

N° 759.

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**BELGIQUE,  
EMPIRE BRITANNIQUE,  
FRANCE, GRÈCE,  
ITALIE, etc., ET ALLEMAGNE**

Accord entre les Gouvernements alliés et le Gouvernement allemand concernant l'arrangement du 9 août 1924 entre le Gouvernement allemand et la Commission des Réparations, signé à Londres, le 30 août 1924.

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**BELGIUM, BRITISH EMPIRE,  
FRANCE, GREECE,  
ITALY, etc., AND GERMANY**

Agreement between the Allied Governments and the German Government concerning the Agreement of August 9, 1924, between the German Government and the Reparation Commission, signed at London, August 30, 1924.

No. 759. — AGREEMENT<sup>1</sup> BETWEEN THE ALLIED GOVERNMENTS AND THE GERMAN GOVERNMENT CONCERNING THE AGREEMENT OF AUGUST 9, 1924, BETWEEN THE GERMAN GOVERNMENT AND THE REPARATION COMMISSION, SIGNED AT LONDON, AUGUST 30, 1924.

*Textes officiels anglais et français, communiqués par le Ministère des Affaires étrangères de Sa Majesté Britannique. L'enregistrement de cet accord a eu lieu le 20 octobre 1924.*

The representatives of the Governments assembled in London,  
Having taken note of the provisions of the Agreement signed in London on August 9, 1924, between the German Government and the Reparation Commission, and of the questions of which under article III of the said agreement the settlement must be completed,  
Agree that the following clauses shall be embodied in the said agreement :

*Clause 1.*

The procedure for the settlement of disputes contemplated in article III (*b*) of the said agreement of August 9, 1924, shall be as follows :

Subject to the powers of interpretation conferred upon the Reparation Commission by paragraph 12 of annex II to Part VIII of the Treaty of Versailles and subject to the provisions as to arbitration existing elsewhere, and in particular in the Experts' Plan or in the German legislation enacted in execution of that plan, all disputes which may arise between the Reparation Commission and Germany with regard to the interpretation either of the agreement concluded between them, the Experts' Plan, or the German legislation enacted in execution of that plan, shall be submitted for decision to three arbitrators appointed for five years ; one by the Reparation Commission, one by the German Government, and the third, who shall act as president, by agreement between the Reparation Commission and the German Government, or, failing such agreement, by the president for the time being of the Permanent Court of International Justice.

Before giving a final decision and without prejudice to the questions at issue, the president, on the request of the first party applying therefor, may order any appropriate provisional measures in order to avoid an interruption in the regular working of the plan and to safeguard the respective rights of the parties.

Subject to any decision of the arbitrators to the contrary, the procedure shall be governed by the provisions of the Convention<sup>2</sup> of The Hague of October 18, 1907, on the pacific settlement of international disputes.

*Clause 2.*

The German Government declares :

(*a*) That it recognises that the Transfer Committee is free, subject to the conditions of the Report of the Experts, to employ the funds at its disposal in the payment for deliveries on

<sup>1</sup> Cet accord n'est pas sujet à ratification.

<sup>2</sup> De Martens, Nouveau Recueil Général de Traités, troisième série, tome III, page 360.

customary commercial conditions of any commodities or services provided for in the programmes from time to time prescribed by the Reparation Commission after consultation with the Transfer Committee or by the Arbitral Commission provided for in paragraph (d) below, including in particular coal, coke and dye-stuffs and any other commodities specially provided for in the Treaty of Versailles, even after the fulfilment of the treaty obligations in regard to these commodities.

(b) That it recognises that the programmes laid down by the Reparation Commission, after consultation with the Transfer Committee, or by the Arbitral Commission provided for in paragraph (d) below, for deliveries to be made under ordinary commercial conditions, shall not be subject, as regards the nature of the products, to the limitations fixed by the Treaty of Versailles for the deliveries which the Reparation Commission can demand from Germany thereunder; but they shall be fixed with due regard to the possibilities of production in Germany, to the position of her supplies of raw materials and to her domestic requirements in so far as is necessary for the maintenance of her social and economic life and also with due regard to the limitations set out in the Experts' Report.

(c) That it will facilitate as far as possible the execution of the programmes for all deliveries under either the treaty or the Experts' Report by means of commercial contracts passed under ordinary commercial conditions; and that, in particular, it will not take, nor allow to be taken, any measure which would result in deliveries being unobtainable under ordinary commercial conditions.

The Allied Governments on their side each undertake so far as it is concerned to prevent as far as possible the re-exportation of the deliveries received from Germany, except in accordance with the provisions of article V of annex 6 of the Experts' Report.

(d) The German Government further declares that it agrees to the following additional provisions in regard to the fixation and execution of programmes for the deliveries of the undermentioned products after the fulfilment of the treaty obligations in regard to such products:

(i.) In default of agreement as regards the programmes of deliveries of these products, either between the members of the Reparation Commission, or between the Reparation Commission acting unanimously and the German Government, programmes which take due account of ordinary commercial custom shall be laid down for periods to be determined by the special committee referred to in clause 3 of this Agreement by an Arbitral Commission consisting of three independent and impartial arbitrators. The members of this Arbitral Commission shall be appointed in advance for a definite period by agreement between the Reparation Commission acting unanimously and the German Government, or, in default of agreement, by the president for the time being of the Permanent Court of International Justice at The Hague. The chairman of the Commission shall be a citizen of the United States of America.

(ii.) In laying down the programmes, the Arbitral Commission shall take into account the possibilities of production in Germany, the position of her supplies of raw materials and her domestic requirements in so far as necessary for the maintenance of her social and economic life, and also of the conditions set out in the Experts' Report, nor shall it exceed the limits fixed by the Transfer Committee with a view to the maintenance of the German exchange.

(iii.) The decision of the Arbitral Commission fixing the programmes shall be final.

(iv.) The Allied Governments and nationals shall make every effort to obtain the delivery of the full amounts fixed by these programmes by means of direct commercial contracts with the German suppliers.

(v.) If any Allied Government considers that it or its nationals have not been able to make commercial contracts to the full amount of the programme owing to measures of wilful discrimination or wilful obstruction on the part of the German Government or its nationals, it may submit a reasoned claim to the Arbitral Commission, and the Commission, after hearing the parties, shall decide, as a matter of equity, taking into

account the conditions referred to in paragraph (ii) above, whether there have in fact been measures of wilful discrimination or wilful obstruction on the part of the German Government or of German suppliers.

(vi.) In the event of the Arbitral Commission deciding this question in the affirmative, it shall require the German Government to ensure the delivery of such quantities as it shall decide, and under such conditions, particularly as regards prices, as it shall fix.

(vii.) Any disputes which may arise as to the interpretation of the decisions of the Arbitral Commission shall be submitted to it for final judgment.

(viii.) Nothing in this clause shall affect in any way the powers of the Transfer Committee as set out in the Experts' Report.

The above procedure will apply to the following products :

(i.) Coal, coke and lignite briquettes.

(ii.) Sulphate of ammonia prepared by synthetic processes and other synthetic nitrogenous products. These last-named products can only be called for simultaneously with synthetic sulphate of ammonia and up to a quantity corresponding to the proportion in which these products are manufactured as compared with sulphate of ammonia in the same period of manufacture.

(iii.) Products referred to in paragraph 5 of annex VI of Part VIII of the Treaty of Versailles (English text) with the exception, as regards chemical products, of specialities manufactured by a single " Concern. "

As regards the products falling under (iii), the special provisions of paragraph (d) will cease to apply on the 15th August, 1928.

As regards the products falling under (ii) and (iii) above, the special committee provided for in clause 3 will draw up a more detailed list. For certain among them, it may fix maximum quantities as regards either weight or value ; it may also exclude certain of them, if it is shown that they are indispensable for the protection of German national economy.

### Clause 3.

The German Government agrees to the appointment of a special committee, not exceeding six members, composed of an equal number of Allied and German representatives, who shall be appointed by the Reparation Commission and the German Government respectively, with the power in the event of difference to co-opt an additional member of neutral nationality to be chosen by the Allied and German members in agreement, or in default of agreement to be appointed by the Reparation Commission. This committee will be charged with the duty of :

(1) Determining the procedure for placing orders and the conditions for carrying out deliveries in kind so as to ensure the satisfactory working of such deliveries, adhering as closely as possible to ordinary commercial usage.

(2) Examining the best means of ensuring the fulfilment of the undertakings to be given by the German Government in accordance with clause 2, paragraphs (c) and (d), of this Agreement, in particular by providing for the reference to arbitration of any disagreements which may arise thereon between the interested parties, the decision of the arbitrator or arbitrators being binding on such parties.

(3) Examining the best means of applying the provisions of the Experts' Report relative to the limitation of deliveries to those which are not of an anti-economic character, to recommend the measures to be taken against any persons who may infringe the prohibition against re-exportation of deliveries.

The members of the committee may be assisted by such experts as they may consider necessary.

The work of this committee is not in any way to delay the bringing into operation of the Experts' Plan, and its decisions are not to encroach in any way on the powers of the Transfer Committee to be set up under that plan. Its decisions must accordingly before being carried out be approved by the Reparation Commission, and by the Transfer Committee, in so far as the latter is concerned. It is understood that the conclusions of this committee will not be modified without the consent of the German Government.

*Clause 4.*

If differences of opinion should arise between the Transfer Committee and the German Government on any of the following points relating to the execution of article VI of annex 6 of the Experts' Report, viz. :

- (1) the inclusion of any particular class of property in the list,
- (2) any modification in the list,
- (3) the scope of any class so included, or
- (4) the measures to be taken to secure that investments to be purchased by this

procedure shall not be of a temporary character,

such difference shall be referred, at the request of either party, to an arbitrator (who, if the German Government so desire, shall be a national of a country not interested in German reparation payments) to be chosen by agreement between the two parties, or, in default of agreement, to be nominated by the president for the time being of the Permanent Court of International Justice at The Hague. The arbitrator shall decide whether any claim made or objection raised is justified or not, and in so doing shall in particular give consideration to the principles set out in article VI, viz. : (1) that the investment must not be of a temporary character, and (2) that the German Government is required to have due regard to the necessity for making maximum payments to its creditors, but is also entitled to have regard to maintaining its control of its own internal economy.

The Allied Governments agree that the Transfer Committee should only transfer marks for purchases under the operation of the said article VI if and when the accumulated funds exceed the amounts which the bank of issue will accept as short-term deposits.

*Clause 5.*

If the Transfer Committee is equally divided in regard to the question whether concerted financial manœuvres have been set on foot within the meaning of article VIII of annex 6 of the Experts' Report, the question shall be referred to an independent and impartial arbitrator, who shall hear the views of each of the members of the committee and decide between them. The arbitrator shall be a financial expert selected by the members of the Transfer Committee in agreement, or, in default of an agreement, by the president for the time being of the Permanent Court of International Justice at The Hague.

On all other questions, if the Transfer Committee is equally divided, the chairman shall have a casting vote.

If the funds at the disposal of the Agent-General for Reparation Payments are at any time accumulated in Germany up to the limit of 5 milliards of gold marks referred to in paragraph (a) of article X of annex 6 of the Experts' Report, or such lower figure as may be fixed by the Transfer Committee under paragraph (b) of that article, and the Committee has, by a majority, decided that concerted financial manœuvres within the meaning of article VIII of that annex have not taken place, or that certain measures to defeat manœuvres contemplated in that article should not be taken, any member of the minority of the Committee may, within eight days, appeal against such decision to an Arbitral Tribunal, whose decision on the matters before them shall be final. The Arbitral Tribunal shall consist of three independent and impartial financial experts, including a citizen of the United States of America, who shall act as chairman, such experts to be selected by the committee unanimously, or failing unanimity, to be appointed by the president for the time being of the Permanent Court of International Justice at The Hague.

*Clause 6.*

If any Government interested (Allied or German) consider that a defect exists in the technical working of the Experts' Plan so far as it relates to the collection of German payments or the control of the securities therefor, which can be remedied without affecting the substantial principles of that plan, it may submit the question to the Reparation Commission, which will transmit it forthwith for enquiry and advice to a committee consisting of the Agent-General for Reparation Payments, the Trustee or Trustees for the Railway and Industrial Mortgage Bonds, the Railway Commissioner, the Bank Commissioner and the Commissioner of Controlled Revenues.

This committee will, as soon as possible, transmit to the Reparation Commission either a unanimous report, or majority and minority reports, including, if necessary, proposals for the removal of any defect to which attention may have been drawn.

If the Reparation Commission arrives at a unanimous decision, it shall invite the German Government to adhere to it, and, if an agreement is reached with the German Government on the subject, the necessary measures shall be carried into effect without delay.

If the Reparation Commission is not unanimous, or if any decision taken unanimously is not accepted by the German Government, any of the parties interested may submit the question to a committee of three independent and impartial experts chosen by agreement between the Reparation Commission deciding unanimously and the German Government, or, in default of such agreement, by the president for the time being of the Permanent Court of International Justice at The Hague. The decision of this committee shall be final.

It is understood that this provision shall not apply to any question in regard to the disposal of the funds paid to the account of the Agent-General for Reparation Payments, or to any other matter which falls solely within the competence of the Transfer Committee.

Done at London, the 30th day of August, 1924, in a single copy, which will remain deposited in the archives of His Britannic Majesty's Government, which will transmit a certified copy to the Reparation Commission for inclusion in the Agreement of August 9, 1924, and to each of the signatory Governments.

BN. MONCHEUR.  
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