

E.—Miscellaneous

The following settlements are recommended:—

12. Lee Higginson Credit

- (a) Participants to receive new two-year Notes of the Federal Government for full principal amount of their respective participations. (Two-year Notes, as original period of the credit when granted in 1930 was two years.)
- (b) No back interest.
- (c) No Gold clause.
- (d) New Notes to bear interest from effective date of agreement at rate of $3\frac{1}{2}$ per cent. per annum payable in advance monthly.
- (e) Collateral fund to be reconstituted in form of a Deutsche Mark deposit in the Bank deutscher Länder, in the name of the German Federal Debt Administration as Trustee; such fund to be calculated to be the equivalent of the notes in Deutsche Marks at official rates of exchange, and to be built up by the Federal Republic in 24 equal monthly instalments from date of the Notes.
- (f) Participants to be entitled to receive prepayment of the whole or part of their notes, if they wish, in Deutsche Marks converted at official rate and to constitute full discharge of dollar or sterling obligation *pro tanto*; such payment to be made at participants' option as and when German laws and regulations so permit. Any such payment to be made out of the collateral fund to the extent the participants' proportionate interest in the collateral so permits, any balance to be paid in Deutsche Marks directly by the Federal Government.

13. Bank for International Settlements Credits

- (a) The Federal Government will pay to the Bank for International Settlements as from 1st January, 1953, in respect of current interest on the claims of the Bank an annual sum of 5,600,000 Swiss francs.
- (b) In consideration of the payment of this annuity the Bank has agreed to maintain its credits at their present level until 31st March, 1966. It has also agreed to postpone until that date the settlement of arrears of interest.

For the full text of this Arrangement see Sub-Annex A.

14. Konversionskasse Receipts

- (a) The Federal Government agrees to assume liability for full payment in the due currencies to the foreign creditors of the sums paid into the Konversionskasse by debtors in the Saar in respect of which the foreign creditors have not received foreign exchange payments or been otherwise satisfied.
- (b) The Federal Government agrees to assume liability for payment in the due currencies to the foreign creditors of 60 per cent. of the sums paid into the Konversionskasse by debtors in Austria, France, Belgium and Luxemburg in respect of which the foreign creditors have not received foreign exchange payments or been otherwise satisfied.
- (c) The Federal Government will negotiate with the foreign creditors' representatives before the end of December 1952 as regards the implementation of these undertakings.