

the appropriate German parties for the continued maintenance (with certain restrictions and modifications) of such of the said short-term banking credits as had been granted by foreign banking creditors in Switzerland but all such Agreements have since expired.

(5) In accordance with the conditions of the latest of the previous Agreements applicable thereto, all indebtedness arising under the said short-term banking credits to Germany matured on the expiration of the respective Agreement with the effects stipulated therein and all such indebtedness (including indebtedness arising under certain credits which were granted in substitution for short-term credits formerly governed by one or more of the previous Agreements) then became due and payable by the respective debtors (together with interest and other charges accrued and accruing thereon) in the relative foreign currencies and is still so due and payable except to the extent that the said indebtedness has meanwhile been discharged or reduced by payment or satisfaction in either foreign or German currency. No provision has yet been made to enable the remainder of such indebtedness to be discharged in the respective currencies of the debts.

(6) Banking, commercial and industrial concerns in the Federal Republic through the German Committee have requested their foreign banking creditors to enter into a new Agreement for regulating payment of the outstanding short-term indebtedness and for establishing means for the restoration of normal conditions for financing the foreign trade of the Federal Republic and in response to such request appropriate provisions have been formulated and embodied in this Agreement and it has been agreed by the Foreign Bankers' Committees to recommend foreign banking creditors in their respective countries to adhere to this Agreement.

(7) This Agreement has been executed by the Foreign Bankers' Committees upon the terms that so long as this Agreement remains in force, there shall be promulgated and maintained such legislation and regulations by the Government of the Federal Republic or other appropriate authority<sup>(1)</sup> as may be necessary to render its provisions effective and that no legislation or regulations substantially affecting the obligations of this Agreement shall be promulgated and in particular that the legislation to be so promulgated and maintained shall ensure that

- (i) There will be no discrimination on the part of banking, commercial or industrial concerns in the Federal Republic in the making of repayment or the giving of security as between their foreign banking creditors whether adhering to this Agreement or not;
- (ii) There will be no discrimination on the part of banking, commercial or industrial concerns in the Federal Republic in the giving of security as between their creditors in the Federal Republic and their foreign banking creditors whether adhering to this Agreement or not;<sup>(1)</sup>
- (iii) Unauthorised movements of capital shall be prevented; and<sup>(1)</sup>
- (iv) <sup>(1)</sup> All banking, commercial and industrial concerns in the Federal Republic who are subject to any form of indebtedness falling within this Agreement shall adhere thereto.

NOW IT IS HEREBY AGREED as follows:—

## 1. Definitions

In this Agreement, unless the context shall otherwise require, the under-mentioned expressions shall have the following meanings, namely:—

“Short-term credits” means and includes

- (i) All acceptances, time deposits, cash advances and/or any other form of indebtedness arising from special agreements in non-German

<sup>(1)</sup> See Sub-Annex.