

N° 2067.

AUTRICHE ET BELGIQUE

Convention concernant le règlement
des arriérés de la dette publique
d'avant-guerre, gagée. Signée à
Vienne, le 10 octobre 1927.

AUSTRIA AND BELGIUM

Convention concerning the Settle-
ment of the Arrears of the Secured
Pre-War Public Debt. Signed at
Vienna, October 10, 1927.

¹ TRADUCTION. — TRANSLATION.

No. 2067. — CONVENTION 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 Convention 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 February 25, 1927, 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 secured Austrian Government Debt, in respect of coupons which matured prior to July 1, 1919, and of bonds drawn which should have been redeemed prior to July 1, 1919, 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 annexed hereto, signed at Vienna on February 25, 1927, by the delegates of the Belgian Audit and Clearing Office and the Federal Ministry of Finance for the settlement of the arrears of the pre-war secured Austrian Government Debt, which matured prior to July 1, 1919, is hereby approved : it shall be regarded as inserted word for word in the present Convention.

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

Done in duplicate at Vienna on October 10, 1927.

(Signed) R. LE GHAI.

(Signed) I. SEIPEL.

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.

CONVENTION.

CONCLUDED BETWEEN THE HOLDERS OF THE SECURED AUSTRIAN GOVERNMENT DEBT REPRESENTED BY THE BELGIAN AUDIT AND CLEARING OFFICE AND THE AUSTRIAN FEDERAL MINISTRY OF FINANCE.

Article 1.

In pursuance of Article 15 of the Convention between the Austrian Republic and Belgium, dated October 4, 1920, concerning the settlement of Austrian debts to Belgian nationals, the Belgian Audit and Clearing Office and the Austrian Federal Ministry of Finance have agreed upon the following provisions for the settlement of the arrears of the pre-war secured Austrian Government Debt, whether placed in Belgium or not, in respect of coupons which fell due prior to July 1, 1919, and of bonds drawn which should have been redeemed prior to July 1, 1919.

Article 2.

In accordance with the present Arrangement, the Austrian Government shall consolidate, in so far as they were not barred on August 12, 1914, the foregoing arrears mentioned in Article 1 in respect of all bonds of the following loans in the hands of Belgian holders :

(a) Loans issued in Belgium :

3 % debentures (old system) ;
3 % debentures (supplementary system)
of the Austro-Hungarian State Railways Company ;

(b) Loans issued outside Belgium :

(1) Loans mentioned in Annex 1733 (f) of the Reparation Commission and included in the list starting with " Asch-Roszbach, 1883 4 % crown debentures " and concluding with " Kaiser Ferdinand Nordbahn, 1888 4 % florin debentures " ;

(2) 1883 4 % and 1900 4 % debentures of the Austro-Hungarian State Railways Company ;

(3) 1870 5 % debentures or 1878 debentures stamped 3.50 %, or 1887 4 % debentures stamped 3.50 % and 1903 3.50 % debentures of the Hungaro-Galician Railway ;

*(c) All other secured loans not included in the foregoing list.**Article 3.*

Consolidation shall be effected on the following bases :

(a) Coupons due for payment in respect of bonds expressed in francs shall be consolidated in Austrian Treasury Bonds, expressed in French francs, on the basis of their nominal value. This rule shall also apply to coupons expressed in other currencies with a fixed rate of exchange in francs ;

(b) Coupons due for payment in respect of bonds expressed in a gold currency shall be consolidated in Austrian Treasury Bonds expressed in French francs on the par basis of the said gold currency in French francs ;

(c) 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 francs on the basis of 60 French centimes to one paper or silver florin ; 30 French centimes to one crown, and 36 French centimes to one German mark ;

(d) Bonds drawn which should have been redeemed between August 12, 1914, and June 30, 1919, both dates inclusive, shall also be consolidated in Austrian Treasury Bonds, under the foregoing conditions and according to the currency in which they are expressed, with the addition of accrued interest from the date on which they should have been redeemed to the date on which interest becomes payable on the Funding Treasury Bonds, the said interest being calculated in each case on the basis of the rate stipulated in the contract of issue.

Article 4.

As an exception, coupons due for payment not more than three months before August 12, 1914, (May 12 to August 12), and bonds drawn and payable during the same period and corresponding to secured Austrian Debt loans quoted in Belgium shall be paid in cash according to the valorisation rate adopted in the present Convention.

All other coupons and bonds drawn prior to August 12, 1914, and which were not barred on that date shall be consolidated in Treasury Bonds.

Article 5.

Interest on the Funding Treasury Bonds shall be payable half-yearly in advance by the Austrian Government, starting from January 1, 1922.

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 July 1, 1919, 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 counterfoil of the exhausted sheet.

Article 6.

The Funding Treasury Bonds shall be redeemable progressively in ten years, according to the mathematical proportions indicated in Amortisation Table No. 11 of the Austrian Treasury Bonds issued in execution of the Convention of June 2, 1923. The first annual payment shall be made on January 1, 1928.

Article 7.

The benefit of the present Convention shall be extended to all holders who were Belgian nationals on August 12, 1914, subject to the following conditions :

(1) No evidence need be produced in the case of holders of secured Austrian loan bonds issued in Belgium who present the complete series of coupons due for payment in respect of their bonds since August 12, 1914. Nevertheless, when depositing their coupons due for payment and bonds due for redemption, such holders must sign 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.

(2) The holders of loan bonds issued in Belgium, who do not present an uninterrupted series of the coupons due for payment in respect of their bonds since August 12, 1914, and all holders of bonds issued on markets other than the Belgian market shall be required to 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 Convention 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 documentary evidence transmitted to it for account of the holders by the National Bank of Belgium, which shall be responsible for the execution of the present Convention. Any evidence which, in the opinion of the Austrian Government, does not constitute 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 of the Belgian Association for the Protection of the Holders of Government Bonds ; it shall have its seat in Brussels.

Holders must in any case deposit their coupons due for payment and bonds due for redemption before September 1, 1927¹.

Article 8.

The Austrian Government shall have the right to earmark for the execution of the present Convention a part of the balance of the fund constituted with a view to the execution of the Convention² of June 2, 1923. It undertakes to make up the sums required for the execution of the present Convention out of its own resources.

The funds required to meet cash payments falling due as a result of the application of the present Convention 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 Convention shall also be deposited with the National Bank of Belgium fifteen days before the date on which the respective payments fall due.

GENERAL PROVISIONS.

Article 9.

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

Article 10.

The Belgian 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 11.

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

¹ This time-limit will be extended. An announcement will be published shortly by the Audit and Clearing Office stating the date from which deposits may be made.

² See page 245, of this volume.

Clearing Office or the Belgian Association for the Protection of the Holders of Government Bonds 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 and the cost of arbitration procedure shall be borne by the losing party.

Article 12.

The Austrian Government shall take the necessary steps to ensure the negotiability on the Belgian market of its Funding Treasury Bonds provided for in the present Convention. The Austrian Government shall likewise be liable for all 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 13.

The Austrian Government agrees that it will not grant to other foreign holders of its secured 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 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 February 25, 1927.

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

Dr. GUTTL,
*For the Austrian Federal
Ministry of Finance.*