referred to in Articles 213 of the Treaty of St Germain, 196 of the Treaty of Trianon and 145 of the Treaty of Neuilly are finally cancelled and the securities and documents relating thereto shall be destroyed.

(iii) The measures to be taken for the destruction of the instruments abovementioned will be settled by the small Special Committee.

3. (i) As soon as the New Plan has been put into force the accounts of the transitional period referred to in Annex III, Article I (1) and (2) to the Hague Protocol of 31 August 1929, will be closed. Sums in fact paid by Germany during that period in excess of the amounts due by her during the same period, whether under the fifth annuity of the Dawes Plan or under the New Plan, and the provisions of paragraph II of Annex III and paragraph 1 of Annex IV of the Hague Protocol, will be reimbursed to Germany.

(ii) For the whole of the period during which the Agent-General for Reparation Payments has had such a surplus at his disposal, interest will be credited to Germany in so far as the Agent-General has received interest by the investment in reichsmarks of the sums at his disposal up to the amount of that surplus; interest will be debited to Germany in so far as, and for the period during which, the payments made by her have been less than those which she would have made if the New Plan had been put into force on 1 September 1929, regard being had to the sums referred to in the two following paragraphs; this interest will be calculated at a rate to that of the average interest produced by the total surplus to be reimbursed to Germany.

(iii) The sum of six million reichsmarks referred to in paragraph 2 of Annex III to the Hague Protocol is to be deemed due by Germany on the day on which the Agent-General for Reparation Payments received from Germany payments in excess of the amounts due under the New Plan sufficient to cover that sum.

(iv) The sum of thirty million reichsmarks referred to in paragraph 1 of Annex IV to the Hague Protocol is to be deemed due by Germany as follows:

5 million R.M. on 20 September 1929

5 million R.M. on 20 October 1929

5 million R.M. on 20 November 1929

5 million R.M. on 20 December 1929

the balance (10 million R.M.) on 31 December 1929.

(v) The balance of the above interest account will be settled when the principal sum due to Germany is reimbursed in accordance with the complete settlement of accounts to be approved by the Small Special Committee.

(vi) This settlement of accounts is without prejudice to the right of the German Government to recover any savings made on the amount of six million reichsmarks referred to in paragraph (iii) above by the Reparation Commission and the Organisations of the Dawes Plan whose expenses have hitherto been covered by the Dawes Annuities. The amount of these economies, if any, will be notified and paid to the German Government as soon as the Reparation Commission is in a position to do so.

ANNEX III

DEBT CERTIFICATE OF THE GERMAN REICH

I

The German Government, by this present Certificate, undertakes a solemn engagement subject to the stipulations of the New Plan as defined by Article I of the Agreement of the Hague of January 1930, to pay to the Bank for International Settlements as Trustee for the Creditor Powers, and not to any other agent nor by way

of direct payment to any one of its creditors, and in conformity with the following provisions, the annuities set out in the following table plus the sums required for the service of the German External Loan 1924 as provided in the General Bond dated 10 October 1924. The annuities set out in the table shall be paid by equal monthly instalments on the 15th of each month and if the 15th is not a working day then on the working day next following.

	Millions of reichsmarks
1 September 1929-31 March 1930	676.9
1 April 1930-31 March 1931	1641.6
1 April 1931-31 March 1932	1618.9
1 April 1932-31 March 1933	1672.1
1 April 1933-31 March 1934	1744.9
1 April 1934-31 March 1935	1807.5
1 April 1935-31 March 1936	1833.5
1 April 1936-31 March 1937	1880.3
1 April 1937-31 March 1938	1919.8
1 April 1938-31 March 1939	1938.1
1 April 1939-31 March 1940	1983.4
1 April 1940-31 March 1941	2096.1
1 April 1941-31 March 1942	2114.6
1 April 1942-31 March 1943	2131.9
1 April 1943-31 March 1944	2128.2
1 April 1944-31 March 1945	2141.4
1 April 1945-31 March 1946	2137.7
1 April 1946-31 March 1947	2133.4
1 April 1947-31 March 1948	2149.1
1 April 1948-31 March 1949	2143.9
1 April 1949-31 March 1950	2240.7
1 April 1950-31 March 1951	2283.1
1 April 1951-31 March 1952	2267.1
1 April 1952-31 March 1953	2270.1
1 April 1953-31 March 1954	2277.2
1 April 1954-31 March 1955	2288.5
1 April 1955-31 March 1956	2283.7
1 April 1956-31 March 1957	2278.1
1 April 1957-31 March 1958	2285.7
1 April 1958-31 March 1959	2317.7

1 April 1959-31 March 1960	2294.5
1 April 1960-31 March 1961	2304.4
1 April 1961-31 March 1962	2322.2
1 April 1962-31 March 1963	2314.1
1 April 1963-31 March 1964	2326.5
1 April 1964-31 March 1965	2326.0
1 April 1965-31 March 1966	2352.7
1 April 1966-31 March 1967	1566.9
1 April 1967-31 March 1968	1566.1
1 April 1968-31 March 1969	1575.9
1 April 1969-31 March 1970	1589.2
1 April 1970-31 March 1971	1602.9
1 April 1971-31 March 1972	1613.1
1 April 1972-31 March 1973	1621.5
1 April 1973-31 March 1974	1624.9
1 April 1974-31 March 1975	1627.6
1 April 1975-31 March 1976	1634.2
1 April 1976-31 March 1977	1637.9
1 April 1977-31 March 1978	1644.6
1 April 1978-31 March 1979	1654.7
1 April 1979-31 March 1980	1659.6
1 April 1980-31 March 1981	1670.5
1 April 1981-31 March 1982	1687.6
1 April 1982-31 March 1983	1691.8
1 April 1983-31 March 1984	1703.3
1 April 1984-31 March 1985	1683.5
1 April 1985-31 March 1986	925.1
1 April 1986-31 March 1987	931.4
1 April 1987-31 March 1988	897.8

The service of the German External Loan, 1924, shall constitute a part of the Annuities payable during the respective Annuity years until said Loan is fully redeemed, and the amount required for the service of the Loan in each Annuity year as determined by the Trustees of said Loan shall be added to the amounts specified in the foregoing table in determining the aggregate sum of each Annuity payable thereunder. The annual amounts payable for the service of the Loan shall be treated as payments on account of the non-postponable portion of the respective annuities and shall be transferred when received to the credit of the Trustees for the German External Loan, 1924.

1. Except for any period in which the transfer of the postponable portion of the annuity is suspended, the monthly payments of the Reich must be made in currencies other than the reichsmark.

2. Provided always that with a view to the execution of the programs relating to deliveries in kind and of the arrangements under the Reparation Recovery Acts, and with a view to meeting any administrative expenses incurred in Germany the Bank of International Settlements may request that a corresponding part of these payments may be made in reichsmarks.

3. The Bank may notify to the German Government and the Reichsbank simultaneously one month at least in advance of the payment dates the Bank's preferences with respect to the currencies in which payment is to be made. In case these preferences are not complied with, the Government of the Reich may make payment of such parts of the German annuities as do not relate to the service of the German External Loan, 1924, in the currencies of the Creditor countries whose nationals were members of the Committee of Experts of 1929, divided as nearly as possible in proportion to their respective shares, it being, however, understood that payments in currencies other than the reichsmark which are not on a gold or gold exchange standard shall be made only with the consent of the Bank.

4. The Bank for International Settlements shall give its receipt to the German Government for all sums which it pays or causes to be paid under this Certificate. The receipt shall make note of the currencies received, but credit shall be given to the German Government in the reichsmark equivalent of these currencies.

The Bank's receipt giving credit in reichsmarks for payments made to the Bank for International Settlements by the German Government or on its behalf for the execution of the New Plan, shall during the normal operation of the New Plan constitute a complete and sufficient discharge of the obligations of the German Government with respect to such payments.

Should, however, transfer postponement be in whole or partial effect, the Bank's receipt giving credit in reichsmarks shall constitute a complete and sufficient discharge of the obligations of the German Government with respect to all payments into the Annuity Trust Account made in foreign exchange and with respect to such portions of the payments made in reichsmarks as in the opinion of the Bank provide current funds for deliveries in kind or services. As to the remainder, the receipt of the Bank shall be in the nature of a temporary acknowledgment only.

5. The German Government undertakes that the reichsmark shall have and retain its convertibility into gold or devisa as contemplated in Section 31 of the Reichsbank Law of 30 August 1924, and that in all circumstances for the general purposes of the New Plan the reichsmark shall have and shall retain a mint parity of 1/2790 kilogram of fine gold as defined in the German Coinage Law of 30 August 1924.

Sums paid in currencies other than reichsmarks into the Annuity Trust Account shall be calculated in terms of reichsmarks subject to the provisions of the last preceding paragraph at the average of the middle rates (*Mittelkurs*) prevailing on the Berlin Bourse during the fifteen days preceding the date of payment.

III

1. To this Certificate are attached coupons representing each the whole of one annuity payable, after deduction of the amounts required for the service of the German External Loan, 1924; each coupon is divided into two parts - Part A represents that part of the annuity which is mobilisable and non-postponable; Part B the postponable portion of each annuity. Each part of the annuity coupon enjoys absolutely equal rights throughout except with regard to the possibility of postponement hereinafter provided for.

2. The Bank shall distribute moneys in payment of the mobilised or mobilisable portions of the annuity coupon among the whole of the bondholders and the creditor Governments in proportion to the rights of each to share in the portion of the annuity coupons not subject to postponement, without allowing a priority of any kind to any tranche or to any claim. It will distribute the moneys relating to the non-mobilisable portion of the annuity coupons amongst the creditor Governments, the transfer of these moneys taking place only after the transfer of the moneys relating to the mobilised or mobilisable portion of the annuity coupon.

IV

1. The service of interest and amortisation of the mobilisable or mobilised portions of the annuity coupons shall be paid to the Bank in currencies other than the reichsmark by the German Reich without any reservation, ie, on its own responsibility. The financial service of these mobilisable or mobilised portions of the annuities shall constitute a final and unconditional international obligation in the ordinary financial sense of the word.

2. Furthermore, upon the request of the Bank for International Settlements, acting as trustee of the Creditor Powers, if and in so far as the Bank considers such a course opportune, Germany undertakes to substitute for Part A of the coupons issuable bonds bearing its name, representing, on the same conditions as this Certificate and the said coupons, an obligation of the Reich. The amount and form of these bonds and the specification of the currency in which they shall be issued shall be fixed by the Bank.

3. If any one or more of the Creditor States should intend to utilise internal issues of German bonds in connection with operations for the conversion of national debt, such bonds shall be quoted only on their market of issue.

4. If and in so far as Germany shall redeem reparation loans (general or conversion loans) which can be redeemed before their due date according to the issue conditions, the part of the annuity destined for the service of the loan so redeemed will accrue to Germany. It is understood that the Bank will, as far as possible, make every effort to secure that loans will not be issued without granting to Germany an appropriate right of anticipated redemption.

5. Germany shall have the right to redeem all or any part of the not yet mobilised annuities (Parts A and B of the coupons) on a basis of 5 1/2 percent discount.

V

1. The payment of the non-mobilisable portion of the annuity coupons shall be made to the Bank for International Settlements by the German Government in the same conditions as that of the mobilised or mobilisable portion of the annuity coupons.
2. Nevertheless:
 - (a) Bonds representing the non-mobilisable portion of the annuity coupons cannot be created except with the consent of the German Government.
 - (b) It is in respect of the non-mobilisable portion of the annuity coupons that the German Government may avail itself of the right of postponing transfer or payment on the following conditions.
3. The German Government, by giving at least 90 days' previous notice, shall have the right to suspend for a maximum period of two years from the due date all or part of the transfer of the postponable part of the annuity. Transfer postponement thus declared shall affect the postponable annuity as and from that date on which transfer postponement becomes effective.
4. If, during any annuity year, the German Government shall avail itself of this power, the transfers falling due during any second year cannot be postponed for more than one year from their respective due dates, unless and until the transfers due during the first year shall have been effected in full, in which case the transfers due during such second year may be postponed two years from their respective due dates; and the transfers due during any third year cannot be postponed at all until the transfers due during the first year have been effected in full.
5. At any time when postponement of transfer is in effect but not until one year after it has become effective, the German Government shall have the right to postpone payment for one year of 50 percent of any sum the transfer of which shall then be susceptible of postponement under the conditions stated above. This percentage may be increased upon the recommendation of the Advisory Committee provided for in part VIII(e) of the Report of the Experts of 1929.
6. Any sum in reichsmarks the transfer of which is postponed shall be deposited to the account of the Bank for International Settlements at the Reichsbank for eventual release of balances not absorbed by deliveries in kind, against payments in foreign currencies by the German Government. At all times the employment, whether for investment or for deliveries in kind, of reichsmarks so deposited shall be subject to agreement between the Reichsbank and the Bank for International Settlements.
7. In settling the way in which these sums are to be employed account shall be taken of the possibility of establishing special programs in conformity with the procedure, provision for which is made in Appendix I to Annex II to the Hague Protocol of 31 August 1929.
8. Interest at the rate of 1 percent per annum above the prevailing Reichsbank discount rate, or $5\frac{1}{2}$ percent, whichever is lower, shall be paid half-yearly by the German Government on the daily amount of the sums the transfer or payment of which has been postponed and which have not been invested or utilised for deliveries

in kind. This interest shall be treated in all respects similarly to the principal sum upon which it accrues, and the return upon that portion of the funds actually invested shall be for the account of the Creditor Powers.

9. At the end of any period in respect of which a total or partial postponement of transfer or payment has been declared for any monthly instalment, the instalment or part thereof the transfer or payment of which has been so postponed shall become immediately payable to the Bank for International Settlements in foreign currencies, with the exception of any amounts of which the Creditor Powers have already had the benefit in some other form in pursuance of the New Plan. This clause modifies in no way the functions of the Special Advisory Committee provided for in the New Plan.

10. In the event of any declaration of postponement made by Germany or at any other time when the German Government declares to the Creditor Governments and to the Bank for International Settlements, that it has come to the conclusion in good faith that Germany's exchange and economic life may be seriously endangered by the transfer in part or in full of the postponable portion of the annuities, the Bank for International Settlements shall convene the Special Advisory Committee mentioned in Chapter VIII(e) of the Experts' Plan of 7 June 1929.

The Special Advisory Committee shall forthwith consider the situation in all its aspects, as provided in the Plan, and shall indicate for consideration by the Governments and the Bank what, in their opinion, are the measures that should be taken in regard to the application of the Plan. In application of Article 124 of the Report of the Experts of 7 June 1929, any recommendation of the Committee affecting the rights of the Creditor Governments shall not bind the Creditor Governments unless it is accepted and confirmed by the Creditor Governments who participated in the decision of 16 September 1928 to set up the Committee of Experts. Similarly, any recommendation affecting the rights of the German Government shall not bind the German Government unless it is accepted and confirmed by that Government.

VI

The German Government undertakes during the period up to 31 March 1966 to maintain at the Bank for International Settlements a non-interest bearing deposit equivalent to 50 percent of the average deposit remaining in the Annuity Trust Account, but not exceeding 100 million reichsmarks.

The Bank shall to this end certify to the German Government and to the Creditor Governments every month the average of the balance at the close of each working day left by the Creditor Governments on deposit without interest during that month, in respect of the sums arising from the German payments under the Dawes Plan or under the New Plan up to the time when they are drawn out by the Creditor Governments.

The first deposit will be paid by the German Government to the Bank fifteen days after the putting into execution of the New Plan, the amount of the deposit being calculated on the average of the daily balances above mentioned left with the Agent-General for Reparation Payments or the Bank during the months ending two working

days prior to the date of deposit, excluding sums returnable to the German Government under Annex III of the Hague Protocol of 31 August 1929.

The deposit shall be maintained at the amount so calculated during one month. At the end of this period the deposit will be adjusted by a further deposit or by the withdrawal of part of the existing deposit, on the basis of the average of the daily balances referred to above during the months ending two working days before the date of the adjustment.

A similar adjustment will take place at the end of the second month from the date of the first deposit.

At the end of the third month, and thereafter, at intervals of three months, the deposit shall be adjusted on the basis of the average of the daily balances referred to above during the three months ending two working days before the date of each such adjustment. The intervals referred to in this paragraph may be changed by agreement between the Governments concerned with the concurrence of the Bank for International Settlements.

VII

As a collateral guarantee the German Government, without prejudice to its general liability for payment of the annuities and its complete freedom to make these payments out of its general revenues and without prejudice to the securities for the German External Loan, 1924, assigns, in pursuance of the provisions of the relative Annex of the Agreement of The Hague of January 1930, the proceeds of the customs, tobacco, beer and alcohol (Monopoly Administration) duties to the service of the present Certificate, including the service of any bonds which may be issued in accordance with the New Plan.

The proceeds of the annual direct tax of 660 million reichsmarks payable by the German Railway Company are also assigned as a collateral guarantee to the service of the annuities. The amounts of the obligation of the German Railway Company will be paid in accordance with the Certificate of Debt of that company on the first day of each month, and if the full amount of the previous monthly payment due by the German Government has been paid, the amounts so paid by the German Railway Company will be transferred, immediately on their receipt, to the German Government.

VIII

The obligation of the German Government in relation to the annuities for which this Certificate provides shall not be deemed to have been fulfilled until all sums, the transfer or payment of which may from time to time have been suspended, have been either in fact completely transferred to the Bank for International Settlements in the shape of approved currency other than the reichsmark or employed for deliveries in kind.

IX

At the end of each annuity period, when the Bank for International Settlements has received from the German Government the amounts due under this present Certificate, the Bank will return to the Government the coupon corresponding to the payments of that annuity period. The Certificate itself will be delivered when all the coupons have been paid.

X

The foregoing provisions shall not be deemed to affect the provisions of the New Plan, which are not dealt with in this certificate.

ANNUITY COUPON (NOT INCLUDING THE SERVICE OF THE GERMAN
EXTERNAL LOAN, 1924)
PART A

The German Reich will pay to the Creditor Powers at the Bank for International Settlements on account of the non-postponable part of the Annuity for the period from 19...., to 19...., the sum of 612,000,000 reichsmarks.

The relative provisions of the Certificate apply to the present coupon.

A note of the payment of each instalment will be endorsed on the present coupon. When the full amount of the above sum has been paid this coupon will be returned to the German Government.

BERLIN, , 1930.

Reichsschuldenverwaltung

(Administration of the Debt of the Reich)

PART B

The German Reich will pay to the Creditor Powers at the Bank for International Settlements on account of the postponable part of the Annuity for the period from 19...., to 19...., the sum of reichsmarks.

The relative provisions of the Certificate apply to the present coupon.

A note of the payment of each instalment will be endorsed on the present coupon. When the full amount of the above sum has been paid this coupon will be returned to the German Government.

BERLIN, , 1930.

Reichsschuldenverwaltung

(Administration of the Debt of the Reich)

ANNEX IV

CERTIFICATE OF THE DEUTSCHE REICHSBAHN GESELLSCHAFT

By the present Certificate, the undersigned confirm that the German Railway Company has to pay, as contribution to the annuity for reparation purposes to be paid by the Reich, a Reich tax amounting to 660 million reichsmarks per annum.

This tax will fall due in equal monthly instalments of 55 million reichsmarks after the end of each month on the first day of the following month, and - where the first day happens to be a Sunday or holiday - on the following working day. It shall be paid direct into the account of the Bank for International Settlements at the Reichsbank. The payments begin to fall due on 1 October 1929 and end on 1 April 1966. Payments on the due dates must be effected before 9 o'clock in the morning.

The tax is to be paid in accordance with the conditions, privileges and guarantees fixed by the Railway Law of, and, in particular, in conformity with the following provisions:

The Tax shall be paid out of the operating receipts of the Company with recourse, if necessary, to all reserves. It shall rank after the expenditure on personnel and on the same footing with expenditure on material and consumable stores. It shall enjoy priority over any other tax now levied on the Railway Company or which may be levied in the future, and shall rank prior to any other charge, by way of mortgage or otherwise, on the Company.

In conformity with paragraph 1 of Article 5 of the Law of, the undertaking assumed by the Company to pay the reparation tax for the year 1965 and until 31 March 1966, will be transferred to the organisation to be created to administer the railways of the Reich in conformity with Article 92 of the Reich Constitution, the above provisions being applied *mutatis mutandis*.

ANNEX V

PROVISIONS TO BE INSERTED OR MAINTAINED IN THE GERMAN BANK LAW

Article 1

Remains unchanged.

Article 2

Remains unchanged.

Article 3

Remains unchanged (in connection with Article 5 of the Coinage Law, 1924).

Article 6

The Bank shall be administered by the Managing Board of the Reichsbank (*Reichsbankdirektorium*), which consists of a President as Chairman and the required number of members. In particular, the Managing Board shall direct the currency, discount and credit policy of the Bank.

The President and the members must be German nationals.

The resolutions of the Managing Board are passed by simple majority; in the case of an equality of votes, the President has a casting vote.

The President shall be elected by the General Council after the latter has heard the Managing Board of the Reichsbank. Such election requires a majority of 7 votes and the confirmation of the President of the Reich, who signs the deed of appointment. By the delivery of the deed the President elected is duly appointed.

The members of the Managing Board shall be appointed by the President after approval by the General Council. The same majority is required for such approval as for the election of the President. The appointment requires confirmation by the President of the Reich. The members are duly appointed by delivery of the deed of appointment. The appointment shall be for a term of twelve years, subject always to the condition that, on attaining the age of 65 years, a member shall cease to hold office.

The term of the first-appointed members of the Managing Board shall be as follows: with the exception of the President they shall be divided into 3 groups, of which the two first must be equal in number and the third group may be equal in number or less, but in any case shall be as near as possible in number to the first group. The first group shall contain the members youngest in years, and the third group the oldest, the second group containing the remaining members. The members of the first group shall be elected for 12 years, the members of the second group shall be elected for 8 years and the members of the third group shall be elected for 4 years. The same age limit of 65 shall apply in every case.

The term of office of the President is four years. The President and the members are eligible for re-election.

The election of a new candidate shall not take place unless the candidate is approved by the Managing Board. The approval shall be considered as refused if two-thirds of the members have voted against the new candidate.

On important grounds the President or a member of the Managing Board can be dismissed at any time without prejudice to their contractual rights. Dismissal of the President on important grounds can be voted by the General Council with the same majority as provided for in paragraph 4 above, and in the case of a member of the Managing Board it can be voted likewise by the General Council with the same majority, but not without the President's consent. The dismissal of the President or of a member of the Managing Board requires confirmation by the President of the Reich.

Article 9 (first paragraph).

Remains unchanged.

Article 10

Remains unchanged.

Article 12

In every year a report as to administration shall be presented to the General Meeting. The General Meeting shall decide as to the balance-sheet and as to the distribution of profits in accordance with this Law.

The General Meeting shall also determine the "Satzung" and any changes in the "Satzung" on the proposal of the Managing Board and with the consent of the General Council. The "Satzung" and any changes therein shall be published by the Managing Board in the "Reichsanzeiger".

Article 14

A General Council of the Reichsbank shall be constituted consisting of 10 members. These members must be German nationals.

Article 15

The President of the Reichsbank Managing Board shall be one of the members and also Chairman of the General Council.

The term of office of a member of the General Council with the exception of the President shall be three years.

Article 16

The members of the General Council, with the exception of the President, shall be elected by means of co-option by those members of the General Council who are in office at the time, subject to confirmation on the part of such of the shareholders as are German nationals. Before the election, the Chairman of the General Council or his deputy shall consult the Government of the Reich concerning the election.

Article 17

The following classes of persons shall not be elected as members of the General Council:

(a) officials in the immediate service of the German Reich or of any German State, unless they are in a permanent state of retirement;

(b) persons who receive any payment from the German Reich Government or from the Government of any German State. Remuneration for earlier services does not count as payment.

Article 18

Decisions of the General Council shall require a simple majority; if the votes are equally divided the Chairman shall have a casting vote. This provision shall not apply to the election of the President, nor to the assent to be given to the appointment of the members of the Managing Board.

At each of its meetings, and at least once in three months, the General Council shall examine the reports submitted to it by the President. It shall decide on all proposals made to it by the President, provided that such decisions do not encroach upon the rights of administration of the Bank reserved to the Managing Board.

Article 21

Add at end as new paragraph:

"All functions confided to and obligations imposed on Central Banks in general or any one such Central Bank specially by the New Plan (Hague Agreement, January 1930) will be performed in Germany by the Reichsbank. All functions confided to and obligations imposed on Presidents of Central Banks in General or any one such President specially by the New Plan will be performed in Germany by the President of the Reichsbank."

Article 22

Remains unchanged.

Article 25

The Reichsbank is under obligation to accept or make payment for the Reich at the request of the Government Authorities by any of its establishments appropriate for that purpose and also to effect transfers without the transmission of cash between the various financial establishments of the Reich.

Without prejudice to the rule contained in the fourth paragraph of this section the Bank shall be authorised to give credit to the Reich for purposes of administration; but in each case for a term not exceeding three months and only up to the maximum amount of one hundred million reichsmarks. On 15 July of each year the Reich must not be indebted to the Bank in any way.

Paragraphs 3 to 6 remain unchanged.

Article 27

The preparation and completion, the issue, the withdrawal and the destruction of bank notes shall be effected under the control of the President of the "Rechnungshof of the German Reich" as Commissioner.

The checking of the issue of notes shall be effected by numerically ascertaining the available note cover as prescribed by law. The examination shall take place on those days for which the Bank, according to Article 36, paragraph 1, regularly publishes its returns. The report as to such examination must be submitted to the General Council at each of its meetings. No examination or discussion concerning the credit, discount and currency policy of the Bank shall take place in connection with the checking.

Statements as to the cover of notes and as to the notes in circulation must be given to the Commissioner daily.

Paragraphs 4 and 5 remain unchanged.

Article 28

Remains unchanged.

Article 29

Remains unchanged.

Article 31

Remains unchanged.

Article 38, paragraph 4

While the note issue privilege is in force, the Reichsbank may only go into liquidation with the consent of the Government of the Reich. Thereafter, the Reichsbank shall before going into liquidation give notice to the Government in good time.

Article 45

Remains unchanged.

Article 46

Remains unchanged.

ANNEX Va

PROCEDURE FOR THE MODIFICATION OF CERTAIN PROVISIONS OF THE GERMAN BANK LAW

Any proposal which may affect the provisions of Annex V must be submitted by the German Government to the Board of Directors of the Bank for International Settlements.

The Board may object to any such proposal, on the ground that it is incompatible with the New Plan, by referring the question within a period of two months, in the absence of an agreement being reached, to an arbitrator chosen by common consent, or, in default of such consent, to the Tribunal provided for in the present Agreement. The decision of the arbitrator or Tribunal shall be final and will bind the Reich, the Bank for International Settlements and the States signatory to the present Agreement.

ANNEX VI

AMENDMENTS TO BE MADE IN THE LAW CONCERNING AND IN THE STATUTES OF THE GERMAN RAILWAY COMPANY

RAILWAY LAW AMENDMENTS Section 1

Incorporation of the Company

1. A Company is incorporated by the present Law to operate the Railways of the Reich.
2. The Company shall operate the Railways of the Reich on behalf of the Reich in conformity with the provisions of the present Law and the Statutes annexed thereto (Annex I).

Section 2

Conduct of the undertaking

No change.

Section 3

Capital

1. The original share capital of the Company shall be fifteen (15) milliard reichsmarks, divided into two (2) milliard reichsmarks of preference shares (*tranche A*) and thirteen (13) milliard reichsmarks of ordinary shares subject to the special provisions laid down in Section 26 of the Statutes as regards the preference shares.
2. For the purpose of obtaining the funds required for the improvement, perfecting and extension of the plant and rolling-stock of the Railways of the Reich and for other extraordinary expenditure, the Company is entitled to increase its capital by the issue of further preference shares (*tranche B*), the total nominal amount of such shares not to exceed the sum of two milliard reichsmarks for each period of ten years dating from the first issue of such preference shares. The increase of the capital is conditional upon the assent of the Government of the Reich.
3. formerly 2. No change.

Section 4

Reparation tax

1. The Company shall pay, as a contribution of the Deutsche Reichbahn to the reparation annuities payable by the Reich, a tax of the Reich to an amount of 660 million reichsmarks per annum (reparation tax). The reparation tax shall fall due, in equal monthly instalments of 55 million reichsmarks, upon expiration of each month on the first day of each subsequent month, and where the first day is a Sunday or holiday, upon the first working day following; the tax shall be paid direct into the account of the Bank for International Settlements at the Reichsbank; the first payment shall fall due on 1 October 1929 and the last payment on 1 April 1966, subject to the provision of Section 5 of the present Law. The payments shall be made before 9am on the days fixed for the same.
2. The Reparation Tax shall be paid out of the operating receipts of the Company with recourse, if necessary, to all reserves. It shall rank after the expenditure on personnel and on the same footing with expenditure on material and consumable stores. It shall enjoy priority over any other tax now levied on the Railway Company, or which may be levied in the future, and shall rank prior to any other charge, by way of mortgage or otherwise, on the Company.
3. The Company shall deposit with the Bank for International Settlements a certificate acknowledging its liabilities under paragraphs 1 and 2 above. The Reparation Bonds created in virtue of Section 4 of the Law of 30 August 1924, and handed over to the Trustee shall be cancelled and destroyed in the presence of a representative of the Company.
4. The payment of the reparation tax by the Company shall be guaranteed by the Government of the Reich. As soon as the Bank for International Settlements notifies the Government that a payment due has not been effected either in whole or in part, the Government shall authorise the Company to devote to the payment of the arrears of reparation tax the proceeds of the transport tax collected for the account of the Reich, in so far as such a tax exists. If these resources prove insufficient the Reich shall meet the deficit within one month of receiving notice from the Bank, either by placing the sums required for the payment at the disposal of the Company or by making a direct payment into the account of the Bank for International Settlements at the Reichsbank. Apart from the above provision, the transport tax shall be exempt from all special charges in respect of reparations.
5. The sums paid by the Government to cover a deficit in the reparation tax and the proceeds of the transport tax devoted by the Company to the same purpose in virtue of paragraph (4) above shall be repaid to the Reich in conformity with the provisions of Section 25, paragraph 3, No. 3 of the Company's Statutes.
6. The Company is entitled, with the assent of the Bank for International Settlements and subject to the terms agreed on with the Bank, to discharge the reparation tax in whole or in part by a capital payment. The Government of the Reich may require the Company to exercise this right of discharge provided that the Reich places the necessary funds at the Company's disposal. Any capital payment shall extinguish the

liability of the Company under paragraphs 1 and 2 in a corresponding degree. The right of the Government of the Reich provided for in the Agreement of, of, relating to the redemption of reparation annuities remains unaffected.

Section 5

Concessions. Transfer of rights and obligations

1. The Reich shall concede to the Company the exclusive right to operate the railways of the Reich under the conditions set forth in this Law and in the Company's Statutes. The concession shall terminate on 31 December 1964, provided that at the said date all the reparation tax payments payable up to that date including the payment falling due on 2 January 1965, have been discharged and all the preference shares have been redeemed. The liability of the Company to the payment of the reparation tax in 1965 and up to 31 March 1966 shall then be transferred, subject to the continued application of the provisions of Section 4, to the undertaking entrusted with the operation of the railways of the Reich in accordance with Article 92 of the Constitution.

2. In the event of the Company's liability to pay the reparation tax direct into the account of the Bank for International Settlements at the Reichsbank terminating before 31 December 1964, the concession shall be shortened accordingly and will terminate forthwith, provided that the preference shares have all been redeemed by that date. On the other hand, if at 31 December 1964, the whole of the Reparation tax payments due up to that date have not been made, or if the whole of the preference shares have not been redeemed, the concession shall be prolonged under the same conditions until such time as the payment of the tax and the redemption of the preference shares have been completed.

3. to 7. No change.

Section 6

Railway property of the Reich

1. No change.

2. The Company shall be entitled to dispose of property belonging to the railways of the Reich where, in the opinion of the Company, such disposal is not inconsistent with reasonable operating needs. Nevertheless, before disposing of any property the value of which exceeds 250,000 reichsmarks, the Company shall be required, subject to the provisions of Section 8, to obtain the consent of the Government. Where no other method of utilisation has been agreed upon with the Government of the Reich the proceeds of sales shall be utilised for the improvement, completion or extension of plant and rolling-stock.

Section 7

Limited liability of railway property for debts of the Reich

No change.

Section 8

Loans and credits

1. The Company shall have the right to raise loans on its own account, provided that their currency does not extend beyond 1 January 1965, and for the purpose of such loans to mortgage the property of the railways of the Reich.

2. to 4. No change.

5. For the purpose of guaranteeing loans (paragraphs 1 and 2) by mortgages, the Company shall be entitled to grant a collective mortgage (*Reichsbahn-hypothek*) on all land sites forming part of the property of the railways, together with all accessories, including rolling-stock.

Section 9

Operation

1. The Company shall assume responsibility for the safe operation of the railways of the Reich and for such adequate maintenance, renewal and development at its own expense of the undertaking, with all its accessories, as will meet the requirements of traffic and the progress in railway technique.

2. Subject to these principles and other legal prescriptions and within the limits of the control reserved to the Reich (see Section 31 and following) the Company shall be entitled to operate the railways on its own responsibility.

Section 10

Monopoly

No change.

Section 11

Classification of railways

The Government of the German State concerned and the Company shall be entitled to be heard on the question as to whether a railway is to be considered as of general interest; the final decision rests with the Minister of the Reich responsible for the control of the railways.

Section 12

Transfer of rights under the concession

In special cases where it appears advantageous in the operation of the undertaking the Company may, with the assent of the Government of the Reich, transfer the concession of individual parts of the system to third parties, provided that the Company's ability to pay the reparation tax and the security of the same are not diminished thereby.

Section 13

Services to or by Departments of the Governments

No change.

Section 14

Exemption from taxation

No change.

Section 15 (new)

Contributions towards the administrative expenditure of the communes

In discharge of claims to a contribution towards administrative expenditure put forward by communes in which a relatively large proportion of railway staff is domiciled, the Company shall pay annually to the Government of the Reich the fixed sum of five million reichsmarks agreed on with the Government, which will lay down the principles of distribution among the communes concerned. Should circumstances alter in the future, the amount payable by the Company shall be fixed by a new agreement between the Government and the Company.

Section 15 (former)

Transport tax

Omitted.

Section 16

Other laws; their application to the Company

1. The Company shall be subject to general legislation, in so far as it does not enjoy a privileged position in virtue of the provisions of the present Law or of the Company's Statutes. The laws and decrees relating to private railways alone, in particular to their concession, operation or supervision, shall not be applicable to the Company.

2. formerly 1. No change.

3. formerly 2. No change.

4. The Company shall be entitled to claim for itself and its personnel the benefit of the provision which exists in favour of the Departments or undertakings of the Reich and their personnel in the matter of the Versicherungs-, Wirtschafts-, Arbeits-, Fürsorge- and Wohnungsrecht (insurance, economic labour, pensions and housing legislation). The right to such benefit will be acquired by a declaration to the Government of the Reich. Where a special decree is required to establish the Company's privileged position under the laws concerned, such decree shall be issued by the Minister of the Reich responsible for the control of the railways. The powers exercised by the supreme authority of the Reich (*Oberste Reichsbehörde*) in these matters shall, unless otherwise stipulated in the laws, be exercised by the Director-General.

5. and 6. No change.

Section 17

Company officials and State officials

The authorities of the Company shall not be authorities or official organs of the Reich. They have, however, the same standing under public law and the duties connected therewith as the Deutsche Reichsbahn undertaking prior to the creation of the Company. The Company shall be entitled to use a seal displaying the German eagle.

Section 18

Representation of the Company

No change.

Section 19

Legal position of the personnel

1. The Company shall draw up staff regulations (*Personalordnung*) in conformity with and subject to the following provisions. The regulations shall define the rights, conditions of service and salaries of the Railway officials (*Beamte*) on lines similar to those governing the provisions in respect of officials of the Reich. Where the Company believes that the special circumstances of the Railway necessitate a deviation in its own regulations from the provisions applicable to officials of the Reich, the Company shall inform and discuss its intentions with the Government of the Reich. If no agreement can be reached, the final decision shall rest with the Railway Court (Section 44). Until the Railway Court takes a decision, the existing regulations shall remain in force.

Provisional Regulation

The regulations governing the rights, conditions of service and salaries of railway officials on 1 October 1929 shall be considered as having been issued in agreement with the Government of the Reich.

2. The staff regulations may contain provisions in respect of the rights and conditions of service of employees and workers, where such rights and conditions of service are not the subject of agreements based on recognised general principle (wage agreements, working agreements, individual contracts).

Provisional Regulation

Matters regulated on 1 October 1929 under Sections 3 to 32 of the staff regulations or entrusted to the Director-General for settlement in virtue of the staff regulations shall be considered to be matters which may be decided by the staff regulations, save in so far as otherwise provided under Section 19, paragraph 3.

3. Save in so far as otherwise provided in the present law or in the Company's Statutes, the general laws and ordinances governing labour, pensions and insurance shall apply to the officials, employees and workers of the Company. In particular, legislation on the working hours of employees and workers shall apply to the employees and workers of the Company. In those branches of the service, however, in which the special conditions of the Railway system or the collaboration of officials, employees and workers calls for a uniform regulation of working hours, the Company may secure such uniformity by applying the service regulations for officials to the working hours of employees and workers. Those branches of the service in which the service regulations for officials may be given general application are enumerated under Section A of Annex II to the present law; under Section B are enumerated those branches of the service in which such general application is not permissible. In the case of branches of the service not included under either A or B, the regulation of working hours by general agreement, in particular by wage agreement, shall take into consideration the principle established in sentence 3 in respect of the application of the working hours of officials to employees and workers.

4. and 5., formerly 3. and 4. No change.

Section 20

Protection of existing rights

No change.

Section 21

Local employment of staff

No change.

Section 22

Staff Regulations

The Staff Regulations to be drawn up by the Company shall in particular determine the following matters, subject always to the provisions of this Law:

- (a) the conditions of appointment and promotion of officials;
- (b) their classification;
- (c) salaries, retaining pay and all other allowances to officials, as also the pension scale and allowances to surviving dependants;
- (d) hours of work (hours on and off duty) of officials;
- (e) conditions of employment and appointment of candidates entitled to civil employment.

Section 23

Duties of officials (*Beamte*)

1. No change.
2. In case of breach of duty, the railway official shall be subject to the same disciplinary procedure, with the necessary changes, as is provided for at the time in question in the case of officials of the Reich. In any such case, the Director-General or his authorised representatives shall possess the powers of the supreme authority of the Reich (*Oberste Reichsbehörde*).
3. No change.

Section 24

Retirement on retaining pay

The Company can place its officials temporarily on the retired list with retaining pay. The principles governing temporary retirement and the legal means of redress of officials against such a measure shall be laid down in the staff regulations. The provisions of the staff regulations in force on 1 October 1929 relating to temporary retirement, legal means of redress, and the participation of representatives of the officials in the decisions on legal means of redress, cannot be amended without the assent of the Government of the Reich.

Section 25

Persons entitled to civil employment

No change.

Section 26

Reservations as to salaries

1. In fixing the pay and permanent allowances of railway officials other than superior officials (*leitende Beamte*) the Company shall act in conformity with the provisions of Section 19.

2. formerly 3. This provision shall not affect the right of the Company to grant bonuses on general principles for service in particularly responsible posts or under particularly difficult circumstances, as well as for exceptional services rendered, provided that the total of such bonuses does not exceed four percent of the total expenditure on the pay of officials. The principles in question shall be established and published after consultation with the Officials' Council or with the representative organisation taking its place in virtue of subsequent legislation.

3. formerly 4. The Company shall be free to fix the emoluments of superior officials. These officials will be designated by the Board of Management. Should their number exceed one-half per mille of the total permanent staff, the assent of the Government of the Reich must be obtained.

Section 27

Unity of the undertaking

No change.

Section 28

Domicile of the Company

No change.

Section 29

Accountancy

No change.

Section 30

Balance sheet, profit and loss account

1. No change.

2. The Government shall have the right to examine the Company's balance-sheet and profit and loss account at any time, to inspect all such books of account concerning the balance-sheet and profit and loss account as are kept at the Head Office of the Company, and to call for all necessary information, provided that no unnecessary expenditure is thereby entailed on the Company.

3. No change.

Section 31

Government supervision

The Government reserves over the Company the rights following:

1. The right to ensure that the railways of the Reich are administered in conformity with the laws and in accordance with the requirements of traffic and of the German economy, subject, at the same time, to the observance of the special rights and duties arising in respect of the management of the Company out of the provisions of the present Law and the Company's Statutes;
2. The right to ensure that the railways of the Reich, together with all their works, rolling-stock, plant and material, are maintained and operated in a manner consistent with safety and public convenience;
3. The right to approve:
 - (a) The permanent closing for traffic of a line or of an important station.

Where the Company intends to close down a large workshop, it is sufficient if six months' notice is given to the Government of the Reich;

- (b) The general fundamental renewal or alteration of technical installations, in particular the right to approve the extension or restriction of electric traction or changes in the system of safety appliances. The Company shall remain solely responsible for the technical details of construction;
4. The right to approve the foundation or acquisition of other undertakings or participation in other undertakings;
5. Such participation in fixing tariffs as is specified in Section 33;
6. Such participation in fixing passenger train services as is specified in Section 35;
7. The right to approve the abolition of any of the existing classes in passenger traffic;
8. The right to supervise the maintenance of emergency services.

Section 32

Government's right to information

1. The Government may require the Company to furnish all information of a financial nature, together with all information required in the exercise of its right of supervision. No unnecessary expense thereby to be caused to the Company.
2. The Minister of the Reich responsible for the control of the railways is entitled to inspect all plant and service departments throughout the entire system, or to cause the same to be inspected by his officials. He is entitled, together with those of his officials entrusted with railway matters of the Reich, to travel free of charge on the Company's system.

3. The Government of the Reich is entitled to send *one* representative to the meetings of the Board of Management in accordance with Section 16 of the Company's Statutes.

4. The Company shall inform the Minister of the Reich responsible for the control of the railways of all important measures of a general nature.

5. Officials entrusted with the supervision of the railways shall be bound to secrecy in matters of a confidential nature concerning the Company.

Section 33

Tariffs

1. No change.

2. No change.

3. The approval of the Government shall be held to have been given if the Company has not received a reply from the Minister of the Reich responsible for the control of the railways within twenty days of an application by the Company for approval. The definite decision of the Government on any tariff proposal submitted by the Company shall always be given with the least possible delay. Where no definite decision is pronounced within six months, or where approval is withheld altogether or in part, the Company may appeal to the Railway Court (Section 44). In this event the existing tariffs shall remain in force until the Railway Court has made its award.

4. No change.

5. The Government of the Reich may, in addition, call for such tariff changes as it considers necessary. In the event of differences between the Government and the Company the decision rests with the Railway Court (Section 44).

Section 34

Protection of the reparation tax and of interest and sinking fund

The rights of supervision and control of the operation and tariffs of the Company reserved to the Government by the present Law shall be exercised in such a way as to secure the payments in respect of the reparation tax, the interest and sinking fund for the bonds, the preference dividend and the provision of funds for the redemption of the preference shares.

Section 35

Time-tables

No change.

Section 36

Negotiations with foreign governments

No change.

Section 37

New works

1. No change.

2. When new works or the modification of existing railway works come within the administrative sphere of the police of a particular German State, the Company shall consult the authorities of the State in question before definitely fixing its plans. Where new works or modifications come within the administrative sphere of authorities of the Reich, which have taken over duties of the police of the State in question, such authorities of the Reich shall also be heard. Where the hearing leads to differences between the Company and the State or Reich authorities concerned, the plans shall be finally decided upon by the Government of the Reich. The plans for new lines of the Company shall always be decided upon by the Government of the Reich. In both cases the Company shall submit the plans, together with the memoranda, where such have been drawn up by the authorities concerned, to the Minister of the Reich responsible for the control of the railways. The fixation of the plan comprises the final decision in respect of all matters affected by the drafting of the plan.

3. to 5. No change.

Section 38

Compulsory taking of lands

1. and 2. No change.

3. The expropriation or restriction of ownership of parts of the property of the Railway and of land sites owned by the Company shall require the previous assent of the Government of the Reich.

Section 39

Respective rights of road and rail

When, at any point where a railway crosses a public road, the growth of traffic or any other change of circumstances renders necessary an alteration either of the railway, or of the public road, or of both railway and road, the costs shall be borne by the Company if the alteration is required exclusively to meet the needs of the railway service; they shall be borne by the road authority if the alteration is required exclusively to meet the needs of road traffic; in every case the other party shall bear a share of the costs proportionate to the financial advantages accruing to it as a result of the alterations undertaken. The costs shall be divided equitably between the two parties, if the alteration is required to meet the needs of both parties. In case of disagreement as to the division of the costs, the question shall be decided without

appeal by the Minister of the Reich responsible for the control of the railways, except in cases where such decision has to be given by an Administrative Tribunal.

Section 40

Transfer of duties incumbent upon the Transport Administration

The Government of the Reich may, in agreement with the Company, entrust individual departments or officials of the Company, in particular the Districts (*Reichsbahndirektionen*), with the supervision on behalf of the Reich of railways not operated by the Company (Article 95 of the Constitution) and with other duties of transport administration. Such duties are to be fulfilled in accordance with the instructions of the Government and for the account of the same. Railway officials entrusted with such duties are to be specially sworn in for these functions.

Section 41

Expiration of the concession

1. As from the expiration of its concession the Company shall hand back to the Government in good condition and free of all cost the undertaking and everything attached thereto, together with an adequate supply of stocks and stores and all subsidiary works and undertakings, subject to such agreements as may have been concluded between the Company and the Government under Section 8, together with all holdings in other undertakings. On such re-transfer the Reich shall be held to take over all the rights and obligations connected with the Company's operation.

2. No change.

Section 42

Liquidation

No change.

Section 43

Staatsvertrag

1. No change.

2. Differences as to the interpretation or application of the provisions of paragraph 1, so far as they are applicable to the Company, shall be determined exclusively by the Railway Court (Section 44). In any such proceedings the States shall be represented by the Reich.

Section 44

Railway Court

1. Disputes between the Government and the Company in respect of the interpretation of the provisions of this Law and of the Company's Statutes, or in respect of measures under the Law or the Statutes, in particular tariff matters, shall be referred to a special tribunal (Railway Court).

2. The Railway Court will be constituted at the Court of Administration of the Reich (*Reichsverwaltungsgericht*) as soon as the latter is established. The Railway Court shall comprise the Chairman and two members of a Chamber of the Court of Administration appointed once for all by the President of the said Court of Administration. In disputes on tariff matters two further members will be added, the one being appointed on the proposal of the Government and the other on the proposal of the Company in each case afresh by the President of the Court of Administration. Until the Court of Administration is established the Railway Court shall have its seat at the Supreme Court of the Reich (*Reichsgericht*) and shall comprise three permanent members and two members appointed afresh in each case. The permanent members together with two replacing members shall be appointed by the President of the *Staatsgerichtshof* and shall be judges with special experience in matters of public law. One of the permanent members shall be appointed as Chairman and another as Vice-Chairman by the President of the *Staatsgerichtshof*. Of the two members to be appointed afresh in each separate case the one shall be appointed on the proposal of the Government and the other on the proposal of the Company by the President of the *Staatsgerichtshof*. The provisions of Section 19, sentences 2 and 3; Sections 20 to 22, Sections 24 to 26, Section 28, paragraph 1; Section 29, paragraph 1 and paragraph 2, sentence 1, and Section 30 of the Law relating to the *Staatsgerichtshof* (*Reichsgesetzblatt* 1921, page 905) apply *mutatis mutandis*. The detailed provisions governing procedure shall be fixed by regulations to be issued by the President of the Court of Administration, or until the constitution of this Court by the President of the *Staatsgerichtshof*, and published in the *Reichsgesetzblatt*. The said regulations shall ensure the pronouncement of a decision by the Railway Court with the minimum of delay.

3. and 4. Omitted.

Section 45

Arbitrator

Omitted.

Section 46

Gold Mark

Omitted.

Section 47

Temporary provisions

Omitted.

APPENDIX I TO THE LAW
CONCESSION (STATUTES) OF THE GERMAN RAILWAY COMPANY
AMENDMENTS

Section 1

Name of the Company

1. No change.
2. Its legal status is fixed by the Deutsche Reichsbahn-Gesellschaft Law of 30 August 1924, as amended by the Law of and by this Concession which forms part of the Law. The Head Offices of the Company shall be in Berlin.
3. The Company's financial year shall begin on 1 January and shall end on 31 December of each year.

Section 2

Objects of the undertaking

No change.

Section 3

Original capital

1. The Company's original capital shall consist of fifteen (15) milliard reichsmarks divided into two (2) milliards of preference shares (group A) and thirteen (13) milliards of ordinary shares. The provisions of Section 26 in regard to the preference shares of group A, series I to V, remain unchanged.
2. Further preference shares (group B) to increase its capital may be issued by the Company in conformity with the provisions of Section 3, paragraph 2, of the Law in virtue of a decision by the Board of Management.

Section 4

Preference shares

1. The preference shares shall be issued as payable to bearer and be transferable by delivery. They will carry with them a right to the repayment of capital on or before the termination of the Concession and the right to a preferential dividend. Should the preferential dividend not be fully paid in any year it shall be paid out of the profits of subsequent years. If a dividend is paid on the ordinary shares an additional dividend shall be paid on the preference shares of Group A in accordance with the provisions of Section 25 below.
2. No change.

3. Any series of preference shares may be redeemed at any time in whole or in part, subject to the special provisions of Section 26 in regard to the preference shares of Group A, series I to V.
4. No change.
5. No change.
6. The preference shares shall be redeemed, subject to the special provisions in Section 26 for the preference shares of Group A, series I to V, at rates to be determined by the Company at the time of issue. Where the rate is fixed at more than 10 percent above par, the assent of the Government of the Reich is required.
7. Subject to the above provisions, the Government may call upon the Company to exercise its right of anticipatory redemption, provided that the Reich places the necessary funds at the disposal of the Company.

Section 5

Division of proceeds from the sale of preference shares

1. One-fourth (1/4) of the total proceeds from the issue of the preference shares of Group A shall be the property of the Reich and three-fourths (3/4) the property of the Company. Notwithstanding the proceeds from individual issues may by agreement between the Government and the Company be divided differently, provided that the total shall be divided as set forth above.
2. During the first two years after the commencement of the concession the Company shall sell preference shares to the nominal value of five hundred (500) million reichsmarks. The Government may claim that the whole of the proceeds of this sale shall be assigned to it.

Section 6

Ordinary shares

No change.

Section 7

Form and wording of the certificates

No change.

Section 8

Reparation bonds

Omitted.

Section 9

Other bonds

Omitted.

Section 10

Organisation of the Company

No change.

Section 11

Board of Management

1. The Board of Management shall consist of eighteen (18) members, who must be of German nationality.
2. formerly 2. and 3. The members of the Board shall be appointed by the Government of the Reich. If preference shares of Group A have been issued, four (4) of the eighteen (18) seats on the Board shall be assigned to the holders of preference shares in such a manner that for each five hundred (500) million reichsmarks of shares issued, one representative of such shares shall be entitled to a seat on the Board.
3. formerly 4. No change.
4. formerly 5. No change.

Section 12

Qualifications of the Members of the Board

No change.

Section 13

Replacement of Members of the Board

1. As from 31 December 1930, six members of the Board shall retire each year; subsequently each member shall remain in office for three years. A retiring member shall be eligible for re-election. The appointment of new members or re-appointment of retiring members must take place before the beginning of the following financial year.

Transitional Provision

The term of office of the present members of the Board of Management shall expire:

On 31 December 1930 in the case of members due in any event to retire on that date under the provisions hitherto in force.

On 31 December 1931 in the case of members due to retire on 31 December 1932, under the provisions hitherto in force.

On 31 December 1932 in the case of members due to retire on 31 December 1934, under the provisions hitherto in force.

Their successors will be appointed for three (3) years.

In deviation from this provision, the four (4) foreign members retire upon the coming into force of the present Law. Their successors will be appointed at the same date by the Government of the Reich for the remainder only of the term of office of the foreign members, which term of office in conformity with the above regulation ends on 31 December of the years 1930, 1931 or 1932.

2. and 3. No change.

Section 14

President of the Board of Management

1. The Board of Management shall elect a President each year at the beginning of the financial year. He shall be eligible for re-election. The election requires confirmation by the President of the Reich. When the holders of preference shares of Group A are represented by three (3) members on the Board, the President shall be chosen from amongst their number.

2. The Board shall each year elect one or two Vice-Presidents, who shall be eligible for re-election.

Section 15

Functions of the Board of Management

1. The Board of Management shall control the management of the Company and shall decide on all questions of importance, or of principle, or of general application, and more especially on such questions and matters as are set out below:

The appointment of the Director-General and of the superior officers on the recommendation of the Director-General;

The budget proposals;

The balance-sheet and the profit and loss account;

The distribution of profits;

The application of the liquid resources of the Company;

The authority to take up loans and credits at the charge of the Company, and to give mortgage security for the same;

The approval of any expenditure on capital account beyond such limit as may be fixed by the Board;

The approval of the general regulations governing the legal status and conditions of service and of pay of the employees, including the general regulation of salaries and wages.

2. and 3. No change.

Section 16

Meetings of the Board of Management

1. The Board shall hold ordinary meetings at least every two (2) months. It shall hold an extraordinary meeting whenever at least six (6) members, or the President, or the Government of the Reich, shall so require in writing.

2. and 3. No change.

4. Decisions shall be taken by a simple majority of members voting. The President shall have a casting vote.

5. The Government of the Reich may appoint one permanent representative, who is entitled to take part without vote in the meetings of the Board of Management and of its committees. If he is prevented from attending, his permanent deputy may take part in the meetings. The representative of the Reich and his deputy shall be appointed at the beginning of each financial year.

Section 17

Permanent Committee

1. The Board of Management may delegate its powers, so far as it thinks fit, to a Permanent Committee consisting of six (6) members. One (1) of the members shall be chosen from the representatives of the preference shareholders of Group A, if they so require.

2. and 3. No change.

Section 18

Remuneration of Members of the Board

No change.

Section 19

Directorate (*Vorstand*) of the Company

1. and 2. No change.

3. The Director-General shall be appointed for a period of three (3) years by the Board of Management, which shall first get into touch with the Government of the Reich; he shall be eligible for re-appointment. The Directors shall be appointed by the Board on the recommendation of the Director-General.

4. No change.

5. The Board may at any time remove the Director-General. The removal of the Director-General shall not affect the rights to salary and allowances which he possesses under his contract of appointment.

6. Where the Government of the Reich is of opinion that the Director-General has violated the Company's statutes, it may require the Board of Management to take a decision on the discharge of the Director-General.

Section 20

Functions of the Directorate

No change.

Section 21

Railway Commissioner

Omitted.

Section 22

Functions of the Commissioner

Omitted.

Section 23

Staff and expenses of the Commissioner's Office

Omitted.

Section 24

Exceptional Powers of the Commissioner

Omitted.

Section 25

Financial management of the Company

1. At the close of each financial year the Company shall draw up a balance sheet and profit and loss account.

2. The net operating income, after paying the reparation tax and covering the operating payments out of operating receipts in accordance with the provisions of Section 4 of the Law, shall be applied as follows:

(1) In the first place provision shall be made for the service of interest on the bonds and loans of the Company and for the sums requiring to be written off.

(2) As cover for any operating deficit of the Company and as security for the prompt payment of the reparation tax and the prompt settlement of the interest and amortisation payments on the bonds and loans of the Company, a reserve (adjustment reserve) shall then be established. Two percent (2%) of the gross receipts from the operation of the railways shall be paid into this reserve fund each year, until it amounts to the maximum total of four hundred and fifty million (450,000,000) reichmarks.

When the adjustments reserve has reached the before-mentioned maximum amount, a further reserve (dividend reserve) shall immediately be formed as security for the payment of the preference dividend on the preference shares. One per cent (1%) of the gross receipts from the operation of the railways shall be carried to this fund, until it amounts to the maximum total of fifty million (50,000,000) reichsmarks.

Appropriations from the net operating income to the adjustments and dividend reserves may not, however, in any one financial year together exceed two percent (2%) of the gross operation receipts. The provision of Section 4, paragraph 2, sentence 1 of the Law applies to the dividend reserve as well as to all other reserves.

If sums have to be withdrawn from the reserves after the maximum amounts have been reached, the annual appropriations for their replenishment shall immediately be resumed in conformity with the above provisions.

3. The net profits remaining after the foregoing payments out of the operating income have been made shall be employed as in the following order:

(1) Arrears of dividend on the preference shares of Group A, if any, shall first be paid in full. The current dividend on the said shares shall then be paid.

(2) Arrears of dividend on the preference shares of Group B, if any, shall first be paid in full. The current dividend on the said shares shall be then paid.

(3) Any sums which the Government of the Reich may have paid under Section 4, paragraph 4 of the Law with a view to guaranteeing the reparation tax shall be refunded to it.

(4) The Board, acting in agreement with the Government of the Reich, shall decide on the employment of the remainder of the net profits in accordance with the following principles:

In the first place at least twenty-five percent (25%) of the remainder, not including the balance brought forward from the previous year, shall be carried to the dividend reserve, up to an amount not exceeding one hundred million (100,000,000) reichsmarks. If the sums have to be withdrawn from the dividend reserve after the maximum limit has been reached, appropriations for its replenishment shall be resumed in conformity with the above provisions.

Special reserves may also be established. A special preference share redemption reserve shall be established as from the year 1935 and may be established at an earlier date. No reserve shall be established for the redemption of the ordinary shares.

If the Board decides to distribute any remaining profits, they shall be applied: as to one-third (1/3) as a supplementary dividend for the preference shares of Group A, and as to two-thirds (2/3) as a dividend on the ordinary shares.

Provided, however, that if preference shares of Group A are not outstanding to the full amount of two milliard (2,000,000,000) reichsmarks, such a portion of the remaining profits as would have belonged to those preference shares which are not outstanding shall belong to the ordinary shares.

4. From the reserve constituted under Section 25, paragraph 2, point 3, of the Company's statutes appended to the Railway Law of 30 August 1924, four hundred and fifty million (450,000,000) reichsmarks shall be carried to the adjustments reserve. Any balance then remaining shall be transferred to the dividend reserve.

Section 26

Special provisions for Series I to V of preference shares, Group A

For the preference shares of Group A, series I to V, the following provisions apply:

1. The preference shares are expressed in gold marks. Preference and supplementary dividends, together with the redemption amount of the preference shares, are payable in gold marks or their equivalent in reichsmarks. One gold mark within the meaning of the present provision shall be equal in value to 1/2790 kilogram of fine gold. This value shall be calculated on the price for gold in London officially notified on the third working day before the acceptance of the balance-sheet by the Board of Management, and on the mean rate for telegraphic transfers on London officially quoted on that day on the Berlin Bourse. In cases where on the third working day before the acceptance of the balance-sheet no official price for gold is published, the calculation shall be based on the last London price for gold officially notified before that day. If the price per kilogram of fine gold works out at not more than 2,820 and not less than 2,760 reichsmarks, one reichsmark in legal tender shall be paid for each gold mark owed.

In respect of the dividend on each preference share of series IV and V of Group A, an instalment in reichsmarks will be paid on 2 January of each year, in conformity with the terms of issue.

Upon the redemption of preference shares which have been called in, gold marks will be converted into reichsmarks in the manner provided for the dividend payments, the calculation being based on the quotations of the third working day before redemption.

2. The preference shares may not be redeemed in whole or in part until the commencement of the sixteenth year from the date of issue. Notwithstanding, if the liability of the Company to pay the reparation tax lapses at an earlier date, the Company shall be at liberty to redeem the preference shares from the date on which the said liability lapses.

3. The redemption rate of the preference shares, together with current dividends and dividend arrears, shall be determined as follows: upon redemption before the expiration of the twenty-fifth (25) year from the transfer of the concession to the Company, the redemption rate shall be twenty percent (20%) above par, upon redemption from the twenty-sixth (26) to the thirty-fifth (35) year, inclusive, it shall be ten percent (10%) above par. After the thirty-fifth (35) year redemption will take place at par.

4. The preference shares carry a claim to repayment of the capital by 31 December 1964 at the latest.

ANNEX II TO THE LAW

A. Under Section 19, paragraph 3, of the Law, the Company may apply the working hours of officials to employees and workers in the following branches of the service:

I. Permanent way inspection service

1. Gatekeepers (men and women).
2. Flagmen.
3. Other staff engaged in permanent way inspection.

II. Service of block signalmen on the open line

III. Station service

1. Administrative staff (including heads of departments).
2. Accountants and clerks.
3. Circulation of trains and inspection service within the meaning of Section 9 of the *Fahrdienstvorschriften* (train service regulations).
4. Transmission of telegraph and telephone messages.
5. Points in signal cabins or operated by hand.
6. Shunting.

7. Ticket collectors (including officials supplying information to the public).
8. Watchmen and messengers.
9. Other station services, where the staff in question is partly employed in other branches indicated under A.

IV. Cash and despatch service

(Unless otherwise provided under B, Section VI.)

1. Administrative staff (including heads of departments).
2. Accountants, clerks and cashiers.
3. Ticket offices (including enquiry offices).
4. Despatch of luggage and express goods.
5. Despatch of goods by fast or slow train and of livestock.
6. Reception, delivery and loading of luggage and goods.
7. Railway cars service and service for the despatch of trains.
8. Watchmen and messengers.
9. Other staff employed in the cash and despatch service.

V. Staff accompanying passenger and goods trains

VII. Traction service

1. Inspection staff.
2. Accountants and clerks.
3. Staff of locomotives and self-propelling vehicles.

VII. Shipping in inland and coastal waters, not including chain tugs on the Main

1. Deck staff.
2. Engine-room staff.
3. Dock staff.
4. Other staff.

VIII. Office staff of the Central Administration, the Reichsbahn districts and the inspection departments

B. The Company is not authorised to apply the working hours of officials to employees and workers in the following branches:

I. Upkeep of permanent way and telegraph lines, storehouses for superstructure materials, station and other buildings, stones quarries, ballast works, gravel pits, timber impregnation works, horticulture, forestry and agriculture.

II. Reichsbahn repair shops and exploitations run in connection therewith, such as power stations, gas-works and laboratories.

III. Telegraph workshops.

IV. Laundries.

V. Workshops of the railway depots.

VI. Staff employed exclusively as warehouse workers on warehouse platforms or in transshipping sheds where more than 25 of such workers are usually employed.

ANNEX VIa

PROCEDURE TO BE FOLLOWED IN THE EVENT OF ANY SUBSEQUENT MODIFICATION OF THE RAILWAY LAW AND STATUTES

For the duration of the Concession of the Company, the Reich may - in conformity with the procedure outlined hereafter - introduce into the Railway Law and Statutes modifications which may appear justified by changed circumstances, or the real utility of which has been revealed by past experience, provided that such modifications respect the provisions relating to the reparation payments and the pledges provided therefor and the independent character of the Company with its autonomous administration.

The proposed modifications to the Law shall be discussed in a permanent committee of four members, which shall decide whether the said modifications conform to the provisions of paragraph 1 or not. When a decision of the committee (whether affirmative or negative) is taken unanimously such decision shall be final.

Should the committee not arrive at a unanimous decision, existing conditions will be maintained. The question may, however, be submitted for decision to the Tribunal, for which provision is made in the Hague Agreement of January 1930 with Germany, at the request of any member of the committee.

The decision may only be entrusted to a single arbitrator, in the person of the chairman or one of the members of the Court of Interpretation and Arbitration, upon the unanimous desire of the committee.

The committee will take its decision within a period of two months from the date on which the four members of the committee are notified of the proposed modifications.

The members of the permanent committee must be experts, competent on the questions treated in the Railway Law. They are to be appointed for five years from the

coming into force of the new Railway Law. Two members will be nominated by the Government of the Reich and two by the Governments of the other Powers which issued the invitations to the Hague Conference. Should a member of the Committee be prevented from attending in any particular case, the Government of which he is a national will appoint a deputy for this particular case.

The Government of the Reich will notify the members of the committee of the proposed modifications. The German members are to come to an agreement with the other members as to the date and place of meeting of the committee. The expenses of the committee will be borne by the Government of the Reich.

In deviation from preceding provisions, the Reich may modify independently, after hearing the Board of Management, Articles 11, 20, 21, 25, 28, 35, 36, 37, 38 and 40 of the Law, which deal with matters that are of minor importance from the point of view of the Agreement. Such modifications, however, shall not entail fresh charges for the Company; furthermore, they must respect the provisions concerning reparation payments and the pledges provided therefor and the independent character of the Company with its autonomous administration.

ANNEX VII

ASSIGNMENT BY WAY OF COLLATERAL GUARANTEE OF CERTAIN REVENUES OF THE REICH

1. The German Government assigns, subject to the charge in favour of the Trustees for the German External Loan, 1924, the proceeds of the Customs, of the tobacco taxes, the beer tax and the tax on spirits (Administration of the Monopoly) for the service of the certificate representing the annuities payable by Germany, including the service of any bonds which may be issued under the provisions of the New Plan. To this end, the Reich, without prejudice to its general responsibility for the payment of the annuities and its entire discretion to effect these payments out of general revenues, will secure out of the receipts from the above revenues by way of collateral guarantee the sums necessary to cover the annuities as elsewhere determined. The assignment constitutes a negative pledge and is ruled by the following conditions:
2. The Reich will not create any charge on the assigned revenues for any other loan or credit without the consent of the Bank for International Settlements. If any such charge is created on the assigned revenues with the consent of the Bank, the charge for the annuities payable by Germany will rank ahead of any such other charge.
3. If at any time the total yield of the assigned revenues should fall below 150 percent of the highest budgetary contribution payable by Germany under the New Plan, the Bank may require that additional revenues sufficient to assure the immediate restoration of the yield to the above percentage be assigned and the German Government will forthwith comply with that requirement accordingly.
4. Should the German Government change the system of collecting any of the assigned revenues, then the receipts secured to the Reich by the new system will be assigned in substitution for the original tax.

5. The provisions of this Annex shall take effect in substitution for the provisions of the Protocol concerning the contributions to be made by the German Government and the institution of control over the revenues from the Customs and from the taxes on spirits, beer, tobacco and sugar, which is Annex I to the agreement between the Reparation Commission and the German Government for the carrying out of the Report of the First Committee of Experts, London, 9 August 1924, and that Protocol shall cease to have effect accordingly.

ANNEX VIII

FORM OF TRUST AGREEMENT

Entered into this day of 1930, between the Governments of etc (hereinafter called the Creditor Governments), of the one part, and the Bank for International Settlements (hereinafter called Trustee), of the second part,

WITNESSETH:

WHEREAS the Creditor Governments in connection with the carrying out of the New Plan as defined in the Hague Agreement of January 1930 (hereinafter called the Plan), desire jointly to appoint the Bank for International Settlements their joint and sole trustee to receive, manage and distribute the annuities payable by Germany, and to perform other functions with respect thereto, all as provided by the Plan; and within the limits of the Statutes of the Bank;

WHEREAS the Bank for International Settlements has taken note of the provisions of the Plan and is prepared to accept the appointment as such trustee;

THEREFORE, it is agreed between the parties hereto that the description, the conditions and the limitations of the functions of the Trustee with respect thereto and of the relations, obligations and rights of the parties are those set forth as follows:

Article I

The Creditor Governments jointly appoint the Bank for International Settlements their joint and sole trustee for the purposes herein defined. The Bank accepts the appointment and agrees to carry out the trust on the conditions herein stated.

Article II

The Trustee is empowered and agrees:

(a) to receive any balances transferred by the Agent General for Reparation Payments on the winding up of his accounts, subject to the rights of the different Creditor Governments in the distribution of such balances and to any claims and commitments thereon which may be outstanding at the time of transfer, all of which, as shown by the records of the Agent General for Reparation Payments, will be reported to the Trustee when the transfer is made;

(b) to hold in safe-keeping, as trustee, until the same shall be duly discharged, the Certificate of Debt, with coupons attached, issued and delivered by the German Government pursuant to the terms of the Plan, the receipt of which the Trustee acknowledges and a copy of which is attached hereto as Exhibit A;

(c) to hold in safe-keeping as trustee, until the same shall be duly discharged, the Certificate issued and delivered by the German Railway Company in acknowledgment of its liability, pursuant to the terms of the Plan, the receipt of which the Trustee acknowledges and a copy of which is attached hereto as Exhibit B;

(d) Commencing 1930, to receive in trust each month from the German Reich for the account of the Creditor Governments signatory hereto and for the account of the Trustees of the German External Loan 1924 all payments thereafter to be made by Germany under the Plan and the abovementioned Certificate of Debt representing the service of the said Loan or the payment of the sums attributable to the said Creditor Governments on account of the non-postponable annuities and the postponable annuities as defined and specified in the Plan.

A certificate Schedule stating the monthly and annual share during the whole period of the annuities of each Creditor Government signatory hereto in the non-postponable and postponable portions and in the total of the German annuity is attached hereto as Exhibit C.

Article III

Except during a period when the transfer of the postponable annuity is suspended, as provided for in Article XI below, the Trustee will accept only currencies other than reichsmarks in payment of the monthly instalments of the annuities payable by Germany, subject always to the proviso that the Trustee may accept reichsmarks, in each month of a given annuity year, for an amount equal to one-twelfth of the total of any current annual program for payments under Delivery in Kind and Reparation Recovery Act procedures for the year in question.

In arranging for the receipt of currencies other than reichsmarks the Trustee, after having been notified of the requirements of the Creditor Governments, will inform the German Government and, at the same time, the Reichsbank, at least one month in advance of the due dates for payment, of its preferences relative to the currencies which it desires to have paid into its account. If these preferences are not complied with, the Trustee is authorised to accept payment from Germany entirely in the currencies of the creditor countries whose nationals were members of the Committee of Experts and as nearly as may be in proportion to the respective shares of these countries, it being understood that payments in currencies other than reichsmarks which are not based upon the gold or gold exchange standard will only be made with the consent of the Trustee.

The Trustee will give receipts to the German Government for all sums which it pays or causes to be paid both on account of the postponable and on account of the non-postponable annuity. These receipts will show the currencies received as well as the equivalent value in reichsmarks, with which the German Government will be credited.

At the end of each annuity year, when the Trustee has received from the German Government the sums due for that year, in accordance with the Plan, the Trustee shall surrender to the German Government the coupon of the Certificate of the German Government which corresponds to the payments of the year in question.

The Trustee takes note of the undertaking given by the German Government that the reichsmark shall have and shall retain its convertibility in gold or foreign exchange as provided in Section 31 of the Law of 30 August 1924, and that, in all circumstances, for the general purposes of the Plan, the reichsmark shall have and shall retain a mint parity of 1/2790 kilogram of fine gold, as defined in the German coinage law of 30 August 1924.

The sums paid in currencies other than reichsmarks into the annuity trust account shall be calculated in reichsmarks, subject to the provisions of the above undertaking, at the average of the middle rates (*Mittelkurs*) prevailing on the Berlin Bourse during the period of fifteen days preceding the date of payment.

The sums in reichsmarks paid by the German Railway Company to the account of the Trustee at the Reichsbank under the terms of the abovementioned Certificate of Liability delivered by that Company, for an amount of fifty-five million reichsmarks on the first day of each month in respect of the previous month, shall, until the due discharge of the Certificate be placed each month at the disposal of the German Government by the Trustee as soon as they have been received, provided that the instalment of the Annuity payable by the German Government on the 15th day of the preceding month has been duly received.

Article IV

All the sums transferred from the account of the Agent General for Reparations or paid on account of the German Annuities shall be received into an Annuity Trust Account. All the sums paid by Germany on account of the annuities shall be managed by the Trustee and shall be employed and distributed each month upon receipt as follows, on the understanding that the obligations of the Trustee in regard to the said sums shall be only those normally incumbent upon a banker for the execution of a trust agreement, and in no case shall the Trustee permit the accounts or credits of any Creditor Government to be overdrawn.

(a) In the first place, the sums required monthly for the service of the German External Loan, 1924, shall be transferred to the account or order of the Trustees of the said Loan, in conformity with the terms of the General Bond securing it, on the understanding that this appropriation shall have priority over all others. This service constitutes a first charge, expressly provided for as such, on the German annuities, whether non-postponable or postponable.

(b) One-twelfth of the share of each Creditor Government in the non-postponable Annuity shall be forthwith allocated in the books of the Trustee to that Government within the Annuity Trust Account in currencies other than reichsmarks. If one of the Governments has mobilised a part of the non-postponable annuity allotted to it, there shall be retained every month, out of the share due to that Government in virtue of the present paragraph, the sums required for the service of the obligations issued and

outstanding, in conformity with the conditions of the contracts made on the occasion of such issues; these sums, deducted from the share of each of the Governments concerned in the issues, shall be transferred each month to a Trustee Account relating to the loan thus issued and shall remain there until the moment when payments have to be made for the interest service and amortisation of the obligations, in accordance with the terms of the respective loan agreements.

(c) One-twelfth of the share due to each Government for settling the quota of deliveries in kind allotted to it in a given year shall be forthwith allocated in the books of the Trustee to that Government within the Annuity Trust Account in reichsmarks, if no other provision has been made by the Governments concerned, including Germany, for the settlement of this quota.

(d) One-twelfth of the sum due to each Government in each Annuity, after the allocations provided in paragraphs (b) and (c), shall be forthwith allocated in the books of the Trustee to that Government within the Annuity Trust Account in currencies other than reichsmarks.

(e) In application of Article 88 of the Annexes to the Experts' Report of 7 June 1929 (hereinafter called the "Expert's Report"), the sums allocated as provided in the preceding paragraphs will remain without interest in the National Sub-Divisions of the Annuity Trust Account up to the equivalent of the following minimum amounts:

	Reichsmarks
France	68,037,500
Great Britain	26,587,500
Italy	13,887,500
Belgium	7,512,500
Roumania	1,312,500
Yugoslavia	5,462,500
Greece	450,000
Portugal	862,500
Japan	862,500
Poland	25,000
	R.M. 125,000,000

All sums standing in the national sub-divisions of the Annuity Trust Account in excess of the above minimum non-interest-bearing deposits, may be freely withdrawn from the said account by the Creditor Governments, in accordance with the following paragraph.

(f) Subject to the foregoing and in accordance with the provisions of the Plan, the Trustee is authorised and agrees to transfer at such dates as may be indicated any sum allocated to any Government within the Annuity Trust Account to any interest-bearing account in the Bank for International Settlements or to any other bank or banker, or otherwise to dispose of it as the interested Creditor Government may

direct; but in no case will the Trustee permit the accounts or credits of any Creditor Government to be overdrawn.

Article V

The Trustee shall not be bound to pay any interest on balances in the Annuity Trust Account.

Article VI

Any exchange profit or loss arising from transactions carried out by the Trustee for account of Creditor Governments in connection with the management of the German annuities shall unless otherwise settled be credited or charged quarterly by the Trustee to the accounts of the Governments concerned, in proportion to their respective shares in the principal moneys involved, subject to the provisions of Article IV.

Article VII

The Trustee is authorized and agrees in connection with Delivery in Kind, Reparation Recovery Act, and other similar systems to pay in reichsmarks up to the amount of the monthly reichsmark balances available to the respective Creditor Governments on cheques, drafts or orders duly executed by the authorized representative of any such Creditor Government. The Creditor Governments respectively agree to keep the Trustee advised of the identity and authority of such representatives and to supply it with their specimen signatures.

Article VIII

Payment by the Trustee in compliance with the documents referred to in the preceding Article shall constitute full discharge to the Trustee for the reichsmark payments made. Payments in currencies other than reichsmarks made or transferred out of the Annuity Trust Account upon the order of a Creditor Government or effected under the authorisations contained in Article IV above, shall constitute a full discharge to the Trustee for the payments made. In addition, as soon as possible after the close of each annuity year when the respective Creditor Governments shall have received the annual account and auditor's report referred to in Article XVII hereof, the competent authority of each Creditor Government shall give the Trustee a final global quittance and release for the actual payments made, during the Annuity year in question, to or upon the order of the Creditor Government concerned, as disclosed by the said accounts.

Article IX

The Trustee declares that it has taken note that the German Government undertakes during the period up to 31 March 1966 to maintain at the Bank a non-interest-bearing deposit equivalent to 50 percent of the average deposit remaining in the Annuity Trust Account, but not exceeding 100 million reichsmarks.

The Bank shall to this end certify to the German Government and to the Creditor Governments every month the average of the balances at the close of each working

day left by the Creditor Governments on deposit without interest during that month, in respect of the sums arising from the German payments under the Dawes Plan or under the present Plan up to the time when they are drawn out by the Creditor Governments.

The first deposit will be paid by the German Government to the Bank fifteen days after the coming into force of the New Plan, the amount of the deposit being calculated on the average of the daily balances above mentioned left with the Agent-General or the Bank during the month ending two working days prior to the date of deposit, excluding sums returnable to the German Government under Annex III of the Hague Protocol of 31 August 1929, or any supplementary arrangement. The deposit shall be maintained at the amount so calculated during one month. At the end of this period the deposit will be adjusted by a further deposit or by the withdrawal of part of the existing deposit on the basis of the average of the daily balances referred to above during the month ending two working days before the date of the adjustment. A similar adjustment will take place at the end of the second month from the date of the first deposit. At the end of the third month, and thereafter at intervals of three months, the deposit shall be adjusted on the basis of the average of the daily balances referred to above during the three months ending two working days before the date of each such adjustment. The intervals referred to in this paragraph may be changed by agreement between the Governments concerned with the concurrence of the Trustee.

The Trustee will accept this deposit under the conditions set out in this Article.

Article X

The Trustee declares that it has taken note of the provisions of the Plan with respect to the functions assigned to the Bank of International Settlements in connection with any declaration of the German Government requiring the convening of the Special Advisory Committee, and the Trustee agrees and the Creditor Governments confirm that the Trustee shall carry out the functions assigned to it in that respect and in the manner described in the Plan.

The Trustee takes note that, in application of Article 124 of the Experts' Report, any recommendation of the Advisory Committee affecting the rights of the Creditor Governments shall not bind those Governments unless it is accepted and confirmed by the Creditor Governments which participated in the decision of 16 September 1928, to set up the Committee of Experts; and that similarly any recommendation affecting the rights of the German Government shall not bind that Government unless it is accepted and confirmed by that Government.

Article XI

Immediately on receiving from the German Government in conformity with the Plan notification of suspension of transfer of the whole or part of the postponable annuity the Trustee shall inform the Creditor Governments accordingly.

(a) As soon as this suspension becomes effective:

(1) the Trustee shall continue to transfer each month the sums necessary for assuring the service of the external loan of 1924 in accordance with paragraph (a) of Article IV of this contract;

(2) the Trustee shall continue to credit or transfer each month in accordance with the provisions of paragraph (b) of Article IV of this Contract the sums paid by the German Government in respect of the non-postponable Annuity;

(3) in the event of a partial postponement, in any year, of transfer or of payment of the postponable annuities, the Trustee shall distribute the part of the postponable annuities actually paid and transferred in that year in such a manner as to ensure, so far as may be possible, that the receipts of the several Creditor Governments out of the aggregate payments actually transferred by Germany (whether on account of the unconditional or of the postponable annuities) shall be proportionate to their respective shares in the total annuities due by Germany under the Plan in respect of that year, provided always that the Creditor Governments entitled to an allocation out of the unconditional annuities shall in no case receive less than the allocations due to them respectively out of those annuities;

(4) should the amount of the postponable annuities paid and transferred by Germany be insufficient to provide in full to each of the Creditor Governments its due share of the total German payments transferred, having regard to the allocations out of the unconditional annuity referred to in the previous paragraph, the Trustee shall, in accordance with the provisions of paragraph 202 of the Annexes to the Experts' Report withdraw from the Guarantee Fund, to be constituted by the French Government, the sums necessary to make up the deficiency to each of the Creditor Governments concerned. The sums so withdrawn from the Guarantee Fund shall be repaid to that fund in accordance with the Plan at the end of the period of postponement.

(b) During the course of a partial or total postponement of transfer the Trustee may accept from Germany payments in reichsmarks in respect of the amounts of which transfer has been postponed and of which payment has not been postponed under the Plan. The Trustee is authorised to give to the German Government receipts for such payments which will be in the nature of temporary acknowledgments. These acknowledgments will be converted into final receipts *pro tanto* on the transfer of the amounts postponed, or on the utilisation of the reichsmarks accepted by the Trustee under this paragraph for payments in respect of deliveries in kind or in respect of Reparation Recovery Acts and similar procedures under the special programs referred to in Annex IV of the Experts' Report.

(c) Any sums accepted in reichsmarks by the Trustee under paragraph (b) above will be distributed in the form of credits in the Trustee's books in such a way as to complete the credits due to each Creditor Government for the year in question under the Plan, and the Guarantee Fund in so far as it has been drawn upon. These reichsmarks will be administered by the Trustee in the manner provided in the Plan.

(d) The parties to this contract agree that all investments of such reichsmark funds effected by the Trustee shall be made for the individual account of the Creditor Governments, as their interests require, for their advantage and at their risk. In

particular the proceeds of investment of reichsmarks credited to the Guarantee Fund will be assigned to the French Government.

Article XII

The Creditor Governments and the Trustee agree that the Trustee shall have exclusive authority to act as agent of the Creditor Governments or any one of them, so far as concerns the operations relating to the mobilisation of the German Annuities, and that in the discharge of the functions and in the use of the authority entrusted to it as Agent in this matter, the Trustee will be guided by the provisions of the Plan which govern mobilisation. In particular the Trustee will abide by the following provisions:

(a) When it appears to the Trustee practically possible to proceed with an issue of Bonds representing the capitalisation of a part of the Annuity, the Trustee will inform the Creditor Governments. The possibility of proceeding with such an operation shall also be considered by the Trustee whenever so required by one or more of the Creditor Governments.

If after examination, and in cases other than that dealt with in the second part of paragraph (b) below, the Trustee considers such an operation inopportune, it shall indicate to the Governments concerned the reasons for this opinion.

(b) If one or more of the Governments concerned intend themselves to proceed in their own markets with an issue, the trustee shall fix the minimum conditions of issue at the time of the operation.

If, however, such an operation is intended in connection with internal conversion operations, the Government concerned will be free to offer the Bonds on its own market on whatever conditions it may be able to obtain, without its being necessary for the Trustee to consider whether the creation of the Bonds is opportune, and on the understanding that the Bonds will only be quoted on the market of issue.

(c) If one or more of the Governments concerned propose an international issue on other markets than their own respective markets, the Trustee shall at their request, if it considers on examination that conditions on these markets permit such an operation, take steps to proceed with this issue and determine, after making sure that the Central Banks concerned have no objection, the markets on which such offers may be made.

In the case of such issues, the various Governments having a share not yet mobilised in the non-postponable portion of the Annuity shall be given the right to participate in proportion to the following figures: France 500, Great Britain 84, Italy 42, Japan 6.6, Yugoslavia 6, Portugal 2.4.

No issue of an international character may however be made in the market of any of the countries the Government of which has signed this Trust Agreement without the approval of that Government both as regards the amount of the issue and as regards the conditions on which it shall be authorised.

(d) If it is decided to proceed with an issue and if one or more of the Creditor Governments so request, the Trustee shall arrange, in agreement with those

Governments and with the Issuing Bankers, the detailed conditions on which the Bonds shall be issued.

(e) The Trustee shall apply to the German Government, as provided in the Plan, for the creation of issuable Bonds.

(f) The Trustee declares its willingness to act as trustee or representative of the bondholders, or as agent for all issues of bonds made in pursuance of the provisions of the Plan relative to mobilisation, to the extent provided in the Loan Contract to be concluded between the Trustee and the Governments concerned on the occasion of an issue of such obligations.

(g) The expenses and commissions to be received by the Trustee both for the creation of bonds and for their issue shall be determined between the Trustee and the Governments concerned with regard to the importance of the functions which may be attributed to it on the occasion of each operation.

Article XIII

The Trustee will credit to a special Trust Account the deposits which the French Government has undertaken to make, in the circumstances contemplated in the Plan, up to an amount of five hundred million reichsmarks, in currencies other than reichsmarks based upon the gold or gold exchange standard.

The Trustee undertakes to administer these funds in such a way that the sums deposited shall be available in currencies other than reichsmarks, based upon the gold or gold exchange standard, in order to equalise the short payments to the other Creditors during a period of transfer postponement.

Subject to the provisions of Article XI(c) and (d), the Trustee will pay interest to the French Government, at the maximum current rate paid for long-term deposits, on the amount standing in this account in currencies other than reichsmarks.

If it is agreed that this deposit shall remain for more than five years, the French Government shall be entitled to participate in the profits of the Bank in respect of this deposit on the terms laid down in Article 53(e)(i) of its Statutes. It shall be restored to the French Government in the circumstances contemplated in the Plan.

Article XIV

If the German Government elects to make the long term deposit, up to four hundred million reichsmarks, provided for in the Plan, the Trustee agrees to receive and administer this deposit and to take the consequent measures for allocation and utilisation of its profits according to the provision of Article 53(e) of the Statutes of the Bank.

Article XV

In addition to making disbursements and keeping accounts in connection with deliveries in kind, Reparation Recovery Acts, and other similar systems as above

provided, the Trustee declares that it takes note of the arrangements regarding deliveries in kind and Reparation Recovery Acts contained in the relevant Annexes to the Hague Agreement of January 1930, and agrees to observe the same as far as lies within its province and powers as a bank as set forth in the Statutes.

Article XVI

The Trustee is authorised and agrees with respect to the assigned revenues of the Reich to exercise the discretions referred to in Section 3 of Annex III of the Experts' Report.

Article XVII

The Trustee shall furnish to each Creditor Government at the close of each month an account showing all the receipts and payments of the Trustee during that period in respect of the annuity received from Germany. The Trustee shall also furnish to every Creditor Government as soon as may be after 31 March in the year 1931, and each succeeding year, a copy of the account as approved by the auditors of the Bank for International Settlements of all its operations in respect of the whole of the German Annuities, including the service of the German External Loan 1924, since the close of the last preceding yearly account or, in the case of the first account, since the commencement of the operations of the Bank, and of any report that may be made by the Auditors on such accounts. The Bank shall also furnish to each Creditor Government a copy of its Annual General Report as soon as published.

Article XVIII

From the date of coming into force of the present contract until its completion, the Creditor Governments, in addition to maintaining the deposits referred to in Article IV(e), agree to pay to the Trustee a commission of 1 per mille on the actual payments received from the German Government on their behalf, in respect of the remuneration provided in Article 84 of the Annexes to the Experts' Report.

This payment will form a prior charge in favour of the Trustee, in accordance with the Plan, on the sums received by it on behalf of the Creditor Governments within the Annuity Trust Account.

The provisions of this Article will remain in force failing any new arrangement; such new arrangement may be made at the end of the first or of any one of the first five financial years, at the request of one of the signatory Powers or of the Trustee.

Article XIX

The Trustee is authorised and agrees to notify forthwith to the Creditor Government any difficulty which may arise between it and the German Government relative to the interpretation or the application of the Plan.

Article XX

The Creditor Governments and the Trustee agrees that, if any dispute shall arise between them or any of them with regard to the meaning or application of the provisions of this Trust Agreement, the dispute shall be referred for final decision to the Tribunal provided for by the Hague Agreement of January 1930, unless the parties to the dispute shall elect to refer the same to the President of the Tribunal or a member thereof selected as sole arbitrator.

Article XXI

The present Contract shall come into force between the Trustee and the Creditor Governments whose representatives have signed it as soon as the Plan has been put into application and this Contract has been signed on behalf of the Trustee and of four of the following Powers; Belgium, France, Great Britain, Italy and Japan.

The French text is alone authentic.

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ANNEX IX

REGULATIONS FOR DELIVERIES IN KIND

Article I

Definition of the commodities and services which may be supplied as deliveries in kind

1. Deliveries in kind within the meaning of the present Regulations are commodities and services produced by the German economic system and supplied to a Power which is a creditor of Germany, the payment in respect of such commodities and services being effected wholly or in part by means of funds reserved for this purpose in execution of the Experts' Plan of 7 June 1929, according to the distribution of these funds as shown in the appended table (Appendix I).
2. The commodities and services which may form the subject matter of a contract for deliveries in kind are, subject to the provisions of the present Regulations, all commodities which are of German origin or manufactured in Germany and all services of a commercial nature performed by the German economic system, such as transport by land in Germany; transport by river, sea or air under the German flag; plans for public works and preparation of schemes for works to be executed outside Germany; sales of German licences or patents to be utilised outside Germany; insurance contracts underwritten by German companies.
3. The commodities shown on List A (Appendix II) are described as "excluded" commodities and can only be paid as a delivery in kind in the case mentioned in paragraph 45 hereafter.
4. The commodities which may be eventually included in List B (Appendix III) are described as "rationed" commodities and can only be supplied as a delivery in kind

within the limit of the ration existing at the time when the contract for such commodities is made and subject to the provisions of paragraphs 69 and 70 hereafter.

5. The commodities shown in List C (Appendix IV) can only be supplied as deliveries in kind on condition that the buyer pays a part of their value direct to the seller according to the conditions laid down in Article VI of the present Regulations and subject to the provisions of paragraphs 69 and 70 hereafter.

6. No contract the value of which is less than 3,000 reichsmarks can be approved as a contract for deliveries in kind unless it is a rider to a contract previously approved.

Article II

Utilisation of the quota allotted to each of the creditor Powers for deliveries in kind

7. Each creditor Power is responsible for the utilisation of its quota for deliveries in kind.

In principle and subject to the provisions of paragraphs 8 and 14 hereafter, each Power is required to obtain approval for contracts providing for payments of which the total is sufficient in any given year to absorb the quota of that Power for deliveries in kind.

8. Each Power may carry forward a part, not exceeding 40 percent of its quota for a given year, to the following year. The part thus carried forward will not be counted as part of the credit for the following year for purposes of calculating the part of the quota for that year which may be carried forward.

9. Contracts covering the total credits provided for deliveries in kind shall be passed before 31 August 1939, but these contracts shall not provide for any payment to be effected after that date.

Any credits which may be available at that date as a result of a cancellation of contracts shall be utilised subject to agreement between the creditor Government concerned and the German Government, for new contracts for deliveries in kind.

No delivery shall be made and no payment effected in respect of deliveries in kind after 31 March 1940.

10. In view of the delays which normally occur in the execution of certain contracts, each creditor Power may, upon its own responsibility, and on the understanding that payments for which provision has already been made shall not be thereby delayed, submit contracts for approval which involve payments in excess of the credits allotted to that Power for deliveries in kind within a given month.

The authorised amount of such excess shall be calculated as follows:

Of the credits which are blocked in the accounts of a Power as a result of delay in the execution of contracts approved for that Power, an amount not exceeding 30 percent may, if the Power so requests, be added to the credits available to it for deliveries in

kind during the following three months. The amount of these additional credits may never exceed that of the credits still remaining available to the Power in question for deliveries in kind during the three months following the period of three months in which the sums available have been so increased.

At the end of each month the position shall be adjusted on the basis of the amount of credits blocked at that time.

11. If, owing to the adoption of the foregoing procedure, the payments to be made to suppliers of deliveries in kind for the account of a creditor Power exceed the sums available to that Power for this purpose, the necessary amounts shall be advanced by the Power in question. These advances may be drawn from any funds belonging to the Powers which the latter may select. The sums in question will be refunded to the Power during the three months following the period of three months in which the advances were made. The refund will be effected out of the credits available for deliveries in kind, so that the total amount of such credits allotted to the Power in the attached table (Appendix I) shall not be increased.

Article III

General provisions concerning the execution of contracts for deliveries in kind

12. The German Government undertakes to facilitate as far as possible the conclusion, within the scope of the present Regulations, of commercial contracts under ordinary commercial conditions by not taking or permitting to be taken any measure which would result in deliveries being unobtainable under ordinary commercial conditions.

13. If a creditor Government considers that the German Government has not fulfilled this undertaking, and that owing to this fact it has been unable to absorb in accordance with the present Regulations its quota of the credits set aside for deliveries in kind as defined in the appended table (Appendix I) it may submit the question to the arbitral tribunal for which provision is made in Article 15 of the Hague Agreement of January 1930.

14. If the Tribunal considers the complaint to be wholly or partially founded it will fix the sum which the Government making the complaint has been unable for this reason to utilise for deliveries in kind, and will cause such sum to be placed at the free disposal of the said Government. The obligation of the Government to utilise a part of its credit for deliveries in kind shall thereby be reduced by an equivalent amount.

15. If on its own responsibility the Government making the complaint so requests, the Tribunal may, in accordance with paragraph 4 of Article 15 of the Hague Agreement of January 1930, by an interlocutory order cause a part or the whole of the sum which the Government has stated that it has been unable to utilise for deliveries in kind, to be placed at the disposal of the said Government.

16. In such a case the Tribunal shall, when delivering its award, fix the conditions under which the payment is to be reckoned against the sums to be paid under the award, or the conditions under which deliveries in kind shall be taken to make good the sums paid.

Article IV

Organisation

17. The management of deliveries in kind include two separate parts, namely, the approval of contracts and the handling of the funds reserved for deliveries in kind. The creditor Governments concerned and the German Government remain responsible for the approval of contracts and entrust the management of the funds reserved for deliveries in kind to the Bank for International Settlements.

18. A contract is approved if there is agreement with regard to it between the creditor Government concerned and the German Government.

19. Each creditor Government concerned in deliveries in kind and the German Government shall appoint an agent, whose duty is shall be to deal with all matters concerning deliveries in kind and to fulfil all functions devolving upon him under the present Regulations.

Each agent shall remain responsible to his Government for the strict application of the provisions of these Regulations.

The agents of the German, Belgian, British, French, Italian, Japanese and Yugoslav Governments shall assemble whenever a Government concerned in deliveries in kind considers a meeting to be necessary. The meeting shall be called by the agent of the Government which proposes it.

The same agents shall meet every year, in principle during the second fortnight in May, in order to review the general situation as shown by the statistical documents supplied by the Bank for International Settlements.

20. The agent of the German Government will be in permanent residence at Paris, where the agents will meet in all the cases for which provision is made in the present Regulations. The agents of the creditor Powers are under no obligation to have a fixed place of residence.

21. The Bank for International Settlements can incur no responsibility except with regard to the duties arising from the mandate with which it is entrusted.

22. The Bank for International Settlements will effect the payments to be made in virtue of duly approved contracts which are transmitted to it by the agent of the German Government or are sent by the agent of the Creditor Power concerned in execution of a decision of the arbitrator in virtue of Article VII hereafter.

23. The Bank will keep all accounts and statistics, and will exercise all supervision in respect of these payments.

24. The Bank is also at liberty, in accordance with paragraph 28 of Annex I to the Experts' Plan of 7 June 1929, to appoint an Advisory Committee, the object of which would be to inform generally the Bank of the progress of deliveries in kind.

This Committee may, if it thinks fit, convoke those agents of the Governments who do not form part of the Committee.

Article V

Preparation and revision of lists

25. The coefficients of List C represent the proportion in terms of value which the raw materials of foreign origin included in a commodity bear to the sale price of the commodity, delivery taken at the factory or warehouse of the seller.

The coefficients are based on a detailed costing of the sale price of the article.

26. The same methods of determining the coefficients shall be applied whenever List C is revised.

List C shall include after each revision commodities, the coefficient of which determined as described above, is equal to or more than 25 percent.

27. Exceptions, however, which are admitted regularly in accordance with Article VII hereafter, may be taken into consideration when the List is drawn up.

28. Lists A and C (Appendices II and IV) may be revised every two years, the first revision taking effect as from 1 April 1932.

29. If one of the Governments concerned wishes that such revision should be made, its agent shall inform the agents of the other Governments to this effect before 1 February of the year fixed for revision, and shall suggest a date for the consideration of its request. He will inform them of the modifications which he proposes to make.

30. Upon receipt of this request each agent shall announce whether he intends to propose other modifications.

The Revision Committee, consisting of the German, Belgian, British, French, Italian, Japanese and Yugoslav agents, will meet in Paris.

31. If the agents present at the meeting agree, they shall fix the lists for the period of two years from 1 April next following.

32. In case of disagreement the question shall be submitted to the arbitrator whose functions are defined in paragraph 108 hereafter.

After hearing the parties concerned, the arbitrator shall draw up the lists for the period of two years as from 1 April next following.

33. The same procedure shall apply, if necessary, to the fixing of the rations of List B (Appendix III). If the German Government desires that such rations shall be fixed, its agent shall submit a request to this effect to the agents of the creditor Powers at least two months before the date on which these programs come into force.

Article VI

Direct payments

34. The payments to be made by the purchaser direct to the seller without any entry being made to an account for deliveries in kind are governed by the rules set forth hereafter.

35. In respect of any commodity delivered which appears in List C, the purchaser shall pay direct to the seller that part of the price which corresponds to the coefficient fixed for this commodity in accordance with paragraph 25 of the present Regulations and subject to the provisions of Article VII.

36. If a contract makes the *seller* responsible for the transport of the commodity, and if the transport is not carried out entirely by German means, a direct payment shall be due whenever the cost of the transport exceeds 400 reichsmarks.

37. If the cost of transport carried out by non-German means exceeds 400 reichsmarks, the purchaser shall pay the entire cost direct to the seller, unless there is a special agreement between the agent of the creditor Government concerned and the agent of the German Government.

38. Transport by German means in or outside Germany of commodities ordered as a delivery in kind shall not give rise to any direct payment.

39. Transport under German flag by river, sea or air may of itself form the subject matter of a contract for deliveries in kind whenever it is effected between a German port and a port situated in the territory of a creditor Power or in one or its colonies, dependencies or mandated territories or *vice versa*.

40. If a contract stipulates that the seller shall be responsible for erection outside Germany, such erection, whether carried out partly or wholly by means of German resources, shall not give rise to a direct payment unless its value exceeds 1,000 reichsmarks.

41. Erection within the meaning of the present Regulations does not comprise foundations and masonry, but covers the installation and assembling of machines and plant the parts of which have been finished wholly or mainly at the factory.

42. If the cost of erection carried out outside Germany, either wholly or partly by means of German resources, exceeds 1,000 reichsmarks, it shall be subject to a direct payment of 50 percent of such cost, subject to the following limitations:

(a) 10 percent of the value of the order for contracts of an amount less than 200,000 reichsmarks.

(b) 10 percent of the first instalment of 200,000 reichsmarks and 5 percent of the balance for contracts exceeding 200,000 reichsmarks.

43. If the total value of erection outside Germany exceeds these limits, the entire amount of the excess shall be added to the direct payment to be made by the purchaser to the seller.

44. The foregoing provisions do not apply to the employment of German personnel outside Germany, which is governed by the provisions of paragraphs 47 and 48 hereafter.

45. If a contract for the supply of a composite object provides for the delivery as part of such object of:

(a) commodities contained in List C;

(b) equipment of a specialised type not currently manufactured in Germany;

(c) commodities mentioned in footnote 3 of List A, provided that they are finished products,

the delivery of these commodities shall not give rise to a direct payment unless their total value, delivered either by or to the seller at his factory or warehouse, exceeds 10 percent of the total value of the contract.

A composite object within the meaning of the present Regulations is one for which the order is placed with a single supplier, is executed by him acting alone or with the assistance of sub-contractors and makes him responsible for the working or output of the object supplied (machinery, factory plant, ship, etc).

46. If the value defined in the preceding paragraph exceeds 10 percent of the total price of the contract, payment shall be made by the purchaser direct to the seller in respect of the commodities contained in List C, according to the rules applicable to such commodities under paragraph 35 of the present Regulations, and for the entire value of the commodities mentioned under headings (b) and (c) of the preceding paragraph.

47. If a contract provides for the employment of German personnel outside Germany, 40 percent of the total wages and salaries of such personnel shall be paid by the purchaser direct to the seller.

48. If, however, the food of the personnel thus employed comes from Germany, or if the personnel is provided with living accommodation in Germany while the work is being carried out, or if special arrangements for housing and feeding are made locally by the purchaser and the seller, the percentage shall be reduced by agreement between the agent of the creditor Power concerned and the German agent. Failing such agreement, the arbitrator for whom provision is made in paragraph 108 hereafter shall decide.

49. If the commodity ordered under a contract is the subject of a mortgage, a lien or any other charge in favour of a non-German creditor, and if it is to be delivered free of any such charge, the payments required to pay off any such charge shall be made by the purchaser direct to the seller.

50. No direct payment shall be made if the contract makes the seller responsible for:

(a) the customary inspection and supervision of commodities or of the manufacture of commodities in Germany by persons employed by the buyer or by inspectors belonging to recognised inspection agencies provided that these agencies, which need not necessarily be German, are established in Germany;

(b) the transshipment or handling of commodities by non-German means or labour;

(c) the sums required to cover temporary advances for customs dues or similar non-German charges;

(d) the cost of guarantee deposits in non-German currency.

51. A direct payment shall be made in respect of any contract for insurance which is not accessory to a delivery or to work to be executed as a delivery in kind, but which forms of itself a contract for such delivery. The amount of this payment will be fixed for each individual case by direct agreement between the agent of the creditor Power concerned and the German agent.

Article VII

Approval of contracts

52. No payment shall be made by means of the funds reserved for deliveries in kind, unless in execution of a commercial contract previously approved by agreement between the creditor Government concerned and the German Government.

53. Every contract shall contain a clause indicating that it is to be paid for out of the funds reserved for deliveries in kind.

54. By a contract within the meaning of the present Regulations is understood:

(a) a document signed by the seller and the buyer;

(b) a firm offer, with or without specification, accepted without reserve by the buyer by letter or by telegram;

(c) a firm order accepted without reserve by the seller by letter or by telegram.

55. In the first place, the contracts must be accepted by the creditor Power concerned, which shall ascertain at the outset that they are in conformity with the Regulations and that sufficient funds stand to its credit to meet the payments for which the contract provides when they fall due.

56. Two copies of the contracts will then be transmitted to the agent of the German Government, either by registered letter or delivered direct against a receipt given by an authorised person.

57. Within three clear working days of receiving the contract the agent of the German Government shall inform the agent which has transmitted the contract whether he accepts it with or without reservation or whether he proposes its rejection.

58. If he has no objection to the contract, he will inform the Bank for International Settlements, to which he will send a copy of the contract.

59. If the agent of the German Government considers that the contract should be modified or rejected, or if he regards the details which it contains to be insufficient, he will return it, accompanied by his observations and reasons, to the agent from whom it was received.

60. If the agent of the creditor Government does not concur in the view of the German agent, he shall bring the question before the arbitrator for whom provision is made in paragraph 108 hereafter. After calling for the observations of the agent of the creditor Power concerned and the German agent, the arbitrator shall give a final decision within a maximum of eight clear working days from the date on which the question was referred to him.

61. The agent of the German Government may apply direct to the German seller for further information, or to have any changes made in the contract which he may consider to be necessary. It shall be his duty, however, to inform the agent of the creditor Power, in order that the agent may take the necessary action with regard to the purchaser.

62. Whenever the procedure is suspended in the manner described it shall be resumed with the same formalities and the same time limits as from the day on which the agent of the creditor Power sends to the German agent the necessary information or the agreement of the parties concerning the changes required to be made in the contract.

63. When an appeal is made to the arbitrator the award shall be notified to the German agent and the agent of the creditor Power concerned. The latter may then send the contract direct to the Bank for International Settlements, and shall be responsible for informing the German agent to this effect.

64. When a contract does not provide a definite scheme of payments, the German agent will draw up a schedule in agreement with the agent or authorised department of the creditor Government, in order that the Bank for International Settlements may set aside the sums required for paying for the contract.

65. The Bank for International Settlements will keep accounts for each creditor country showing the dates and amounts of the payments for which the approved contracts provide and indicating how much of the quota remains available for new contracts.

Abstracts of these accounts will be supplied on the 1st and the 15th of each month to the agent of the creditor Power concerned and to the German agent.

66. Before submitting a contract for approval the creditor Government concerned shall have definitely agreed with the purchaser the terms on which he can obtain payments out of the funds reserved for deliveries in kind.

67. If, in the course of execution of a contract, the buyer does not fulfil these conditions he shall continue to bear the entire responsibility for the contract, as far as the seller is concerned, under ordinary commercial conditions, even if the contract stipulates that it shall only be executed as a delivery in kind.

68. In this case the Bank for International Settlements shall, if the creditor Power concerned so requests on its own responsibility release the credits reserved but not yet utilised for payment for the contract.

The agent of the German Government shall be informed accordingly.

69. Exceptions to the present Regulations may be admitted by agreement between the agent of the creditor Government concerned and the agent of the German Government provided that they do not exceed:

(a) in the case of any rations which may eventually be fixed, 20 percent of the ration allowed for the year in question;

(b) in the case of direct payments, 30 percent of the payments of this kind which should have been effected under the contract in question had the Regulations been strictly applied.

70. If the conditions of a contract entail other exceptions to which the German agent agrees, the contract shall only be approved provided that, of the Belgian, British, French, Italian, Japanese and Yugoslav agents, at least three agree to the exception proposed.

71. In the case, however, of an exception to the clause concerning re-exportation, which in principle remains forbidden, the unanimous agreement of these six agents shall be required.

72. In transmitting to the Bank for International Settlements a contract in respect of which exceptions have been admitted in application of paragraphs 69, 70 and 71 above, the agent of the German Government shall attach to the contract a note stating the nature of the exception granted and indicating which agents have given their consent.

In the case of contracts approved in virtue of an arbitral decision in accordance with paragraph 63, the agent who transmits the contract will attach to it a copy of the arbitral decision.

73. The statistics which the Bank for International Settlements will keep in execution of paragraph 23 will be sent by the Bank each month to the agents of all the Governments and will show:

(1) according to countries and categories the total amount of the contracts which it has received during the preceding month, those for an amount exceeding 5 million reichsmarks and riders thereto being shown separately;

(2) the information transmitted to it with contracts in accordance with paragraph 72.

Article VIII

Payments

A. Payments for deliveries in kind

74. For each creditor Government there shall be opened at the Bank for International Settlements an account to which shall be credited all sums to be reserved by that Government for deliveries in kind according to the approved schedule. All payments made in respect of approved contracts shall be debited to this account.

75. The credit balance at the end of each month shall be added to the credits opened during the following month. The sum available to the creditor Power for deliveries in kind during that month shall be the total of these two amounts.

76. At the beginning of each month the agent of the creditor Government concerned and the agent of the German Government shall be informed of the state of the account.

77. Subject to the reserves provided by the present Regulations the sums paid to this account can only be employed for the payment of contracts for deliveries in kind.

78. For the purpose of paying for duly approved contracts for deliveries in kind, each creditor Power may dispose freely of the credit balance lying in his account, by any method of payment which is current in international commerce, and particularly by means of cheques, orders to transfer and time drafts.

The payments will be made by the Reichsbank in Berlin.

79. The creditor Powers will transmit to the Bank for International Settlements the names and signatures of the officials who are authorised to issue orders to pay.

80. In principle, orders to pay shall be made out in reichsmarks. When a contract stipulates that payment is to be made in a non-German currency, the order to pay shall be made out in this currency, but must bear the inscription "payable in reichsmarks". In this case the conversion into reichsmarks shall be made at the time of payment, at the official average rate of the Berlin Bourse as quoted for the day preceding that of payment.

81. If a contract provides for an agreed rate of conversion, the conversion into reichsmarks shall be made at this rate.

82. All orders to pay must indicate the approval number of the contract in respect of which they are issued.

83. Cheques shall be issued by the creditor Government made out in the name of the seller and passed to the buyer for transmission to the seller. They cannot be cashed over the counter, but must be passed through a bank account.

84. Orders to transfer shall bear the names of the buyer and seller, as well as that of the bank responsible for collection.

85. Time drafts shall be made payable not less than thirty days and not more than ninety days at most from the date of issue. They shall only be issued if the contract for which they are required makes provision to this effect.

They shall be drawn by the creditor Government on the Bank for International Settlements. They shall not be accepted.

They shall be issued to the order of the buyer, who shall endorse them and transmit them direct to the seller.

They shall bear the words: "Payable at the Reichsbank in Berlin".

86. If a creditor Government which has issued a time draft does not possess credits sufficient to meet the payment when it falls due, it shall place the necessary funds at the disposal of the Bank for International Settlements two days before the due date.

A creditor Government which advances a sum in this manner shall be reimbursed out of the first credits which are thereafter placed at its disposal for deliveries in kind.

87. The issuing Authority and the agent of the German Government will receive daily advice and periodical statements of the payments effected.

88. The rules to be applied to the payments made in application of the preceding paragraphs will be determined jointly by representatives of the German, Belgian, British, French, Italian, Japanese and Yugoslav Government and the Bank for International Settlements, particularly in so far as concerns the requisite measures for safeguarding these payments.

89. When a seller has to make a payment to a buyer in executing or winding-up a contract, the buyer shall inform his Government and request the seller to make the payment into the account for deliveries in kind opened for this Government.

90. This provision shall not apply to any payments of less than 10,000 reichsmarks and of less than 20 percent of the value of the contract, which the seller may be liable to make to the purchaser after the last payment for which the contract provides has been made and the contract is consequently regarded by the contracting parties as terminated. In such a case the payments shall be made by the seller direct to the purchaser.

B. Direct payments

91. When the case arises the provisions of Article VI of the present Regulations concerning the direct payment of a part of the value of certain commodities or services shall be applied to a contract either:

(a) by the terms of the contract itself, or

(b) by the decision concerning the approval of the contract, such decision being regarded as conditional within the meaning of Article VII.

In the first case the dates and amounts of the sums to be paid direct shall be stipulated in the contract.

In the second case the dates and amounts of the sums to be paid direct shall be fixed by the decision of approval in such a manner that the direct payments are made at the same time and in the same proportions as the payments made on account of deliveries in kind.

In both cases the purchaser shall make the direct payments to the seller in accordance with the rules of ordinary commerce.

92. The foregoing provisions shall not preclude the Bank for International Settlements in agreement with the creditor Power concerned from meeting all the payments for which a contract provides, when they fall due. In this case the direct payments shall be made under the conditions and in the currencies stipulated in the contract, but it shall be debited to the creditor Power in an account other than that relating to deliveries in kind.

Article IX

Prohibition concerning re-exportation

93. Each creditor Power undertakes, as far as possible, to prevent the commodities which it receives from Germany as deliveries in kind from being re-exported during five years.

94. It shall not be considered to be re-exportation within the meaning of the present Regulations:

(a) in cases of plant for public works which is utilised abroad by a firm of the creditor Power during a short period not exceeding one year, with an obligation for the return of the plant to the territory of the creditor Power;

(b) if commodities are exported to the colonies, dependencies or mandated territories of the creditor Power;[\[5\]](#)

(c) if they are intended for embassies, consulates or higher educational institutes of the creditor Power abroad;

(d) if after transformation or being incorporated in another article the value of a commodity does not represent more than 60 percent of the value of the article sold

abroad, such value being estimated for delivery at the frontier or f.o.b. at a port of the creditor Power.

95. The creditor Power shall not submit for approval any contract for the delivery of commodities unless the following declaration signed by the buyer is included in or attached to the contract:

"I undertake for five years not to re-export the commodities which form the subject of the present contract.

In the event of my selling all or part of these commodities, I undertake to require my purchaser to take upon himself all the obligations which I have assumed, and to cause the same undertakings to be given by his successive purchasers.

If I fail to perform any of these undertakings I consent to be deprived of the possibility of having new contracts concluded by me paid for by means of the funds which are reserved for deliveries in kind.

Commodities shall not be considered to be re-exported:

(a) in cases of plant for public works which is utilised abroad by a firm of the creditor Power during a short period not exceeding one year, with obligation for the return of the plant to the territory of the creditor Power;

(b) if commodities are exported to the colonies, dependencies or mandated territories of the creditor Power;

(c) if they are intended for embassies, consulates or higher educational institutes of the creditor Power abroad;

(d) if after transformation or being incorporated in another article the value of the commodity does not represent more than 60 percent of the value of the article sold abroad, such value being estimated for delivery at the frontier or f.o.b. at a port of the creditor Power."

96. If the contract is concluded by the creditor Government itself, the latter will transmit it to the agent of the German Government, with the undertaking for five years not to re-export the commodities or, if it sells them, to require of the buyer an undertaking in the form prescribed by paragraph 95 above.

97. If a dispute arises between a creditor Government and the German Government as to whether there has been re-exportation or not, it shall be submitted to the jurisdiction for which paragraph 107 hereafter provided.

Article X

Infractions and frauds

98. It shall be the duty of the Governments concerned to take such steps within their respective territories as they may deem necessary in order that contracts may be

executed in accordance with the present Regulations, and, in cases of fraud or wilful infraction, to apply such penalties as they may consider appropriate in respect of their nationals.

99. The Bank for International Settlements shall not incur any responsibility by reason of any fraud or irregularity committed during the execution of a contract. But it shall inform the agent of the creditor Government concerned and the German agent of any fact which may appear to it to constitute a fraud or wilful infraction of the present Regulations.

100. The agents of the creditor Government and the agent of the German Government will inform one another of the investigation which their respective Governments cause to be undertaken in order to ascertain whether there has been fraud or infraction of the present Regulations in connection with a contract and they shall inform one another of the result of such investigations.

101. The Governments undertake to afford one another full facilities for the purpose of carrying out the investigations which any of them may decide to make. For this purpose the agents of the various countries will exchange such information as they possess and is likely to facilitate their respective tasks.

102. If a creditor Government or the German Government considers one of its nationals to be guilty of fraud or of wilful infraction of the present Regulations, its agent will so inform the agents of the other Governments.

103. Pursuant to such notification, no contract to which one of the parties is a person whose name has thus been notified shall be approved during a period of two years from the date of the notification.

104. A Government which has applied for one of its nationals to be excluded may, before the end of the period of two years mentioned above, request that its national be removed from the list of excluded persons.

105. If before the last payment under a contract has been made, the buyer or seller is found guilty by his Government of fraud or wilful infraction of the present Regulations, and if his name is notified in accordance with paragraph 102, no further payment shall be made out of the funds for deliveries in kind in respect of the contract which shall be liquidated direct between buyer and seller.

If the sums paid up to that time exceed the value of the commodities or services due to be delivered under the contract, the Governments concerned shall do their utmost to obtain repayment of the excess to the account for deliveries in kind of the creditor Power.

106. In order that the provisions of the preceding paragraph may be applied, the agent of the Power which has declared its national to be excluded shall inform the Bank of International Settlements of the measures taken in this respect.

Article XI

Arbitration

107. Any dispute which may arise between a creditor Power and the German Government concerning the interpretation of the present Regulations shall be submitted to the arbitral tribunal for which Article 15 of the Hague Agreement of January 1930 provides.

The same procedure shall apply to any dispute which may arise concerning the application of the provisions of Article III or in the case mentioned in paragraph 97 of the present Regulations.

108. All other disputes which may arise from the application of the present Regulations shall be submitted to an arbitrator of neutral nationality who is resident in Paris, and who is of high commercial or industrial standing.

This arbitrator shall be appointed for two years by unanimous agreement between the German, Belgian, British, French, Italian, Japanese and Yugoslav Governments, or failing unanimity, by the President of the arbitral tribunal mentioned in the preceding paragraph.

Article XII

Temporary provisions

109. Any contract which has been approved by the date at which the present Regulations come into force shall continue to be executed under the procedure of the Wallenberg Regulations with the sole exception that payment by cheque shall take the place of payment by means of sight drafts, and that the organisations for which the present Regulations provide shall be substituted for those previously in existence.

110. During a period of two years from the date when the verdict of guilt is pronounced, no contract shall be approved in which the name of a person appears, either as purchaser or seller, in respect of whom the penalties for which Article XII of the Wallenberg Regulations provides have been applied.

Article XIII

Revision of the Regulations

111. The present Regulations may, at the request of one of the Powers interested in deliveries in kind be submitted to revision. Such revision shall take effect as from 1 April of the year in question.

Revision may first take place in 1931 and thereafter at intervals of two years.

112. The Government which proposes the revision shall inform all the other Governments concerned in deliveries in kind of its intention, before 1 January of the year in which revision may be made. It will state the points regarding which it suggests that modifications should be introduced into the Regulations and the date which it proposes for the examination of its request.

113. The request shall be considered by a Committee consisting of the agents or representatives of the German, Belgian, British, French, Italian, Japanese and Yugoslav Governments.

114. No modification may be made in the present Regulations except by unanimous agreement between the members of the Committee constituted in accordance with the preceding paragraph.

Article XIV

Authenticity of texts

115. These Regulations are drawn up in French, English and German, the three texts being equally authentic for purposes of interpretation. It is understood that, in the event of an appeal to arbitration on the interpretation and pending the decision of the arbitral tribunal, the interpretation considered by the creditor Power concerned to be the most favourable to the proper execution of deliveries in kind shall be taken to be correct.

APPENDIX I TO ANNEX IX
TABLE SHOWING THE DISTRIBUTION OF DELIVERIES IN KIND AMONG
THE CREDITOR POWERS
(replacing the Table of paragraph 190 of Annex VII to the Experts' Plan and that of the Annex to Appendix 2, Annex II, of the Hague Protocol of 31 August 1929)
(In thousands of R.M.)

	France			Great Britain	Italy
	Deliveries	Rec. Act. (4.95%)	Total	Rec. Act.	
Transition regime (1.IX.29-31.III.30)	272,293.0	21,507.0	293,800	46,036.00	37,000
Year of deliveries in kind (1.IV.30-31.III.31)	364,090.4	36,609.6	400,700	190,964.00	52,500
Second year (1931-32)	305,540.0	32,860.0	338,400	186,638.70	52,500
Third year (1932-33)	306,180.6	30,219.4	336,400	140,718.85	52,500
Fourth year (1933-34)	304,506.3	29,693.7	334,200	138,270.60	52,500
Fifth year (1934-35)	274,773.4	27,226.6	302,000	126,782.50	52,500
Sixth year (1935-36)	225,977.9	23,182.1	249,160	107,948.70	52,500
Seventh year (1936-37)	196,314.9	20,545.1	216,860	95,669.70	52,500
Eighth year (1937-38)	166,674.6	17,985.4	184,660	83,750.10	52,500
Ninth year (1938-39)	137,124.4	15,335.6	152,460	71,411.25	52,500
Tenth year	45,274.5	4,710.5	49,985	21,934.60	15,500

(1.IV.39-31.VIII.39)					
TOTAL	2,598,750.0	259,875.0	2,858,625	1,210,125.00	525,000
	Belgium	Japan	Yugoslavia	Portugal	Roumania ¹
Transition regime (1.IX.29-31.III.30)	24,500.00	2,550	26,000	4,600	-
Year of deliveries in kind (1.IV.30-31.III.31)	33,750.00	5,625	37,500	6,548	9,000
Second year (1931-32)	31,500.00	5,250	35,000	4,800	6,950
Third year (1932-33)	29,250.00	4,875	32,500	4,500	7,150
Fourth year (1933-34)	27,000.00	4,500	30,000	4,402	6,600
Fifth year (1934-35)	24,750.00	4,125	27,500	4,125	6,050
Sixth year (1935-36)	20,837.50	3,750	23,300	3,328	5,500
Seventh year (1936-37)	17,756.25	3,375	19,400	2,742	4,950
Eighth year (1937-38)	14,675.00	3,000	16,600	2,156	4,400
Ninth year (1938-39)	11,593.75	1,825	13,200	1,570	3,850
Tenth year (1.IV.39-31.VIII.39)	637.50	500	1,500	604	3,300
TOTAL	236,250.00	39,375	262,500	39,375	57,750
	Greece	Total deliveries	Rec. Act.	Total	
Transition regime (1.IX.29-31.III.30)	-	366,943.00	67,543.00	434,486.00	
Year of deliveries in kind (1.IV.30-31.III.31)	3,000	512,013.40	227,573.60	739,587.00	
Second year (1931-32)	2,800	444,340.00	219,498.70	663,838.70	
Third year (1932-33)	2,600	439,555.60	170,938.25	610,493.85	
Fourth year (1933-34)	2,400	431,908.30	167,964.30	599,872.60	
Fifth year (1934-35)	2,200	396,023.40	154,009.10	550,032.50	
Sixth year (1935-36)	2,000	337,193.40	131,130.80	468,324.20	
Seventh year (1936-37)	1,800	298,838.15	116,214.80	415,052.95	
Eighth year (1937-38)	1,600	261,605.60	101,735.50	363,341.10	
Ninth year (1938-39)	1,400	223,063.15	86,746.85	309,810.00	
Tenth year	1,200	68,516.00	26,645.10	95,161.10	

(1.IV.39-31.VIII.39)				
TOTAL	21,000	3,780,000.00	1,470,000.00	5,250,000.00

1 If the Roumanian Government and the German firms subsequently agree that the quota fixed in respect of a given period shall be exceeded, a corresponding reduction shall be applied by agreement between the German and Roumanian Governments to the other annuities. The distribution in respect of the other Powers shall, however, not be changed.

APPENDIX II

LIST A

COMMODITIES WHICH MAY NOT BE SUPPLIED AS DELIVERIES IN KIND

[\[6\]](#)

Group I

(a) All commodities of foreign origin which have not undergone any transformation in German territory.

(b) Foodstuffs manufactured from imported raw materials.[\[7\]](#)

(c) Gold, platinum and silver articles.[\[8\]](#)

Group II

Industrial products the export of which is prohibited at the time of the conclusion of the contract.[\[9\]](#)

Group III. Miscellaneous products:

(a) Scrap iron and scrap steel (843).

(b) Animal skins and hides (153 to 155), bone (156f).

(c) Paper clippings, waste paper, etc (673a).

(d) Yarn waste, cotton waste, etc, and all waste from weaving and other waste employed in the manufacture of paper (543b).

(e) Natural phosphates of lime (227d).

(f) Minerals (237a to s).

(g) Radium, radium salts, preparations from radium (ex 266, ex 317G, ex 388).

(h) Wood in the log of all varieties, with the exception of pit props.

APPENDIX IV
LIST C

COMMODITIES WHICH CAN ONLY BE PARTIALLY PAID FOR OUT OF THE
FUNDS FOR DELIVERIES IN KIND

This list is similar to the old List C under the Wallenberg Regulations, to which has been added the following modifications:

	Percent
(a) With regard to <i>timber</i> , the agreement of 3 July 1928 remains in force. Paragraph 4 bears the following additions:	
Pit props	55
Telegraph poles, clean	60
Railway sleepers, hard or soft wood, clean	60
(b) Item 470a and b to be modified as follows:	
470a, b, and 28c to f - flax and hemp in the raw, steeped, bleached, dyed, crushed, scutched free from glutinous fibre, cleaned,	
Tow	95
(c) Items 890a and 909 are modified as follows:	
890a Wires (lacing, covering, etc.) made of common metal, with the exception of aluminium, or alloy of these metals, covered with a casing or winding, or yarn or braiding, or other methods of covering by materials for electro-technical purposes	35
909 Cables for the transmission of electric current, with the exception of those in aluminium, with protective metal wrappings in the form of casing made of strips, wire, webbing or similar materials,	35
Low tension cables	40
High tension cables	
(d) Add: Bronze propellers	35
(e) The following items:	
ex 156f, bones, etc.,	
ex 237h, braunstein (oxide of manganese),	

ex 869 magnesium (metal),

are to be deleted.

ANNEX X

AGREEMENT FOR AMENDING THE METHOD OF ADMINISTERING "THE GERMAN REPARATION (RECOVERY) ACT, 1921"

WHEREAS it is desired to adapt the provisions of the Agreement between Great Britain and Germany for amending the method of administering the "German Reparation (Recovery) Act, 1921", signed on 3 April 1925, to the provisions of the Experts' Plan of 7 June 1929, as adopted by the final Protocol of the Hague Conference (hereinafter referred to as the New Plan).

Now therefore it is agreed between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the German Reich to substitute for the terms of the above Agreement the following provisions:

I

The German Government undertake to pay each month on the same dates as the other payments forming the postponable annuity to the Bank for International Settlements for the account of His Britannic Majesty's Government the sterling equivalent of the reichsmark sums available under the New Plan for transfer by means of the Reparation (Recovery) Act to His Britannic Majesty's Government, provided always that the amounts so paid shall not exceed twenty-six percent of the sterling value of the German goods imported into Great Britain during the preceding month but one.

So long as no postponement of transfers is in force the amount of reichsmarks available each year for transfer under this Agreement shall be the amounts specified in the Annex to this Agreement, representing 23.05 percent^[10] of the total annual amounts of deliveries in kind (including deliveries under Reparation Recovery Acts) provided in the New Plan for each of the ten years up to 31 August 1939. In the event of any postponement of transfer the sum available shall be calculated in accordance with Article III of this Agreement.

Reichsmarks for this purpose shall be reichsmarks as provided for in the New Plan. The sterling equivalent shall be calculated at the average of the middle rates (*Mittelkurs*) prevailing on the Berlin Bourse during the half-monthly period preceding each payment.

The British Government undertakes in return to cause to be placed at the disposal of the German Government, out of the share of the British Government in the annuities provided for in the New Plan and available for deliveries in kind, the amount of reichsmarks of which the sterling equivalent has been paid by the German Government.

II

The German Government shall arrange for the collection by the Reichsbank or otherwise from the German exporters of the sterling amounts referred to in Article I above. The British Government agree that, having regard to the undertaking of the German Government given in that Article, the Special Reserve Fund provided for in Article 6 of the Agreement of 3 April 1925, shall be dispensed with, and the amount in that Fund shall be placed at the free disposal of the German Government immediately on the coming into force of this Agreement.

III

The British Government shall at all times during the period of the New Plan have the right to a Reparation (Recovery) Act levy *pari passu* with any deliveries in kind, including those furnished under a moratorium, that is to say, that of the total amount transferred in any year in deliveries in kind (including the quotas under the Reparation Recovery Acts) the quota under the British Reparation (Recovery) Act will amount to 23.05 percent.

IV

It is understood that this Agreement merely amends the method of administering the Reparation (Recovery) Act, that payments made under this Agreement shall be regarded as deliveries in kind for the purposes of the deliveries in kind system, and that its provisions are without prejudice to any rights enjoyed by the British Government with regard to that Act under the New Plan. So long however as this Agreement continues in force, the relations between Germany and Great Britain with regard to the Reparation (Recovery) Act shall be governed exclusively thereby.

V

The present Agreement shall become operative simultaneously with the coming into force of the New Plan. A certified copy thereof shall be transmitted by the parties to the Bank for International Settlements, so that the Bank may take note of its provisions for all purposes under the New Plan.

DONE at Berlin the 2nd day of January, 1930.

[Signed:] [Signed:]

CURTIUS RUMBOLD

ANNEX

REICHSMARKS AMOUNTS, THE STERLING EQUIVALENT OF WHICH IS PAYABLE BY THE GERMAN GOVERNMENT UNDER ARTICLE I OF THIS AGREEMENT

	R.M.
Period 1 September 1929 to 31 March 1930	46,036,000
Year to 31 March 1931	190,964,000
Year to 31 March 1932	186,638,700

Year to 31 March 1933	140,718,850
Year to 31 March 1934	138,270,600
Year to 31 March 1935	126,782,500
Year to 31 March 1936	107,948,700
Year to 31 March 1937	95,669,700
Year to 31 March 1938	83,750,100
Year to 31 March 1939	71,411,250
Period 1 April to 31 August 1939	21,934,600

TOTAL 1,210,125,000

ANNEX Xa

AGREEMENT REGARDING THE METHOD OF ADMINISTERING THE LEVY ON THE VALUE OF GERMAN IMPORTS INTO FRANCE

In order to adapt the provisions of the Agreement between France and Germany regarding the method of administering the levy on the value of German imports into France, signed on 16 March 1928, to the provisions of the Experts' Plan of 7 June 1929, as adopted by the Final Protocol of the Hague Conference (hereinafter referred to as the "New Plan"), it is agreed between the German and the French Governments that the following provisions be substituted for the terms of the above Agreement:

I

The German Government undertake to pay each month on the same dates as the other payments forming the postponable annuity to the Bank of International Settlements for the account of the French Government the equivalent in French francs of the reichsmark sums available under the New Plan for transfer to the French Government by means of the levy on the value of German imports into France, provided always that the amounts so paid shall not exceed twenty-six percent of the value in francs of the German goods imported into France and Algeria during the preceding month but one.

So long as no postponement of transfers is in force, the amount of reichsmarks available each year for transfer under this Agreement shall be the amounts specified in the Annex to this Agreement, representing 4.95 percent of the total annual amounts of deliveries in kind (including deliveries under Reparation Recovery Acts) provided in the New Plan for each of the ten years up to 31 August 1939.

In the event of any postponement of transfer, the sum available shall be calculated in accordance with Article III of this Agreement.

Reichsmarks for this purpose shall be reichsmarks as provided for in the New Plan. The equivalent in francs shall be calculated at the average of the middle rates (*Mittelkurs*) prevailing on the Berlin Bourse during the half-monthly period preceding each payment.

The French Government undertake in return to cause to be placed at the disposal of the German Government, out of the share of the French Government in the annuities provided for in the New Plan and available for deliveries in kind, the amount of reichsmarks of which the equivalent in francs has been paid by the German Government.

II

The German Government shall arrange for the collection from the German exporters through the Reichsbank or otherwise of the amounts in francs referred to in Article I above.

The French Government agree that, having regard to the undertaking of the German Government given in Article I above, the Special Reserve Fund provided for in Article 5 of the Agreement of 16 March 1928 shall be dispensed with, and the amount in that Fund shall be placed at the free disposal of the German Government immediately on the coming into force of this Agreement.

III

The French Government shall at all times during the period of the New Plan have the right to a "Reparation (Recovery) Act" levy *pari passu* with deliveries in kind, including those furnished under a moratorium, that is to say, that of the total amount transferred in any year in deliveries in kind or by means of "Reparation (Recovery) Act" levies, the quota of the French "Reparation (Recovery) Act" levy will amount to 4.95 percent.

IV

It is understood that this Agreement merely amends the method of collecting the levy on that value of German imports into France, that payments made under this Agreement shall be regarded as deliveries in kind for the purposes of the deliveries in kind system, and that its provisions are without prejudice to the rights enjoyed by the French Government with regard to that levy under the New Plan. So long, however, as this agreement continues in force, the relations between Germany and France with regard to the levy on imports shall be governed exclusively thereby.

V

The present Agreement shall become operative simultaneously with the coming into force of the New Plan.

A certified copy shall be transmitted by the contracting parties to the Bank for International Settlements, so that the Bank may take note of its provisions for all purposes under the Plan.

DONE at The Hague, the 18th day of January, 1930.

[Signed:] [Signed:]

CHÉRON MOLDENHAUER

ANNEX

AMOUNTS IN REICHSMARKS, OF WHICH THE EQUIVALENT IN FRANCS IS PAYABLE BY THE GERMAN GOVERNMENT UNDER ARTICLE 1 OF THIS AGREEMENT

	R.M.
Period 1.IX.29-31.III.30	21,507,000
Period 1.IV.30-31.III.31	36,609,600
Period 1.IV.31-31.III.32	32,860,000
Period 1.IV.32-31.III.33	30,219,400
Period 1.IV.33-31.III.34	29,693,700
Period 1.IV.34-31.III.35	27,226,600
Period 1.IV.35-31.III.36	23,182,100
Period 1.IV.36-31.III.37	20,545,100
Period 1.IV.37-31.III.38	17,985,400
Period 1.IV.38-31.III.39	15,335,600
Period 1.IV.39-31.VIII.39	4,710,500
TOTAL	259,875,000

ANNEX XI

SECURITIES FOR THE GERMAN EXTERNAL LOAN 1924

The Government of the German Reich desiring fully to maintain the first charge by way of collateral security for the German External Loan of 1924, created by Article 5 of the General Bond dated 10 October 1924, upon the gross revenues of the German Government from the customs and from the taxes on tobacco, beer and sugar and from the net revenue of the German Government from the spirits monopoly and also on such other taxes, if any, as may hereafter be assigned by the German Government for the purpose of assuring the German budgetary contributions to the Annuities, has proposed the following system for keeping effective said first charge on said revenues from and after the termination of the Dawes Plan and in substitution for the system of remitting and administering said revenues which has been in effect under the said Plan, and the Trustees of the German External Loan of 1924 have consented to the application of the following system provided it be incorporated as an Annex to the Agreement of the Hague of January 1930 and be duly ratified by the Government of the German Reich and provided the Plan of the Committee of Experts of 7 June 1929, shall be duly carried into effect:

SYSTEM Article I

The tax collecting offices of the German Reich will continue to remit the total proceeds of the five revenues which collaterally secure the German External Loan,

1924, namely, the gross revenues of the German Reich from the customs and from the taxes on tobacco, beer and sugar, and the net revenue from the spirits monopoly; but they will remit the total proceeds of these five revenues directly to the account of the Trustees of said Loan at the Reichsbank. In the event that the German Government, in compliance with the terms of paragraph 132 of the Annexes of the Experts' Plan of 7 June 1929, shall assign any additional revenues to assure a total yield of not less than 150% of the highest budgetary contribution provided for by that Plan, then the proceeds of such additional revenues shall also be remitted by the collecting offices directly to said account of the Trustees at the Reichsbank.

Article II

The account of the Trustees at the Reichsbank may be in the name of Trustees of the German External Loan, 1924, or, at their election, in the name of the Bank for International Settlements for the account of the Trustees of the German External Loan, 1924.

Article III

The funds received into the account of the Trustees shall be subject to their disposition, at their discretion, for the purpose of assuring the regular service of the Loan, but the Trustees will, at the time of opening their account at the Reichsbank, issue a revocable standing order to the Reichsbank to the following general effect:

(a) As soon as on or after the first of each month a sufficient number of reichsmarks has been received in the account of the Trustees to cover the amount of foreign currency required for the monthly instalment of the service of the interest on and the redemption of the Loan (including in such sum all charges, commissions or other payments to be made by the German Government in connection with said Loan) which is payable pursuant to the terms of the General Bond on the next succeeding 15th of each said month, the Reichsbank shall be authorised thereupon to release to the German Government, or its order, all reichsmark sums, being the remainder of the monthly proceeds of the revenues thereafter entering into the Trustees' account until the first day of the next month immediately succeeding, when there shall again be similarly retained in the account of the Trustees a sufficient number of reichsmarks to cover the current monthly loan service instalment and there shall be similarly released for the remainder of the month the balance of said reichsmark sums, such continuing system of monthly retention and release to be repeated month after month during the life of the Loan, subject, of course, to revocation or modification by the Trustees, as provided below in Article IV.

(b) On the 15th of each month, if and when the foreign currency instalment then due has been paid, the reichsmark sum previously blocked as cover therefor shall be released from the account of the Trustees and placed at the disposition of the German Government;

(c) If prior to the 15th of any month the German Government choose to anticipate the foreign currency payment payable on the 15th, then as soon as such payment is made to the Trustees the reichsmarks blocked as cover therefor will be released from the account of the Trustees and placed at the disposition of the German Government.

Article IV

This standing order of the Trustees to the Reichsbank may be revoked or modified at the discretion of the Trustees at any time, whenever necessary in their opinion for the purpose of safeguarding fully the rights of the bondholders granted by the General Bond.

Article V

The foregoing system of receiving, remitting and releasing the revenues shall come into effect as soon as possible after the legal termination of the Dawes Plan, and, if practicable, coincidentally therewith. The German Government agrees to consult with the Trustees for the purpose of adopting, in agreement with them, any measures necessary to effect the transition from the past system of remitting the revenues to the new system of remitting the revenues in order that the service of the Loan may be fully protected during any period of transition.

ANNEX XII

ARBITRATION. RULES OF PROCEDURE

1. The proceedings in any arbitration shall be governed by the dispositions of Chapter III of the Hague Convention of 1907 for the Pacific Settlement of International Disputes, except in so far as the same are modified by the following provisions or by those of the Agreement of The Hague of January 1930:

In particular Article 85 of the Hague Convention shall apply to these proceedings, and each Party shall pay its own expenses and an equal share of those of the Tribunal.

2. The Tribunal shall sit at The Hague or such other place as may be fixed by the Tribunal.

The date of sitting shall be determined by the Chairman and at least fourteen days' previous notice shall be given to the Parties.

3. Each Party shall appoint a representative.

Any communication between the Parties and the Tribunal or between the Parties themselves shall be conducted through these representatives.

The Tribunal shall appoint a Secretary to whom communications shall be addressed.

4. The procedure shall consist of two stages:

(1) written cases or pleadings; and

(2) oral debates.

The oral discussion shall be public.

5. The Party which is in the position of plaintiff shall deliver its case within six weeks from the date of the special agreement or a date to be fixed by the Chairman or by the Tribunal, and the other Party shall present its counter-case within six weeks from the date on which it receives the case of the first Party.

If any dispute shall arise as to which Party is in the position of plaintiff in any particular case, the matter shall be decided summarily by the President of the Tribunal or any Member thereof appointed for this purpose by the President.

6. Cases shall contain:

- (1) a statement of the facts on which the claim is based;
- (2) a statement of law;
- (3) a statement of conclusions;
- (4) a list of the documents in support; these documents shall be attached to the case.

Counter-cases shall contain:

- (1) the affirmation or contestation of the facts stated in the case;
- (2) a statement of additional facts, if any;
- (3) a statement of law;
- (4) conclusions based on the facts stated, these conclusions may include counter-claims; in so far as the latter come within the jurisdiction of the Tribunal;
- (5) a list of the documents in support; these documents shall be attached to the counter-case.

7. The Parties shall also respectively have the right to deliver a reply and rejoinder within three weeks after the receipt of the last preceding pleading.

All cases shall be printed, six copies at least to be delivered to the opposing Party and twelve at least to the Tribunal. Each Party shall acknowledge the receipt of any document to the Party which has delivered it, and shall inform the Tribunal of the date of receipt.

Certified copies of any documents on which reliance is placed shall be annexed to the pleading in which they are referred to.

8. The periods above fixed may be extended either by the agreement of the Parties or by a decision of the Chairman or of the Tribunal.

9. The written proceedings may be in English, French or (where Germany is a party) in German. It shall, however, be open to any member of the Tribunal to require that

any pleading or other document (including any translation) delivered in one of those three languages should be translated into another and, if necessary, duly certified.

10. Not more than two advocates may appear on behalf of each Party for each separate question submitted to arbitration.

11. The advocates may address the Tribunal in their own language, subject to the right of any member of the Tribunal or an opposing Party to require a translation into English or French.

12. Shorthand minutes shall be taken on behalf of the Tribunal of all oral arguments, and transcripts shall be supplied with all possible despatch to the members of the Tribunal and to the Parties. The Secretary of the Tribunal shall be responsible for the execution of this clause and for the preparation of the necessary minutes.

13. For all the purposes of the arbitration up to the commencement of the oral proceedings, the President or any two members of the Tribunal appointed by him shall be qualified to take in the name and on behalf of the Tribunal any decisions which the Tribunal is authorised to take.

14. No Party may, without the consent of the other Party, make use in the course of the discussion of any document which has not been previously communicated to the other Party.

15. Any member of the Tribunal may put to the Parties during the discussion any questions which he thinks proper. The Tribunal may at any time before reaching a decision employ any means of information which it considers necessary, and may ask for any supplementary notes, memoirs or documents which it thinks desirable. Should, however, the Tribunal resort to other means of information than those supplied by the Parties, it will allow them to submit arguments on the additional information.

16. No oral explanation will be received from either Party unless the other Party is present or has been duly summoned.

17. Any request or communication addressed to the Tribunal by one of the Parties will be communicated at the same time to the other.

18. The Secretary of the Tribunal shall notify all proceedings instituted before the Tribunal to all Parties to the Hague Agreement of January 1930.

19. When any signatory Power or the Bank for International Settlements considers that it has an interest of a legal nature which may be affected by the decision in a case, it may submit a request to the Tribunal to be permitted to intervene as a third Party.

In the absence of an agreement between the Parties, the Chairman or any member of the Tribunal appointed by him for that purpose shall fix the time within which the Party intervening is to deliver his case.

Subject to any contrary decision of the Tribunal, the foregoing rules and the provisions as to Arbitration of the Agreement of The Hague of January 1930, and in particular those relating to the appointment of an additional member in certain cases, shall apply to a Party intervening in the same manner as to the original Parties.

PROTOCOL CONCERNING THE APPROVAL IN PRINCIPLE OF REPORT OF
THE EXPERTS, THE SETTLEMENT OF VARIOUS QUESTIONS CONNECTED
WITH ITS APPLICATION AND THE ESTABLISHMENT OF VARIOUS
COMMITTEES INTENDED TO PREPARE THE PUTTING INTO FORCE OF
THAT REPORT

Signed at The Hague, 31 August 1929

1. The representatives of the Government of the German Reich, the Government of His Majesty the King of the Belgians, His Britannic Majesty's Governments in the United Kingdom, the Dominion of Canada, the Commonwealth of Australia, the Union of South Africa, the Dominion of New Zealand, and the Government of India, the Government of the French Republic, the Government of the Greek Republic, the Government of His Majesty the King of Italy, the Government of His Majesty the Emperor of Japan, the Government of the Republic of Poland, the Government of the Republic of Portugal, the Government of His Majesty the King of Roumania, the Government of His Majesty the King of the Serbs, the Croats and the Slovenes, and the Government of the Czechoslovak Republic, accompanied by the representative of the Government of the United States of America in the capacity of observer and with specifically limited powers;

Being assembled at the Binnenhof under the Chairmanship of His Excellency M. Jaspar, Prime Minister of Belgium, on the conclusion of the first stage of the Conference which met at The Hague on 6 August 1929;

The President informs the Conference that on all the political questions on the agenda of the Conference an agreement has been come to between the Powers interested.

2. The President states that in view of the fact that various questions relative to the application of the Plan of 7 June 1929, drawn up in Paris by the Committee of Experts, have been settled in outline in accordance with the documents annexed hereto (Annexes I, II, III and IV), all the Governments represented by delegates at the Conference have accepted the said Plan in principle. Nevertheless, certain delegations, while reserving their right as to final adhesion, have made on certain points observations which do not hinder the above acceptance in principle. These observations figure in the minutes of the meeting of the Financial Commission of 30 August 1929.

The President states also that agreement has been reached that the balance of the unconditional part of the annuities under the Experts' Report, the distribution of which was to be settled by the Governments, shall be distributed as follows:

	Reichsmarks
The British Empire	55,000,000
Japan	6,600,000

Serb-Croat-Slovene Kingdom	6,000,000
Portugal	2,400,000
TOTAL	70,000,000

3. The Conference notes the appointment of the Organisation Committee for the adaptation of the German Laws set up under the Dawes Plan in accordance with Annex V to the Experts' Report, and considers that the Organisation Committee for the Bank for International Settlements referred to in Section III of Annex I to the Experts' Report should be appointed as soon as possible.

4. The Conference decides on the appointment of technical committees charged with the duty of preparing detailed recommendations in regard to:

(a) the framing in conformity with Annex II of new regulations for deliveries in kind, and to suggest any steps necessary in connection with the transition from the present to the new system in so far as concerns such deliveries;

(b) the final settlement of the reciprocal claims of the Creditor Governments in respect of ceded properties and liberation debts and the final settlement of the liabilities of the Debtor Governments under the Treaties of St Germain, the Trianon and Neuilly.

The Conference also decides to appoint a Committee of Jurists in order to draft the detailed texts to be embodied in the Final Protocol for putting into force the Experts' Plan.

Furthermore, and subject to the declarations and reservations made in the course of the meetings of the Financial Commission on 30 and 31 August 1929, and which are set out in the Minutes of those meetings, the Conference decides on the appointment of a committee charged with the duty of preparing the necessary provisions in order to apply the recommendations of Chapter IX of the Report of the Experts relating to the liquidation of the past and the proposal of the measures required to effect the change from the existing to the new regime.

5. The Conference requests each of the Inviting Powers and the Kingdom of the Serbs-Croats-Slovenes to nominate a representative for the Committee to frame new Regulations as regards deliveries in kind, and to request the Belgian, British, French, Greek, Italian, Japanese, Polish, Portuguese, Roumanian, Serb-Croat-Slovene and Czechoslovak Governments, if they do so desire, to nominate two representatives on the Committee on Ceded Properties and Liberation Debts and the liabilities of Austria, Hungary, Bulgaria, on the understanding that when the Committee deals with the liabilities of the Austrian, Hungarian or Bulgarian Governments, each of those Governments will be invited to nominate two representatives on the Committee when its interests are concerned.

6. The Committees appointed by the Conference will meet at a date and place to be fixed by the President of the Conference.

7. The Conference will reassemble at a date and place to be fixed by the President after consultation with the Inviting Powers for the purpose of considering the Reports which will be submitted to it by all the committees referred to above, and for giving such effect thereto as may be considered desirable.

DONE at The Hague, the 31st day of August, 1929.

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

ANNEX I

FINANCIAL AGREEMENT BETWEEN THE BELGIAN, BRITISH, FRENCH, ITALIAN AND JAPANESE DELEGATIONS, AND THE GERMAN DELEGATION, IN SO FAR AS GERMANY IS CONCERNED

The Belgian, British, French, Italian and Japanese Delegations and the German Delegation, in so far as Germany is concerned, have agreed on the following arrangements with a view to securing the approval in principle of the Experts' Report, viz:

I

In accordance with paragraphs 83 and 84 of the Experts' Report of 7 June 1929, and paragraph 192 of the Annexes, Great Britain will receive, out of the payments due by Germany in respect of the last five months of the fifth Dawes Annuity, the amount (estimated at 100 million gold marks) which is required together with her receipts under the Dawes Plan, to cover in full her net debt outgoing during the year ending 31 March 1930, and the current costs of the British Army of Occupation up to 31 August 1929.

In pursuance of the same provisions, Italy and Greece will receive the sums required to cover in full their debt outgoings during the year ending 31 March 1930, as defined in paragraph 93 of the Experts' Report.

II

Save as provided in the preceding Article, Germany, Great Britain, Italy and Japan make, and will make, no claim on the sums paid or payable by Germany in respect of the last five months of the fifth Dawes Annuity, including the sum of about 79 million gold marks due in September 1929.

In return Belgium and France guarantee to Great Britain to the extent of their liability the payments for which they are responsible in accordance with Article III below.

III

The Belgian and French Governments guarantee without reserve the payment to Great Britain, in addition to the annuities allocated to her by the Experts' Report, of an annuity of 19,800,000 reichsmarks for 37 years as from 1929, to be paid in sterling in such instalments as may be agreed. The division of this annuity between the French and Belgian Governments will be the subject of a special agreement between them, which will be communicated to the British Government.

IV

Italy having undertaken to apply in favour of Great Britain a part of the claims to which she is entitled under the Agreements of 10 September 1919 and 8 December 1919, in regard to the costs of liberation and the ceded properties, guarantees to Great Britain without reserve a further annuity of 9,000,000 reichsmarks for 37 years, as from 1929, to be paid in sterling in such instalments as may be agreed.

V

For the purposes of the two preceding Articles, the reichsmark is defined as in paragraph 91 of the Experts' Report and in the letter from Dr Schacht dated 6 June 1929 (Annex 2 to Experts' Report).

VI

It is agreed that the payments due to each of the Creditor Governments in respect of their net war debts shall be made by the Bank for International Settlements on the dates fixed by the various Funding Agreements for the payment of the war debt annuities.

VII

The amount of the unconditional annuity provided for in paragraph 89 of Chapter VIII of the Experts' Report shall be fixed at 612,000,000 reichsmarks a year (excluding whatever sums are required for the service of the German External Loan, 1924). Out of the balance of the unconditional annuity not distributed by the Experts' Report, 55,000,000 reichsmarks a year will be allocated to the British Empire, and 6,600,000 reichsmarks to Japan.

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

ANNEX II

AGREEMENT REGARDING DELIVERIES IN KIND

I

The Belgian, British, French, German, Italian and Japanese Governments agree upon the following points:

- (1) A Committee shall be set up by the Governments concerned in order to draw up in accordance with paragraph 138 of the Experts' Report new regulations for deliveries in kind and to suggest any steps necessary in connection with the transition from the present to the new system, in so far as concerns such deliveries.
- (2) The provisions of these regulations shall be binding on the Bank for International Settlements and can only be revised by agreement between the Governments concerned.
- (3) The principle of the Wallenberg Regulations concerning the prohibition to re-export goods received as deliveries in kind shall be maintained under the Experts' Report.
- (4) The new regulations shall not contain any measures which would permit the various Powers to dispose of a part of their share in deliveries in kind outside their own territories in the manner provided for in paragraph 139 of the Experts' Report.
- (5) The special programs referred to in Section 4 of Annex IV to the Experts' Report shall be subject to the procedure laid down in Appendix I.

II

The Belgian, British, French, Italian and Japanese Governments agree that the British and French Governments have the right to a Reparation (Recovery) Act levy *pari passu* with any deliveries in kind, including those furnished under a moratorium, that is to say, that of the total amount transferred in any year in deliveries in kind (including quotas under the Reparation Recovery Acts), the quota under the British Reparation (Recovery) Act will amount to 23.05 percent and the quota under the French Reparation (Recovery) Act to 4.95 percent. The German Government makes a reserve in so far as concerns the possible application of the Reparation (Recovery) Acts after the expiry of the ten years' program of deliveries in kind laid down in the Experts' Report.

III

The Italian Government undertakes, as part of the present agreement, to execute the arrangement laid down in Appendix 2 hereto in the matter of imports of coal to Italy.

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

APPENDIX I TO ANNEX II

With a view to safeguarding the financial, commercial and economic interests of the several signatory Governments, the following procedure shall be applied to the special programs for deliveries in kind:

(a) In the case any such special program involving an extension in any of the first ten years of the Experts' Report of the program of deliveries in kind laid down in the Report for that year.

(b) In the case of any special program after the first ten years.

These special programs shall be submitted for approval to a Committee, which shall be convened by the Bank for International Settlements and on which each of the signatory Governments may have a representative. This Committee shall take decisions by a majority vote. If a member of the Committee considers that the interests of his Government as defined above are prejudiced by the decision of the Committee, he may suspend the execution thereof in whole or part and refer the decision to the arbitrator provided for hereafter, on condition that he furnishes the arbitrator with a reasoned statement of his objections within a maximum period of seven days. The arbitrator shall give a decision within fourteen days concerning the approval or the rejection of the program or of the part of the program in dispute.

The arbitrator shall be of neutral nationality, and shall be of high commercial and financial standing. He shall be appointed by the signatory Governments acting unanimously or, failing unanimity, by the President of the Permanent Court of International Justice.

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

APPENDIX II TO ANNEX II

1. An arrangement has been made between France and Italy under which it becomes possible to equalise, without altering the total yearly amount of Germany's deliveries in kind, the yearly amounts of the deliveries in kind to be taken by Italy during the ten-year period.

Under this arrangement, Italy's allocation of deliveries in kind, instead of varying during that period from 75 to 30 million reichsmarks a year, will be fixed at the amount of 52 1/2 million reichsmarks a year; the peak of the Italian purchases of coal in Germany on reparations account is therefore reduced.

2. As a result of this arrangement, the Italian Government undertakes, on behalf of the Italian State Railways:

(a) to purchase one million tons of British coal yearly for three years as from 15 November 1929, at a price f.o.b. strictly in keeping with the lowest price obtained

under contracts which are concluded at about the same time for the sale of British coal of similar quality, and which are comparable also as regards quantity;

(b) to obtain from importing reparation coal via sea over and above the maximum quantity of 1,500,000 tons per annum during the said ten-year period.

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

ANNEX TO APPENDIX II

ARRANGEMENT BETWEEN THE FRENCH AND ITALIAN GOVERNMENTS

In application of paragraph 136 of the Young Plan, the French and Italian Delegations have agreed to modify the respective proportions of deliveries in kind allocated to them by the Experts' Report in such a way that Italy's share should be fixed at the constant figure of 52.5 million reichsmarks, the total amount remaining unchanged.

Under the terms of this agreement the table of the Experts' Report is modified so far as regards France and Italy in the following way:

	France	Italy
	Million reichsmarks	
1st year	430.9	52.5
2nd year	398.7	52.5
3rd year	366.4	52.5
4th year	344.2	52.5
5th year	302	52.5
6th year	269.8	52.5
7th year	237.5	52.5
8th year	205.3	52.5
9th year	173.1	52.5
10th year	140.8	52.5

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

ANNEX III

AGREEMENT UPON THE TRANSITION PERIOD

The Governments represented at the Conference have agreed upon the following provisions:

Article I

1. Subject to the Experts' Report being finally put into force, and with the object of facilitating the application of paragraph 80 of the Report, the Creditor Powers agree that the amounts they are to receive out of the payments to be made by Germany in respect of the period after the Fifth Annuity of the Dawes Plan in respect of the share of each in the annuity shall be limited to the amounts laid down in the distribution of the Annuities of the Experts' Report.
2. During the transitional period, until the Experts' Report is put into force, Germany will make the payments provided for in the Dawes Plan to the Agent-General for Reparation Payments.
3. Nevertheless for the payment of the amounts from 1 October to 31 December 1929, or until the coming into force of the Experts' Report, if this takes place before that date, the Agent-General for Reparation Payments shall, in consultation with the German Government, take the necessary steps to afford the Treasury of the Reich, during this transitional period, every possible facility consonant with maintaining the rights of the Creditor Powers.
4. If it should prove impossible to put the Experts' Report into force, the present agreement shall become null and void, and the amounts withheld through its application shall be paid to the Creditor Governments within four months.

Article II

1. Germany will contribute an amount not to exceed 6 million reichsmarks to the expenses of the Commissions and the Organisations under the Dawes Plan covered hitherto by the Dawes Annuities.
2. This contribution shall be retained, out of the payments made by Germany during the transitional period, in addition to the sums to be distributed in accordance with the Experts' Report.
3. If savings are realised on this amount of 6 million reichsmarks, the amount saved will be repaid to the German Government.

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

ANNEX IV

AGREEMENT UPON COSTS OF OCCUPATION

The Belgian, British, French and German Governments have agreed upon the following provisions:

(1) The costs of Armies of Occupation (including the Inter-Allied Rhineland High Commission) from 1 September 1929, will be provided out of a Reserve Fund fixed at 60 million reichsmarks. To this fund the German Government will contribute a lump sum of 30 million reichsmarks once and for all. The Occupying Powers will contribute to the Fund on their side in the following proportions, viz:

	Percent
France	35
Great Britain	12
Belgium	3

(2) The Occupying Powers and the German Government reciprocally abandon all their claims relating to damage under Article 6 of the Rhineland Agreement which shall not have been paid in cash on 1 September 1929, and also all present or future credits in regard to services and damages under Articles 8 to 12 of the Rhineland Agreement, whatever be their date. No claim of a pecuniary character on either side shall be raised on any ground in respect of a territory evacuated. The claims waived by the Governments of the Occupying Powers are, in particular, the following:

The claims to any balances outstanding in their favour in the "special account" of the Agent-General for Reparation Payments referred to in the Additif No. II signed at Brussels; the claims which arise out of advances made by the Agent-General in respect of Article 6 and Articles 8 to 12 of the Rhineland Agreement; and any claims for the sale value of any buildings constructed by the German Government for the occupying armies and charged to the annuity.

(3) The above provisions apply both to the occupying troops and to the delegations on the Inter-Allied Rhineland High Commission and their staffs.

(4) In no case shall Germany be obliged to make any payments to the Creditor Governments over the abovementioned sums, either for the cost of armies of occupation or for the Inter-Allied Rhineland High Commission, nor entitled to claim any part of these sums.

[Signed:] [Signed:]

HENRI JASPAR M P A HANKEY

President Secretary-General

[\[1\]](#) UKTS 1924 No. 36 (Cmd. 2259); SP 119 p. 483; LNTS 30 p. 63.

[2] [ATS 1930 No. 5](#)(electronic); UKTS 1930 No. 29 (Cmd. 3660); LNTS 107 p. 325; SP 132 p. 267.

[3] The Agreement was signed for Australia 20 January 1930. Instrument of ratification deposited for Australia 21 July 1930.

[4] The Agreement entered into force generally 17 May 1930 and for Australia 21 July 1930.

[5] If mandated territories are allowed the benefit of deliveries in kind this shall, as in the past, be without prejudice to the legal status of the mandate. [Footnote appeared in original text.]

[6] The numbers in brackets are those of the German statistical list of commodities. [Footnote appeared in original text.]

[7] This prohibition does not apply to foodstuffs for consumption by German workmen employed within the territory of a creditor Power in execution of a contract for deliveries in kind. [Footnote appeared in original text.]

[8] This prohibition applies only to articles of gold, platinum or silver which do not form part of a composite object. (See Article VI, paragraph 45.) [Footnote appeared in original text.]

[9] It is understood that no prohibition can be applied to the exportation of coal, coke, briquettes or lignite as a delivery in kind. [Footnote appeared in original text.]

[10] As regards the period from 1 September 1929 to 31 March 1932, the abovementioned percentage has been applied to the sum total of deliveries in kind (including Reparation Recovery Act payments) to be effected during this period. [Footnote appeared in original text.]