

ANNEX III

[NOTE: The text reproduced hereunder is the text of Appendix 5 to the Report of the Conference on German External Debts with such changes as were required to achieve uniformity in the three languages. Supplementary understandings reached by the parties with respect to this Annex after the close of the Conference are attached hereto as a Sub-Annex.]

Agreed Recommendations for the Settlement of Standstill Debts :—

The German Credit Agreement of 1952

AGREEMENT made between a COMMITTEE representative of BANKING, COMMERCIAL and INDUSTRIAL CONCERNS in THE FEDERAL REPUBLIC of GERMANY and the WESTERN SECTORS of BERLIN (hereinafter referred to as "the German Committee" which expression shall include any institution or body succeeding to any of its functions relevant to this Agreement), the BANK DEUTSCHER LAENDER (which shall include any institution or body succeeding to any of its functions relevant to this Agreement) and such of the following Committees (hereinafter collectively referred to as "the Foreign Bankers' Committees") as become signatories hereto, namely COMMITTEES representative of BANKING INSTITUTIONS carrying on business in the UNITED STATES OF AMERICA, THE UNITED KINGDOM and SWITZERLAND respectively

WHEREAS :—

(1) An Agreement for the maintenance of short-term banking credits to Germany which came into force on the 17th September, 1931, was entered into by foreign banking creditors in response to the request of the Seven-Power Conference, which met in London in July 1931, that "the foreign banking creditors of Germany should take concerted measures with a view to maintaining the volume of credits they had already extended to Germany" and in reliance on the declaration by that Conference that "in order to ensure the maintenance of the financial stability of Germany, which is essential in the interests of the whole world," the Governments concerned "were ready to co-operate, so far as lies within their power, to restore confidence."

(2) Maintenance of such short-term banking credits was continued by successive annual Agreements, the latest of which (hereinafter referred to as "the 1939 Agreement") was due to expire on 31st May, 1940, but, in consequence of the outbreak of hostilities between Germany and the United Kingdom and its Allies, was terminated on 4th September, 1939, by notice given on behalf of the Committees representative of the banking creditors in the U.S.A. and England in accordance with the conditions of that Agreement.

(3) Following the termination of the 1939 Agreement certain Agreements were entered into between the American Creditors' Committee and the appropriate German parties in 1939 and 1940 for the continued maintenance (with certain restrictions and modifications) of such of the said short-term banking credits as had been granted by the foreign banking creditors in the U.S.A., the second of which Agreements expired on 31st May, 1941.

(4) Following the termination of the 1939 Agreement certain other Agreements were entered into between the Swiss Creditors' Committee and