

N° 1270.

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## ALLEMAGNE ET FRANCE

Accord relatif à l'application en France des lois allemandes du 16 juillet 1925, signé à Paris, le 10 mai 1926, et échange de notes, Berlin, le 4 juin 1926.

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## GERMANY AND FRANCE

Agreement relating to the Application in France of the German Laws of July 16, 1925, signed at Paris, May 10, 1926, and Exchange of Notes, Berlin, June 4, 1926.

<sup>1</sup> TRADUCTION. — TRANSLATION.

## No. 1270. — AGREEMENT RELATING TO THE APPLICATION IN FRANCE OF THE GERMAN LAW OF JULY 16, 1925. SIGNED AT PARIS, MAY 10, 1926.

The undersigned representatives of the French and German Governments having met to examine the questions of principle relating to the application in France of the German Law of July 16, 1925, regarding the conversion of German public loans, have agreed on the provisions contained in the two following Agreements.

These Agreements shall be ratified at the earliest possible moment by a simultaneous exchange of Notes between the French Embassy at Berlin and the German Ministry of Foreign Affairs.

These practical Agreements shall not in any way affect the legal rights of the two Parties and cannot at any time be invoked as a precedent.

## FIRST AGREEMENT.

## I.

1. The German Government renounces the right to apply to French nationals the provisions laid down in paragraph 50 of the Law of July 16, 1925, regarding the conversion of public loans, and in paragraph 86 of the Law of July 16, 1925, on valorisation.

It is further prepared, in order to assist French nationals to make good their claims, to establish intermediary Offices in France together with an Office for the examination and verification of the claims of "previous holders" (*Anleihebesitzstelle*), as has been done in the other important countries, and also to give sufficient notice for the declaration of claims.

2. The French Government declares that, should it proceed to a valorisation or conversion or any other economic measure of the same nature affecting French public loans or bonds expressed in terms of francs, the German creditors shall receive the treatment accorded to nationals of the most favoured nation.

The German Government declares that it will take steps to ensure that the present French creditors shall not be subject to less favourable treatment than the nationals of any other Power should the Law of July 16, 1925, be modified.

3. The case of communes or public bodies in Alsace and Lorraine which have issued loans in marks shall form the subject of a separate agreement.

## II.

1. The French Government renounces its right, to the extent laid down in the following provisions and more especially in Chapter 2, to the liquidation of German loans in marks covered by Article 297(b) of the Treaty of Versailles and undertakes to hand over these loans to the German Government.

By German loans in marks shall be understood all loans coming under the provisions of the Law of July 16, 1925, on the conversion of public loans.

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

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

2. The rights recognised to bearers by the Law on the conversion of loans shall be granted in respect of the loans mentioned in Chapter 1. In so far as the bonds of the loans are given the redemption rights enjoyed by "previous holders", the French Office shall receive, in the case of State and communal loans, 50 % of the payments consequent upon these rights in virtue of paragraphs 34 and 43 of the German Law of July 16, 1925, on the conversion of public loans, and in the case of loans of the Reich, 25 % of the payments consequent upon these rights in virtue of paragraph 14 of the same Law. The same percentages also apply to the sums paid on account of interest.

The sums which are to be paid under this head to the French Office shall be retained by the debtors at the dates of redemption and paid by them direct to the French Office.

The French Office, the German Government and the holders of loans may each request, before redemption, that the share of the Office be deducted. In that case a quarter or half of the redemption payments and of the conversion loan bonds shall be delivered to the Office. For cases where the division of the said payments is difficult, and especially when small amounts are involved, a special Convention shall be concluded.

3. As long as the Office has not received the sums due to it, the conversion loan Bonds and redemption moneys shall remain deposited in a public payment office or in a blocked account in the Debt Register.

4. The total amount of German public loans held by the French Office under Article 297 of the Treaty of Versailles does not, so far as can be ascertained, exceed 45 million marks nominal. Should this figure be exceeded, the Office shall make no claims in respect of the surplus.

5. The French Office, through its representative at Berlin, shall place the bonds of German loans at present in its possession at the disposal of the Reichsbank against a receipt. The representative of the Office shall then send to the Special Commissioner for France in Paris a statement in two copies of these bonds classified by sequestrations.

6. The rights of "previous holders" shall be assigned to these bonds in conformity with the general provisions of the law.

## SECOND AGREEMENT.

### REGULATIONS REGARDING LOAN BONDS ISSUED BY TOWNS IN ALSACE AND LORRAINE AND HELD BY GERMAN NATIONALS.

I. Those towns of Alsace and Lorraine which have issued loans in marks shall draw up a list of the bonds presumed to be in the possession of German subjects.

The German Government reserves the right to have the municipal books inspected on the spot by delegates appointed by it, and to examine the documents used to establish the list. It shall be entitled to require that this list be supplemented by the addition of further sums, if it is proved that other securities belong to German nationals.

II. The towns of Alsace and Lorraine shall draw up a list of the bonds of German public loans in their possession. They shall also supply information showing that they possess the status of previous holders of these securities, within the meaning of the German Law of July 16, 1925.

By bonds held by towns shall also be understood those in the possession of public institutions dependent on towns.

The German Government shall be entitled to have the accounts of the towns and of the institutions dependent on them examined on the spot by Agents appointed by it, with a view to the verification of the information given regarding the status of previous holders.

III. The Communes of Alsace and Lorraine shall cede to the holders of loans appearing in the list mentioned in No. I the rights conferred on them in respect of their German loans in marks by the law on the conversion of public loans, in so far as the total of their German loans in marks amounts, in the case of each Commune, to the figure specified in No. I. To this end the Communes shall authorise the German Government to claim these rights on their behalf and transfer them to the bearers.

They shall forward the bonds, to the amount required, through the medium of the Office to the German Government. The French Government shall declare null the loan bonds appearing in the list mentioned in No. 1.

IV. The debt of any Commune (No. I) which exceeds the amount of loan bonds in German marks held by that Commune shall be dealt with as follows :

(a) It shall be converted into francs at the rate of 1 mark = 0.625 francs.

(b) The towns of Alsace-Lorraine shall pay through the Office to the German Government in cash half of this sum in three annuities, for the benefit of the holders of loans appearing in the list mentioned in No. I. For the other half the towns of Alsace-Lorraine shall issue, for the benefit of the same holders, bonds reimbursable in twenty years, and bearing interest at the rate of 6 % per annum. These bonds shall be exempt from French taxation.

V. The French Government renounces the right it had reserved to retain the yield of the liquidation of the claims of German nationals against the towns of Alsace-Lorraine.

The present article in no way affects the relations between the Office of Private Property and Interests and the towns as regards the bonds of the latter held by German nationals.

VI. The above provisions shall apply equally to the three Departments of Bas-Rhin, Haut-Rhin and Moselle.

VII. Towns and Departments which have instituted proceedings before the Mixed Arbitral Tribunal in respect of German war loan bonds held by them shall abandon these proceedings.

VIII. The loans of the former Territory (*Land*) of Alsace-Lorraine shall form the subject of a special settlement.

Done at Paris in two copies, May 10, 1926.

(Signed) FRANOUX.

(Signed) HEINZMANN.

(Signed) ALPHAND.

#### EXCHANGE OF NOTES PROVIDING FOR THE RATIFICATION OF THE AGREEMENT.

##### I.

MINISTRY OF FOREIGN AFFAIRS.

No. W. 1888.

BERLIN, June 4, 1926.

YOUR EXCELLENCY,

On May 10 last, the representatives of the German and French Governments signed an Agreement at Paris relating to the application in France of the German Law of July 16, 1925, and prescribing regulations on the questions relating thereto. I have the honour to inform Your Excellency that the Agreement has received the approval of the Government of the Reich and will come into force simultaneously with the present exchange of Notes. It is understood, however, that Chapter I, Article 2, paragraph 1, of the First Agreement shall run as follows :

“ The French Government declares that should valorisation, conversion or any other economic measure of the same nature affecting French public loans or bonds expressed in terms of francs be proceeded to, it will take steps to ensure that German creditors shall not be subject to less favourable treatment than the nationals of any other State ”.

I have the honour to be, etc.

(Signed) KÖPKE.

His Excellency the French Ambassador,  
M. P. de Margerie.

## II

FRENCH EMBASSY IN BERLIN.

No. 162.

BERLIN, *June 4, 1926.*

YOUR EXCELLENCY,

On May 10, 1926, the representatives of the French and German Governments signed at Paris an Agreement relating to the application in France of the German Law of July 16, 1925, and prescribing regulations on the questions relating thereto.

By order of my Government, I have the honour to inform Your Excellency that this Agreement has been ratified by the Government of the Republic and comes into force as from the date of the present exchange of letters of ratification.

It is understood that Chapter I, Article 2, paragraph 1 of the First Agreement shall be modified as follows :

“ The French Government declares that should valorisation, conversion or any other economic measure of the same nature, affecting French public loans or bonds expressed in terms of francs, be proceeded to, it will take steps to ensure that German creditors shall not be subject to less favourable treatment than the nationals of any other State ”.

I have the honour to be, etc.

(Signed) P. DE MARGERIE.

To His Excellency Dr. Stresemann,  
Minister for Foreign Affairs,  
Berlin.

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