

N° 1429.

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**PORTUGAL  
ET ROYAUME-UNI**

Accord concernant le règlement des  
dettes de guerre du Portugal  
envers la Grande-Bretagne. Signé  
à Londres, le 31 décembre 1926.

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**PORTUGAL  
AND UNITED KINGDOM**

Agreement for the Settlement of the  
War Debt of Portugal to Great  
Britain. Signed at London, Decem-  
ber 31, 1926.

No. 1429. — AGREEMENT FOR THE SETTLEMENT OF THE WAR DEBT OF PORTUGAL TO GREAT BRITAIN. SIGNED AT LONDON, DECEMBER 31, 1926.

*Texte officiel anglais communiqué par le Ministère des Affaires étrangères de Sa Majesté britannique.  
L'enregistrement de cet accord a eu lieu le 22 mars 1927.*

Whereas THE GOVERNMENT OF THE PORTUGUESE REPUBLIC (hereinafter called Portugal) stand indebted to HIS MAJESTY'S GOVERNMENT IN GREAT BRITAIN (hereinafter called Great Britain) for the sum of £23,527,186 represented by Portuguese sterling Treasury Bills held by His Majesty's Treasury ;

And whereas the two Governments, animated by the close ties of friendship which have for many years bound together their respective countries, desire to arrive at an Agreement for the funding of this debt on terms compatible with the financial capacity of Portugal :

Now, therefore, the Right Hon. Winston Leonard Spencer CHURCHILL, Chancellor of the Exchequer of Great Britain, and His Excellency General João José SINEL DE CORDES, Finance Minister of Portugal, duly authorised thereunto by their respective Governments, subject to such ratification as may be required, have agreed as follows :

1. Great Britain agrees to cancel Portuguese Treasury Bills in respect of the sum of £3,393,597 in consideration of the services and supplies rendered by Portugal to Great Britain during the war free of charge and in settlement of all outstanding claims in connection with the accounts relating to the War Debt.

2. In full and final settlement of the balance of the Portuguese War Debt, amounting to £20,133,589, Portugal agrees to pay and Great Britain to accept the following annuities :

	£
For the year 1926 . . . . .	125,000
For the year 1927 . . . . .	250,000
For the year 1928 . . . . .	300,000
For the years 1929 to 1938 inclusive . . . . .	350,000 a year
For the years 1939 to 1987 inclusive . . . . .	400,000 a year
For the year 1988 . . . . .	200,000

The above payments will be made in sterling at the Bank of England, London, in equal half-yearly instalments on the 15th June and the 15th December of each year, save that the payment for 1926 will be made in full on or before the 25th January, 1927, and the payment for 1988 will be made in full on the 15th June, 1988.

3. Portugal will issue and deliver to the British Treasury on or before the 31st January, 1927, a Bond substantially in the form set out in the annex to this Agreement in respect of each of the

## 1 TRADUCTION. — TRANSLATION.

N<sup>o</sup> 1429. — ACCORD CONCERNANT LE RÉGLEMENT DES DETTES DE GUERRE DU PORTUGAL ENVERS LA GRANDE-BRETAGNE. SIGNÉ A LONDRES, LE 31 DÉCEMBRE 1926.

*English official text communicated by His Britannic Majesty's Foreign Office. The registration of this Agreement took place March 22, 1927.*

Attendu que LE GOUVERNEMENT DE LA RÉPUBLIQUE PORTUGAISE (ci-dessous appelé le Portugal) est débiteur vis-à-vis du GOUVERNEMENT DE SA MAJESTÉ EN GRANDE-BRETAGNE (appelé ci-dessous la Grande-Bretagne) d'une somme de 23.527.186 livres sterling, représentée par des bons du Trésor portugais en sterling, détenus par le Trésor de Sa Majesté.

Attendu que les deux gouvernements, en raison des liens étroits d'amitié qui unissent, depuis de nombreuses années, leurs pays respectifs, désirent arriver à un accord en vue de la consolidation de cette dette, à des conditions compatibles avec la capacité financière du Portugal.

En conséquence, le très honorable Winston Leonard Spencer CHURCHILL, chancelier de l'Echiquier de Grande-Bretagne, et Son Excellence le général João José SINEL DE CORDES, ministre des Finances du Portugal, dûment autorisés à cet effet par leurs gouvernements respectifs, sous réserve des ratifications qui peuvent être nécessaires, sont convenus de ce qui suit :

1. La Grande-Bretagne convient d'annuler des bons du Trésor portugais pour une somme de 3.393.597 livres sterling, en considération des services rendus et des approvisionnements fournis gratuitement par le Portugal à la Grande-Bretagne au cours de la guerre, et, à titre de règlement de toutes les revendications non liquidées relatives aux comptes concernant la dette de guerre.

2. A titre de règlement complet et définitif du solde de la dette de guerre portugaise, qui s'élève à 20.133.589 livres sterling, le Portugal convient de verser, et la Grande-Bretagne convient d'accepter les annuités suivantes :

	Livres sterling
Pour l'année 1926 . . . . .	125.000
» » 1927 . . . . .	250.000
» » 1928 . . . . .	300.000
Pour les années 1929 à 1938 incl. . . . .	350.000 par année
» » » 1939 à 1987 incl. . . . .	400.000 » »
Pour l'année 1988 . . . . .	200.000

Les paiements ci-dessus seront effectués en sterling, à la Banque d'Angleterre à Londres, par versements semestriels égaux, le 15 juin et le 15 décembre de chaque année, à l'exception du versement relatif à 1926, qui sera effectué en totalité, au plus tard, le 25 janvier 1927, et du versement relatif à 1988, qui sera effectué en totalité le 15 juin 1988.

3. Le Portugal établira et remettra au Trésor britannique, le 31 janvier 1927 au plus tard, une obligation rédigée en substance dans la forme indiquée à l'annexe au présent accord, pour

<sup>1</sup> Traduit par le Secrétariat de la Société des Nations.

<sup>1</sup> Translated by the Secretariat of the League of Nations.

instalments provided for by Article 2 of this Agreement, excepting the instalment for 1926, which is payable immediately.

4. The payments due under such Bonds shall be made without deduction for and shall be exempt from any and all taxes and other public dues, present or future, imposed by or under authority of Portugal or any political or local taxing authority within Portugal.

5. If at any time while the payments under Article 2 of this Agreement are continuing it appears that the aggregate payments effectively received by Great Britain under Allied War Debt Funding Agreements and on account of Reparations or of Liberation Bonds exceed the aggregate payments effectively made by Great Britain to the Government of the United States of America in respect of war debts, an account shall be drawn up by the British Treasury, interest at 5 per cent. being allowed on both sides of the account ; and if that account shows that the receipts exceed the payments, Great Britain will credit Portugal against the payments next due by Portugal under Article 2 of this Agreement with such proportion of that excess as the payments effectively made by Portugal under Article 2 of this Agreement bear to the aggregate sums effectively received by Great Britain under all Allied War Debt Funding Agreements. Thereafter a similar account will be drawn up by the British Treasury each year, and any further excess of the receipts over the payments shall each year give rise to a credit to Portugal of a proportion of such excess calculated in the manner indicated above. On the other hand, any deficit shall be made good by an increase in the payments next due by Portugal, up to a similar proportion of such deficit, within the limit of the total amount of the credits already allowed to Portugal under this Article.

6. The accounts relating to the War Debt of Portugal to Great Britain shall be finally closed and Great Britain shall be entitled to retain any sums credited or to be credited to Portugal in respect of such accounts. Save as provided in this Agreement, the Contracting Parties and their agents reciprocally renounce all claims or counter-claims against the other Contracting Party or their agents in respect of the above-mentioned accounts or the services or supplies to which they relate, including all services or supplies rendered by either of the Contracting Parties to the other in connection with the War.

7. Upon the execution of this Agreement, the payment of the sum due for 1926 and the delivery to Great Britain of the bonds to be delivered under Article 3 of this Agreement, duly executed, Great Britain will cancel and return to Portugal the Portuguese Treasury Bills held by Great Britain.

8. The Portuguese Government shall have the right to discharge all outstanding payments due under this Agreement by the payment in sterling at the Bank of England on or before the 31st December, 1927, of the sum of £5,500,000.

Signed in duplicate at London, the thirty-first day of December, 1926.

*On behalf of Great Britain :*

Winston S. CHURCHILL.

*On behalf of Portugal :*

João J. SINEL DE CORDES.

## ANNEX

## FORM OF BOND.

*Dated* \_\_\_\_\_, 1927. *Maturing* \_\_\_\_\_, 19 .

The Government of the Portuguese Republic, for value received, promises to pay to the Government of His Britannic Majesty, or order, on \_\_\_\_\_, 19 , the sum of \_\_\_\_\_ pounds sterling at the Bank of England, London.

Should this bond not be met in full at maturity, interest at the rate of 6 per cent. per annum shall be payable on the amount due outstanding for the period between the due date and the date of payment.

The payment or payments due under this bond shall be exempt from all Portuguese taxation, present or future.

This bond is issued by the Government of the Republic of Portugal pursuant of the Agreement of the thirty-first day of December, 1926, for the settlement of the War Debt of Portugal to Great Britain.