

AUTRICHE ET BELGIQUE

Convention conclue en exécution de l'article 15 de la Convention intervenue le 4 octobre 1920 et relative aux modalités d'application de la Section III de la Partie X (Clauses économiques) du Traité signé à Saint-Germain le 10 septembre 1919, signée à Vienne, le 29 mars 1924, et dispositions y annexées réglant les arriérés de la dette autrichienne, signées à Vienne, le 2 juin 1923, et

Accord additionnel à la Convention conclue le 29 mars 1924 relatif au règlement des arriérés de la dette publique autrichienne d'avant guerre non gagée, signé à Vienne, le 10 octobre 1927.

AUSTRIA AND BELGIUM

Convention concluded in pursuance of Article 15 of the Convention of October 4, 1920, concerning the Application of Section III of Part X (Economic Clauses) of the Treaty signed at Saint-Germain September 10, 1919, signed at Vienna, March 29, 1924, and Provisions annexed thereto, regarding the Settlement of the Arrears of the Austrian Debt, signed at Vienna, June 2, 1923, and

Additional Agreement to the Convention concluded on March 29, 1924, concerning the Settlement of the Arrears of the Unsecured Pre-War Public Debt of Austria, signed at Vienna, October 10, 1927.

¹ TRADUCTION. — TRANSLATION.

No. 2066. — CONVENTION² CONCLUDED BETWEEN THE AUSTRIAN GOVERNMENT AND THE BELGIAN GOVERNMENT IN PURSUANCE OF ARTICLE 15 OF THE CONVENTION³ BETWEEN THE SAME GOVERNMENTS, OF OCTOBER 4, 1920, CONCERNING THE APPLICATION OF SECTION III OF PART X (ECONOMIC CLAUSES) OF THE TREATY SIGNED AT SAINT-GERMAIN SEPTEMBER 10, 1919. SIGNED AT VIENNA, MARCH 29, 1924.

French official text communicated by the Federal Chancellor of the Austrian Republic. The registration of this Convention took place July 20, 1929.

THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC and HIS MAJESTY THE KING OF THE BELGIANS, having taken note of the Arrangement drawn up on June 2, 1923, by the Federal Ministry of Finance, of the one part, and the delegates of the Belgian Audit and Clearing Office, of the other part, for the settlement of arrears of the pre-war unsecured Austrian Government Debt, whether placed in Belgium or not, in respect of coupons which matured prior to November 3, 1918, and of bonds drawn which should have been redeemed prior to November 3, 1918, have resolved to approve this Arrangement and have for this purpose appointed as their Plenipotentiaries :

THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC :

Dr. Alfred GRÜNBERGER, Federal Minister for Foreign Affairs ; and

HIS MAJESTY THE KING OF THE BELGIANS :

M. Raymond LE GHAI, His Envoy Extraordinary and Minister Plenipotentiary accredited to the Federal President of the Austrian Republic ;

Who, having communicated their full powers, found in good and due form, have agreed upon the following Articles :

Article 1.

The Arrangement signed at Vienna on June 2, 1923, by the Federal Ministry of Finance and the delegates of the Belgian Audit and Clearing Office for the settlement of arrears of the Austrian debt, and annexed hereto, is hereby approved ; it shall be regarded as inserted word for word in the present Convention.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² Although this Convention was communicated for registration on a later date than the Additional Agreement hereafter published under the same number, it has been considered preferable to publish these instruments according to the chronological order of their signature.

³ Vol. V, page 371, of this Series.

In faith whereof the above-named Plenipotentiaries have signed the present Convention and have thereto affixed their seals.

Done in duplicate at Vienna on March 29, 1924.

(L. S.) GRÜNBERGER.

(L. S.) R. LE GHAI.

CONVENTION

CONCLUDED BETWEEN THE AUSTRIAN GOVERNMENT AND THE HOLDERS OF THE AUSTRIAN GOVERNMENT DEBT, REPRESENTED BY THE BELGIAN AUDIT AND CLEARING OFFICE.

Article 1.

In pursuance of Article 15 of the Convention between the Kingdom of Belgium and the Austrian Republic, dated October 4, 1920, concerning the settlement of Austrian debts due to Belgian nationals, the Federal Ministry of Finance and the Belgian Audit and Clearing Office have agreed upon the following provisions for the settlement of the arrears of the pre-war unsecured Austrian Government Debt, whether placed in Belgium or not, in respect of coupons which fell due prior to November 3, 1918, and of bonds drawn which should have been redeemed prior to November 3, 1918, under the conditions laid down in the following Articles.

Coupons due for payment and bonds drawn between November 3, 1918, and July 16, 1920, and also the conditions relating to the resumption of the subsequent service of the Austrian Debt in Belgium, shall be dealt with in a future convention, after the question of the extent to which the Federal Government is liable for these arrears has been settled.

The Austrian Government shall take the necessary steps as soon as possible to ensure the resumption of cash payments in respect of the future service of its debt.

Article 2.

In accordance with the present arrangement, the Austrian Government shall consolidate the foregoing arrears mentioned in Article 1, in respect of all unsecured Austrian Government Debt loan bonds, placed or quoted in Belgium, and which are in the hands of Belgian holders, namely :

1. 5 % Lots — 1860. *Staatsschuldverschreibungen des österreichischen Anlehens vom 15. März 1860 (1860er Lose)* — (expressed in Austrian florins ; net interest 4 % after deduction of the 20 % tax).

Coupons May-November.

2. 1868 5 % Unified Rente of the Austrian State expressed in florins payable in notes ; net interest 4.2 % after deduction of the 16 % tax (4.2 % *einheitliche Staatsschuldverschreibungen vom 1. August 1868 (Februar-August-Rente)*).

Coupons : February-August (for small holdings, August only).

3. 1868 5 % Unified Rente of the Austrian State expressed in florins payable in silver ; net interest 4.2 % after deduction of the 16 % tax (4.2 % *einheitliche Staatsschuldverschreibungen vom 1. Oktober 1868 (April-Oktober-Rente)*).

Coupons : April-October (for small holdings, October only)

4. Austrian 4 % gold Rente — expressed in gold florins (4 % *Staatsrentenanleihe in Gulden Gold vom 1. Oktober 1876 (Goldrente)*).

Coupons : April-October.

5. Austrian 4 % Rente crowns (*Steuerfreie 4 %ige österreichische Staatsrente (Kronenrente) März-September*).

Coupons : March-September.

6. 1903 4 % converted Rente (free of tax), expressed in crowns.

Coupons : January 1-July 1; for small holdings, July only. (*4 % konvertierte einheitliche Staatsschuldverschreibungen vom 1. Juli 1868 (Jänner-Juli-Rente)*).

7. 1903 4 % converted Rente (free of tax), expressed in crowns.

Coupons May 1-November 1; for small holdings, November only. (*4 % konvertierte einheitliche Staatsschuldverschreibungen vom 1. November 1868 (Mai-November-Rente)*).

The above is not an extensive list, and all unsecured Austrian Government Debt loans issued, placed or quoted in Belgium, not included therein shall be treated as follows :

The consolidation of the arrears (interest and bonds drawn and due for redemption), with the exception of those which were barred before August 12, 1914, shall be effected on the following bases:

(a) Coupons due for payment in respect of bonds expressed in gold florins shall be consolidated in Austrian Treasury Bonds expressed in French paper francs on the basis of one gold florin equals 2.50 French paper francs. These Treasury Bonds shall bear interest starting from October 1, 1923, as specified in Article 4.

(b) Coupons due for payment in respect of bonds expressed in paper or silver florins, crowns or German marks shall be consolidated in Austrian Treasury Bonds, expressed in French paper francs on the basis of 0.60 paper francs to one paper or silver florin, 0.30 paper francs to one paper or silver crown and 0.36 paper francs to one German mark.

(c) Bonds drawn which should have been redeemed between August 12, 1914, and November 3, 1918, shall likewise be consolidated in Treasury Bonds under the foregoing conditions and according to the currency in which they are expressed, with the addition of 5 % interest from the date on which they should have been redeemed to the date on which interest becomes payable on the Funding Treasury Bonds.

(d) Coupons due for payment and bonds due for redemption in respect of Austrian loans expressed in currencies other than gold florins, paper or silver florins, crowns or German marks, shall be consolidated in French paper francs on the par basis (*Goldparität*) of the currency in which they are expressed.

The settlement of coupons which fell due prior to August 12, 1914, is fixed in detail by Article 8 of the present Convention.

Article 3.

The Austrian Government shall likewise consolidate the arrears of bonds and debentures drawn up to November 3, 1918, in respect of all unsecured Austrian Government Debt loans which though issued on markets other than the Belgian market, may nevertheless be legitimately owned by Belgian nationals.

The above-mentioned loans include *inter alia* :

(1) 1864 lots, without interest (*Prämienscheine vom 11. Februar 1864 (1864er Lose)*).

(2) 1897 3 % Austrian Rente (*Oesterreichische 3 ½ % Staatsrente vom 1. Februar 1897 (Investitionsrente)*).

(3) 4 % Austrian Rente in crowns, 1912 issue B. (*Steuerfreie 4 % österreichische Staatsrente vom 19. Jänner 1912, Lit. B. (Juni-Dezember-Rente)*).

Coupons : June-December.

(4) 1914 4 ½ % Austrian Treasury Bonds redeemable in crowns, marks, francs, Dutch florins and pounds sterling (*Oesterreichische 4 ½ % steuerfreie amortisable Staats-schatzanweisungen vom Jahre 1914*).

Coupons : January-July.

(5) Insurance companies' loans and 1912 4.36 % loan of the First Savings Bank of Vienna.

The above is not an extensive list but covers all loans definitively regarded by the Reparation Commission as forming part of the pre-war unsecured Austrian Debt.

The arrears of the above-mentioned loans due for payment and bonds drawn and due for redemption up to November 3, 1918, shall be consolidated according to their currency, on the bases indicated in the previous Article.

Article 4.

Interest on the Funding Treasury Bonds shall be payable half-yearly in advance on January 1 and July 1 of each year by the Austrian Government. On presentation of the coupon to be detached on January 1, 1924, interest for the period between October 1 and December 31, 1923, shall also be payable.

The rate of interest shall be 5 %, free of tax or deductions of any kind in Austria.

As regards loan bonds the coupon sheet of which was exhausted prior to November 3, 1918, and in respect of which the coupons cannot be presented for payment, the consolidation provided for in the preceding Articles shall nevertheless be effected on presentation of the last coupon of the exhausted sheet or of the counterfoil.

Article 5.

The Funding Treasury Bonds shall be redeemable progressively in twenty years, according to Amortisation Table No. I attached.

The first annual payment shall in every case be made on January 1, 1928. If in the last six months of the year preceding the first annual payment the average rate of the French franc in Paris exceeds seven Austrian crowns but does not exceed ten, the Treasury Bonds shall be redeemed in ten annual payments, the last payment falling due on July 1, 1937, according to Amortisation Table No. II attached. Should the average rate of the French franc in Paris during the said period remain at seven crowns or under, redemption shall be effected in eight annual payments, the last payment falling due on July 1, 1935, according to Amortisation Table No. III attached.

Article 6.

The holders who are to benefit by the present Convention, whatever the place in which their bonds are deposited, must be of Belgian nationality or have acquired that nationality under the Treaty of Versailles. Bonds owned by them must be stamped by the Belgian Government or establishments approved by it, the following evidence being required :

(a) In the case of Belgian holders of the Government Debt Bonds mentioned in Article 2, an affidavit of nationality will suffice, if they are in a position to produce an uninterrupted series of coupons. If not, they must also furnish the evidence mentioned below.

(b) In the case of Belgian holders of the bonds referred to in Article 3 :

In addition to the affidavit of nationality, proof that the said bonds were Belgian property on August 12, 1914, and were still Belgian property when the present Convention came into force. This proof may consist in :

(1) A public or authentic deed, such as the inventory of a succession.

(2) A broker's contract note or a bank deposit certificate.

(3) In the case of Belgian holders who do not fulfil any of the conditions laid down in paragraphs (a) or (b), an arbitral tribunal consisting of a representative of the Austrian Government, a representative of the Belgian Audit and Clearing Office or a representative of the Belgian holders shall be appointed to examine their applications. The arbitral tribunal shall meet in Brussels.

(4) The case of Belgian holders who recovered Belgian nationality under the Treaty of Versailles and who are unable to furnish all the evidence mentioned above shall be given the most favourable consideration by the Austrian Government and the evidence submitted by the interested parties in support of their applications shall be examined conjointly by the Austrian Government and the Belgian Audit and Clearing Office.

GENERAL PROVISIONS.

Article 7.

All details relating to the execution of the present Convention shall be settled by mutual agreement between the Austrian Government and the Belgian Audit and Clearing Office.

Article 8.

The Austrian Government undertakes, as soon as the present Convention comes into force, to settle in cash and in French francs — at the rate of 1 franc to one crown, and on the gold parity basis of the crown to any other currency — under similar conditions in regard to evidence as are specified above, all coupons due for payment not more than three months before August 12, 1914, (May 12 to August 12, 1914), and bonds drawn and corresponding to the unsecured Austrian debt loans mentioned in Articles 2 and 3.

All other coupons due for payment and bonds drawn prior to August 12, 1914, and which were not barred on that date shall be consolidated in Treasury Bonds on the basis specified in Article 2.

Article 9.

The Austrian Government undertakes to afford Belgian debenture-holders who are unable to present their bonds or some of their matured coupons owing to loss or destruction during the war or who present damaged bonds, every facility for the protection of their rights. Belgian holders must prove that the formalities required in this connection by the Belgian law have been carried out. Should it be necessary for this procedure to be approved by the Austrian courts, this should be done without any expense to Belgian holders. Similarly, the Austrian Government shall assume liability for all charges incurred in Austria in connection with the replacement of lost or damaged bonds or coupons.

Article 10.

Should any difficulties arise in the execution of the present Arrangement, they shall be settled by arbitration, the Austrian Government appointing one arbitrator and the Belgian Audit and Clearing Office or the Belgian Association for the Protection of the Holders of Public Securities, another. If the arbitrators cannot arrive at an agreement, a casting vote shall be given by a third arbitrator appointed by themselves or, if they cannot agree upon such appointment, by a person appointed by the Secretary-General of the League of Nations. The arbitration meetings shall take place in Brussels.

Article 11.

The Austrian Government shall take the necessary steps to ensure the negotiability of its Treasury Bonds on the Belgian market. The Belgian Audit and Clearing Office shall request the Belgian Government to allow them to be admitted on the Stock Exchange on the most moderate terms possible. For its part, the Austrian Government shall be liable for all the expenses occasioned by the exchange of coupons and the issue of new bonds and for all charges connected with the execution of the present Convention.

Article 12.

The Austrian Government agrees that it will not grant to other foreign holders of its unsecured foreign debt bonds better terms — with regard to the rate of interest, currency in which payment and amortisation are to be made, etc., as compared with other economic agreements concluded at the same time — than those accorded to Belgian holders under the present Convention. Should the Austrian Government grant foreign holders more favourable treatment than that provided for in the present Convention, the benefit thereof shall be extended to Belgian holders.

Article 13.

Should the National Association of French Holders of Foreign Securities or the French Government consider that under any of the clauses of the present Convention more favourable treatment is provided for Belgian holders than that accorded to French holders by the similar Convention of April 27, 1922, the Belgian Audit and Clearing Office agrees that it will not avail itself of the clause which is regarded as more advantageous.

Article 14.

The present Convention shall be submitted to the respective Governments for approval. It shall come into force as soon as the approval of both Governments has been obtained.

Done at Vienna in duplicate on June 2, 1923.

(Signed) Jules WOLLANTS.

(Signed) G. VAN OUDENHOVE.

*For the Belgian
Audit and Clearing Office.*

(Signed) DR. MANN.

(Signed) DR. GUTTL.

*For the Austrian Federal Minister
of Finance.*

Amortisation scheme for total issue of 1,000,000 francs.¹

Tilgungspläne für eine Gesamtemission von 1,000,000 Franken.

Jahr Year	Tilgung Amortisation	Jahr Year	Tilgung Amortisation	Jahr Year	Tilgung Amortisation
I,					
I. I. 1928	800	I. I. 1935	15,300	I. I. 1942	35,900
I. VII. 1928	1,700	I. VII. 1935	16,600	I. VII. 1942	37,800
I. I. 1929	2,600	I. I. 1936	17,900	I. I. 1943	39,600
I. VII. 1929	3,500	I. VII. 1936	19,200	I. VII. 1943	41,500
I. I. 1930	4,500	I. I. 1937	20,500	I. I. 1944	43,400
I. VII. 1930	5,500	I. VII. 1937	21,900	I. VII. 1944	45,300
I. I. 1931	6,400	I. I. 1938	23,300	I. I. 1945	47,300
I. VII. 1931	7,500	I. VII. 1938	24,800	I. VII. 1945	49,400
I. I. 1932	8,500	I. I. 1939	26,200	I. I. 1946	51,500
I. VII. 1932	9,600	I. VII. 1939	27,800	I. VII. 1946	53,700
I. I. 1933	10,700	I. I. 1940	29,300	I. I. 1947	55,900
I. VII. 1933	11,800	I. VII. 1940	30,900	I. VII. 1947	58,200
I. I. 1934	12,900	I. I. 1941	32,500	—	—
I. VII. 1934	14,100	I. VII. 1941	34,200		
II.					
I. I. 1928	15,500	I. I. 1932	42,600	I. I. 1936	75,900
I. VII. 1928	18,600	I. VII. 1932	46,400	I. VII. 1936	80,500
I. I. 1929	21,800	I. I. 1933	50,300	I. I. 1937	85,300
I. VII. 1929	25,000	I. VII. 1933	54,300	I. VII. 1937	90,200
I. I. 1930	28,400	I. I. 1934	58,400	—	—
I. VII. 1930	31,800	I. VII. 1934	62,600		
I. I. 1931	35,300	I. I. 1935	66,900		
I. VII. 1931	38,900	I. VII. 1935	71,300		
III.					
I. I. 1928	23,100	I. I. 1931	52,800	I. I. 1934	87,900
I. VII. 1928	27,700	I. VII. 1931	58,300	I. VII. 1934	93,800
I. I. 1929	32,500	I. I. 1932	63,800	I. I. 1935	100,200
I. VII. 1929	37,400	I. VII. 1932	69,500	I. VII. 1935	106,900
I. I. 1930	42,400	I. I. 1933	75,300	—	—
I. VII. 1930	47,500	I. VII. 1933	81,300		

¹ The foregoing amortisation schemes are based on the assumption that the total debenture issue will amount to 1,000,000 francs. If the issue is greater or smaller than this amount, the amortisation will be increased or reduced proportionately.

PROTOCOL OF JUNE 2, 1923.

On signing the foregoing Convention, the Austrian Government has made the following declaration:

In case any competent body should impose upon the Austrian Government a smaller charge than that assumed under the present Convention, the latter reserves the right to request the amendment of the said Convention in accordance with that body's decision. The Austrian Government may not avail itself of this right once the Funding Bonds are in the hands of Belgian holders. This right shall in any case expire on December 31, 1923.

In faith whereof the present Declaration has been signed in duplicate by the representatives of the Austrian Government, of the one part, and of the Belgian Government, of the other part.

VIENNA, on June 2, 1923.

(L. S.) Jules WOLLANTS.

(L. S.) G. VAN OUDENHOVE.

For the Belgian Government.

(L. S.) Dr. MANN.

(L. S.) Dr. GUTTL.

For the Austrian Federal Government.

¹ TRADUCTION. — TRANSLATION.

No. 2066. — ADDITIONAL AGREEMENT TO THE CONVENTION CONCLUDED ON MARCH 29, 1924, BETWEEN THE GOVERNMENT OF HIS MAJESTY THE KING OF THE BELGIANS AND THE AUSTRIAN FEDERAL GOVERNMENT, IN PURSUANCE OF ARTICLE 15 OF THE CONVENTION BETWEEN THE SAME GOVERNMENTS, DATED OCTOBER 4, 1920, CONCERNING THE APPLICATION OF SECTION III OF PART X (ECONOMIC CLAUSES), OF THE TREATY SIGNED AT SAINT-GERMAIN SEPTEMBER 10, 1919. SIGNED AT VIENNA, OCTOBER 10, 1927.

French official text communicated by the Belgian Minister for Foreign Affairs. The registration of this Agreement took place June 24, 1929.

HIS MAJESTY THE KING OF THE BELGIANS and THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC, having taken note of the Arrangement drawn up on July 28, 1925, by the delegates of the Belgian Audit and Clearing Office, of the one part, and the Federal Ministry of Finance, of the other part, for the settlement of arrears of the pre-war unsecured Austrian Government Debt in respect of coupons which matured between November 4, 1918, and July 16, 1920, and of bonds drawn which should have been redeemed during that period, have resolved to approve this Arrangement and have for this purpose appointed as their Plenipotentiaries :

HIS MAJESTY THE KING OF THE BELGIANS :

M. Raymond LE GHAI, His Envoy Extraordinary and Minister Plenipotentiary, accredited to the Federal President of the Austrian Republic ; and

THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC :

Mgr. Ignatius SEIPEL, Federal Chancellor of the Austrian Republic ;

Who, having communicated their full powers, found in good and due form, have agreed upon the following Article :

Article 1.

The Arrangement signed at Brussels on July 28, 1925, by the delegates of the Belgian Audit and Clearing Office and the Federal Ministry of Finance, for the settlement of the arrears of the Austrian Debt corresponding to the period between November 4, 1918, and July 16, 1920, and annexed hereto, is hereby approved ; it shall be regarded as inserted word for word in the present Agreement.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

Nevertheless, as regards the time-limits mentioned in Article 6, paragraph 1 and Article 7, paragraph 1 of the said Arrangement, it is understood that they shall be replaced by the dates to be fixed by mutual agreement between the Belgian Audit and Clearing Office and the Austrian Federal Ministry of Finance.

In faith whereof the above-named Plenipotentiaries have signed the present Agreement and have thereto affixed their seals.

Done in duplicate at Vienna on October 10, 1927.

(Signed) R. LE GHAT.

(Signed) I. SEIPEL.

ADDITIONAL AGREEMENT

TO THE CONVENTION OF JUNE 2, 1923, CONCLUDED BETWEEN THE HOLDERS OF THE AUSTRIAN GOVERNMENT DEBT, REPRESENTED BY THE BELGIAN AUDIT AND CLEARING OFFICE, AND THE AUSTRIAN FEDERAL MINISTRY OF FINANCE.

Article 1.

The Belgian Audit and Clearing Office and the Austrian Federal Ministry of Finance agree to extend, under the conditions set forth below, the provisions of the Convention of June 2, 1923,¹ to the settlement of the arrears (coupons due for payment and bonds due for redemption) payable to Belgian holders of bonds of the pre-war unsecured Austrian Government Debt for the period between November 4, 1918, and July 16, 1920.

Article 2.

The present settlement shall apply to the bonds of all loans mentioned in Articles 2 and 3 of the Convention of June 2, 1923, with the exception of the 1860 5 % lots which were fully redeemed in 1917.

It is, however, understood that, in application of Article 248, Section 4, paragraph 2 of the Treaty of Saint-Germain and of Decision No. 2346, dated January 23, 1923, of the Reparation Commission, the Austrian Government shall not be liable for more than 71.348 % of the total cost of the consolidation of the arrears due in respect of the bonds of the following loans, included in the "common debt" of the former Austro-Hungarian monarchy :

- (1) 1868 5 % unified Rente (expressed in paper florins, interest payable February 1st-August 1st) ;
- (2) 1868 5 % unified Rente (expressed in silver florins, interest payable April 1st-October 1st) ;
- (3) 1903 4 % converted Rente, expressed in crowns (interest due January 1st, July 1st and May 1st, November 1st).

Similarly, the Austrian Government shall not be liable for more than 71.348 % of the total annual payments required to meet the interest and amortisation service of the Funding Treasury Bonds issued in place of the arrears due to the holders of bonds of the said loans.

¹ This Convention specified the method of settling the arrears which fell due prior to November 3, 1918, and which were payable to Belgian holders of bonds of the former unsecured Austrian Government Debt.

The Belgian Audit and Clearing Office shall be responsible for recovering from the Hungarian Government up to 28.652 % of the total amount of the cost of the consolidation of the arrears in respect of the above-mentioned loans, and also the sum required for the service of the Austrian Treasury Bonds issued in place of the said arrears. The steps taken in this connection shall not affect the application of the present Agreement, in so far as it concerns the holders of loan bonds not included in the "common debt" of the former Austro-Hungarian Monarchy.

Treasury Bonds issued in place of the arrears due in respect of the bonds of loans included in the "common debt" and mentioned in the present Article shall constitute a special series, and the wording thereon shall state that 71.348 % of the cost of their service shall be borne exclusively by the Austrian Government and 28.652 % by the Hungarian Government, without any joint and several responsibility between the two debtor States

Article 3.

The consolidation of the arrears shall in every case be effected on the basis of the valorisation rate stipulated in the Convention of June 2, 1923, (Article 2).

Article 4.

Interest on the Funding Bonds shall be payable half yearly in advance by the Austrian Government, starting from January 1, 1924.

The rate of interest shall be 5 %, free of tax or deductions of any kind in Austria.

As regards loan bonds the coupon sheets of which were exhausted prior to July 16, 1920, and in respect of which the coupons cannot be presented for payment, the consolidation provided for in the preceding Articles shall be effected on presentation of the counterfoil of the exhausted sheet.

Article 5.

The provisions contained in Article 5 of the Convention of June 2, 1923, with regard to the redemption of Funding Treasury Bonds shall apply without any modification to the redemption of the Treasury Bonds issued to holders in execution of the present Agreement.

Article 6.

In order to benefit by the present Agreement, holders must, prior to December 1, 1925, deposit their coupons due for payment or their bonds due for redemption, with the National Bank of Belgium. They will not be required to furnish any evidence, provided that the said bank, after examining the vouchers now in its possession, finds that they were entitled to benefit by the aforesaid Convention and provided that they present the complete series of coupons due for payment in respect of their bonds from November 4, 1918, to July 16, 1920.

Should the two conditions mentioned above — or one of them — not be fulfilled, the holders must furnish :

- (a) An affidavit of nationality ;
- (b) Proof that their bonds were Belgian property on August 12, 1914, and were still Belgian property when the present Agreement came into force.

Such proof may consist in the inventory of a succession, a broker's contract note or a certificate relating to the deposit or collection of coupons.

The Austrian Government shall examine the files transmitted to it for account of the holders by the National Bank of Belgium, which shall be responsible for the execution of the present Agreement. Any files which, in the opinion of the Austrian Government, do not furnish sufficient proof shall be submitted for examination to an arbitral tribunal. This arbitral tribunal shall consist of a representative of the Austrian Government and a representative of the Belgian Audit and Clearing Office or the Belgian Association for the Protection of the Holders of Government Bonds.

Article 7.

Holders who have not acceded to the Convention of June 2, 1923, even if they fulfil the conditions laid down in Article 6 of this Agreement, shall have the right up to November 30, 1925, inclusive, to group together their coupons due for payment and bonds due for redemption up to July 16, 1920, and not barred on August 12, 1914.

The consolidation of their arrears shall be effected in accordance with the provisions of the present Agreement, it being understood that no evidence need be produced in the case of holders who present the complete series of coupons due for payment since August 12, 1914, in respect of the bonds of unsecured loans issued in Belgium. These holders need only sign, when depositing their coupons due for payment and bonds due for redemption, a solemn declaration attesting that they are of Belgian nationality and that the bonds or coupons presented have been Belgian property uninterruptedly since August 12, 1914.

Article 8.

The Austrian Government shall have the right to earmark for the execution of the present Agreement, a part of the balance of the fund constituted with a view to the execution of the Convention of June 2, 1923. It undertakes to make up the sums required for the execution of the present Agreement out of its own resources.

The funds required to meet cash payments falling due as a result of the application of the present Agreement shall be deposited with the National Bank of Belgium fifteen days before the date on which the said cash payments are actually to be made. The funds required for the interest and amortisation service of the Treasury Bonds mentioned in the present Agreement shall also be deposited with the National Bank of Belgium fifteen days before the date on which the respective payments fall due.

Article 9.

The general provisions of Articles 7, 8, 9, 10 and 12 of the Convention of June 2, 1923, shall be extended to the present Agreement. It is understood that the cost of arbitration provided for in Article 10 shall be borne by the losing party.

Article 10.

The Austrian Government shall take the necessary steps to ensure the negotiability on the Belgian market of the Treasury Bonds mentioned in the present Agreement. The Austrian Government shall likewise be liable for all expenses occasioned by the execution of the present Agreement with the sole reservation mentioned in Article 2 above with regard to the participation of the Hungarian Government in the said expenses.

Article 11.

The present Agreement shall be submitted to the respective Governments for approval. It shall come into force as soon as the approval of both Governments has been obtained.

Done at Brussels, in duplicate, on July 28, 1925.

COLARD.
 *For the Belgian
 Audit and Clearing Office.*

DR. GUTTL.
 *For the Austrian
 Federal Minister of Finance.*