

N° 3568.

**ALLEMAGNE
ET GRANDE-BRETAGNE
ET IRLANDE DU NORD**

Accord pour le règlement des obligations commerciales, signé à Berlin, le 10 août 1934, et échange de notes y relatif de la même date.

**GERMANY
AND GREAT BRITAIN
AND NORTHERN IRELAND**

Exchange Agreement for Commercial Payments, signed at Berlin, August 10th, 1934, and Exchange of Notes relating thereto of the same Date.

No. 3568. — EXCHANGE AGREEMENT¹ FOR COMMERCIAL PAYMENTS BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GERMAN GOVERNMENT. SIGNED AT BERLIN, AUGUST 10TH, 1934.

English and German official texts communicated by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration of this Agreement took place December 20th, 1934.

THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and THE GERMAN GOVERNMENT, desiring to facilitate commercial payments, have agreed as follows :

Article 1.

(a) German firms, which hold a general exchange permit under paragraph III, 3 of the German Exchange Control Regulations of the 23rd June, 1932, as revised on the 7th December, 1933 (hereinafter called " the Regulations "), and which purchase goods falling under this Agreement within the scope of the business which they have hitherto carried on, may, in so far as the sums in foreign exchange allotted to them monthly under the German Exchange Control are insufficient to pay for these goods, make payments in reichsmarks for the account of their British creditors in respect of the amounts remaining due into a Special Account to be opened at the Reichsbank in the name of the Bank of England, subject to the provisions of this Agreement. Such Special Account is hereinafter called " the Special Account ".

(b) Firms established in the United Kingdom, to which a general exchange permit has been issued under paragraph III, 5-8 of the Regulations for the collection and transfer of sums due from German firms for the delivery of goods, may pay in reichsmarks the amounts, which they may not dispose of under the German Exchange Control, into the Special Account, subject to the provisions of this Agreement.

Article 2.

The payments into the Special Account provided for in Article 1 of this Agreement may only be made in respect of the transactions defined and subject to the conditions laid down in Articles 3 and 4. Further, the Reichsbank may suspend payments into the Special Account at any time at which the total unsold amount in the Special Account exceeds 5 million reichsmarks. As soon as the amount in the Special Account has again fallen below 5 million reichsmarks the Reichsbank shall permit the resumption of payments into the Special Account in accordance with this Agreement.

¹ Came into force August 20th, 1934.

Article 3.

(a) Payments may be made into the Special Account in respect of purchases of goods produced or manufactured in the United Kingdom or goods which have been processed in the United Kingdom (hereinafter called "United Kingdom goods").

(b) In the case of a holder of a permit under paragraph III, 3 of the Regulations, proof that the payment is in respect of United Kingdom goods shall be furnished by the production of the original invoices. The holder shall at the same time declare that, according to the best of his knowledge, the payment is in respect of United Kingdom goods.

(c) In the case of a holder of a permit under paragraph III, 5-8 of the Regulations, the German buyer may make payment without special permit to an account kept at a bank in Germany under paragraph III, 5-8 of the Regulations. In order to furnish proof that the payment is in respect of United Kingdom goods the German buyer shall furnish the bank with the original invoices of the supplying firm in the United Kingdom. The latter firm shall in each case send a duplicate of the invoices to the bank where the above account is kept and shall state on these invoices that to the best of its knowledge the goods are United Kingdom goods.

(d) Subject to the conditions set out above and to the provisions of Article 2, the holder of a permit under paragraph III, 3 of the Regulations has the right to make payments without limit into the Special Account; and the holder of an account under paragraph III, 5-8 of the Regulations has the right to make transfers without limit from this account to the Special Account.

Article 4.

(a) Payments may be made into the Special Account in respect of purchases of goods other than United Kingdom goods, if it is proved that the German buyer of these goods had purchased the like goods before the 1st January, 1933, through a firm established in the United Kingdom, in appreciable quantities and regularly, even though there may have been intervals of time between his purchases. In order to furnish proof that these conditions are complied with:

(i) The holder of a permit under paragraph III, 3 of the Regulations shall produce invoices relating to the period before the 1st January, 1933, or other proofs;

(ii) The holder of a permit under paragraph III, 5-8 of the Regulations shall produce the certificate of a Chamber of Commerce in the United Kingdom.

(b) Goods produced or manufactured in any British Colony or overseas territory, any territory under British protection or any mandated territory in respect of which the mandate is exercised by the Government of the United Kingdom and not falling under paragraph (a) of this Article shall nevertheless be regarded as falling under the said paragraph (a) when purchased direct by a German firm from a firm established in any of the said territories. Proof that the payment is in respect of such goods shall be furnished in a manner corresponding to that provided for in paragraph (b) of Article 3.

(c) For goods falling under this Article payments or transfers to the Special Account shall, without prejudice to the provisions of Article 2, be permitted only to the extent of 10 per cent. of the basic amount assigned to the firm concerned in its general permit under paragraph III, 3 or paragraph III, 5-8 of the Regulations. In the calculation of this amount, namely 10 per cent. of the basic amount, payments already made in foreign exchange during the same month to firms in the United Kingdom or in any of the territories mentioned in paragraph (b) of this Article shall not be taken into account.

(d) In the event of an increase in the percentage up to which the general permits under paragraph III, 3 and paragraph III, 5-8 of the Regulations may be utilised from time to time, the 10 per cent. referred to in the preceding paragraph may be increased by twice the amount of the increase in respect of the general permits.

(e) The German Government is prepared to examine sympathetically the possibility of granting special permits for payments into the Special Account in respect of goods to be specified

later by the Government of the United Kingdom, having regard to the German exchange position at the time.

Article 5.

The Government of the United Kingdom will ascertain, in suitable cases and as far as it is able to do so, whether the payments made into the Special Account do in fact relate to transactions falling within this Agreement.

Article 6.

The Bank of England may at any time dispose of the amounts paid in reichsmarks into the Special Account for the purpose of making payments in Germany for goods exported from Germany to the United Kingdom or for effecting other payments in Germany approved by the Reichsbank. The disposal of these amounts and the detailed working of the Special Account shall be subject to such conditions as may be agreed between the Bank of England and the Reichsbank.

Article 7.

The Bank of England may also, after the date of the termination of this Agreement, dispose, under the provisions of Article 6, of any sums remaining in the Special Account until they are exhausted.

Article 8.

Exchange losses or losses of interest arising in connection with payments through the Special Account may be made good to the creditor by subsequent payments into the Special Account by the German debtor, in cases where the debtor and creditor have agreed that this method of payment shall be used.

Article 9.

Permits already given by the competent German authorities for direct setting-off of debts between German and United Kingdom firms shall not be affected by this Agreement. With the approval of these authorities, permits may also be given in future for such direct setting-off of debts.

Article 10.

If, as the result of future exchange measures taken by the German Government, a diversion should occur of trade in particular articles in handling which United Kingdom firms have habitually played the part of intermediaries, the German Government will be prepared to enter into immediate negotiations at the request of the Government of the United Kingdom, with a view to ensuring the maintenance of the proportional share of such intermediaries in the supply of these goods to Germany.

Article 11.

The contracting Governments recognise that the additional facilities, outside the general exchange control provisions, afforded by this Agreement for the export of goods from the United Kingdom to Germany, are not intended to lead to any substantial alteration in the existing proportion between exports from the United Kingdom to Germany and exports from Germany to the United Kingdom. Should any such substantial alteration occur, the present Agreement shall forthwith be reconsidered by both Parties.

Article 12.

If difficulties should arise in the application of this Agreement, the contracting Governments will immediately consult together.

Article 13.

This Agreement shall come into force on the 20th August, 1934. It may be terminated by either contracting Government after two weeks' notice.

In witness whereof the undersigned, duly authorised by their respective Governments, have signed this Agreement.

Done at Berlin, this 10th day of August, 1934, in duplicate, in English and German, both texts being equally authentic.

For the Government
of the United Kingdom of Great Britain
and Northern Ireland :

B. C. NEWTON.

For the Government
of the German Reich :
VON BÜLOW.

EXCHANGE OF NOTES.

I.

MR. NEWTON TO HERR VON BÜLOW.

BRITISH EMBASSY.

BERLIN, *August 10th*, 1934.

SIR,

With reference to Article 5 of the Exchange Agreement for Commercial Payments signed to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the German Government, I have the honour to confirm the statement made during the course of the discussions, that while the Government of the United Kingdom will do all that is in their power to give effect to this Article, it must be understood that my Government cannot undertake any obligation which might require them to promote fresh legislation by Parliament. In general, my Government will not be in a position to take the initiative in investigating cases under this Article nor to obtain confidential information relating to individual transactions, but they will give all possible assistance to the German Government in investigating the conditions of particular trades and thus in helping to ascertain whether certain kinds of goods fall within the Agreement or not.

I have, etc.

B. C. NEWTON.

TEXTE ALLEMAND. — GERMAN TEXT.

¹ TRADUCTION. — TRANSLATION.

II.

II.

HERR VON BÜLOW AN MR. NEWTON.

HERR VON BÜLOW TO MR. NEWTON.

AUSWÄRTIGES AMT.

FOREIGN OFFICE.

BERLIN, *den 10. August* 1934.BERLIN, *August 10th*, 1934.

HERR GESCHÄFTSTRÄGER !

M. LE CHARGÉ D'AFFAIRES,

Ich beehre mich hiermit den Empfang Ihres Schreibens vom heutigen Tage zu bestätigen, das sich auf Artikel 5 des heute unterzeichneten Zahlungsabkommens für kaufmännische Verbindlichkeiten bezieht.

I have the honour to acknowledge herewith the receipt of your letter of to-day's date relating to Article 5 of the Exchange Agreement for Commercial Payments signed to-day.

Genehmigen Sie, etc.

I have, etc.

VON BÜLOW.

VON BÜLOW.

¹ Traduction du Foreign Office de Sa Majesté britannique.

¹ Translation of His Britannic Majesty's Foreign Office.

III.

HERR VON BÜLOW AN MR. NEWTON.

AUSWÄRTIGES AMT.

BERLIN, den 10. August 1934.

HERR GESCHÄFTSTRÄGER !

Aus Anlass der heute erfolgten Unterzeichnung des Zahlungsabkommens für kaufmännische Verbindlichkeiten zwischen der Deutschen Regierung und der Regierung des Vereinigten Königreichs von Grossbritannien und Nordirland beehre ich mich Ihnen folgendes mitzuteilen :

Das Abkommen kann den Zweck, den Zahlungsverkehr zwischen Deutschland und den unter das Abkommen fallenden Gebieten trotz der in der deutschen Devisenlage begründeten Schwierigkeiten möglichst reibungslos zu regeln, nur erfüllen, wenn die deutsche Währung vor Schwankungen auf dem internationalen Markt bewahrt bleibt. Wie Ihnen bekannt ist, sind vor einiger Zeit solche Schwankungen aufgetreten. Nur durch ein rasches und entschlossenes Eingreifen der Reichsbank ist es möglich gewesen, die Schwankungen innerhalb kurzer Zeit weitgehend wieder auszugleichen. Ich beehre mich aber, darauf hinzuweisen, dass sich die Deutsche Regierung und die Reichsbank für den äussersten Fall, dass sich die Schwankungen in erheblichem Masse wiederholen und die Stabilität der deutschen Währung gefährden sollten, vorbehalten müssen, diejenigen Massnahmen zu treffen, die erforderlich sind, um die deutsche Währung stabil zu halten. Die Deutsche Regierung und die Reichsbank werden sich jedoch in diesem Fall unverzüglich und wenn irgend möglich, noch vor Durchführung etwaiger Massnahmen mit der Regierung des Vereinigten Königreichs von Grossbritannien und Nordirland und der Bank von England in Verbindung setzen, um Mittel und Wege zu suchen, wie die Massnahmen unter möglichster Schonung des beiderseitigen Waren- und Zahlungsverkehrs durchgeführt werden können.

III.

HERR VON BÜLOW TO MR. NEWTON.

FOREIGN OFFICE.

BERLIN, August 10th, 1934.

M. LE CHARGÉ D'AFFAIRES,

On the occasion of the signature to-day of the Exchange Agreement for Commercial Payments between the German Government and the Government of the United Kingdom of Great Britain and Northern Ireland, I have the honour to make the following communication :

The Agreement can only fulfil the purpose of regulating as smoothly as possible the settlements between Germany and the territories covered by the Agreement in respect of difficulties arising from the German exchange position, if the German currency remains secured from fluctuation on the international market. As you are aware, such fluctuations have occurred lately. It was only possible through a rapid and decisive action on the part of the Reichsbank to put an end to these fluctuations within a short space of time. I have, however, the honour to point out that the German Government and the Reichsbank must reserve the right, in the extreme event of the recurrence of these fluctuations to a substantial extent and of danger arising to the stability of the German currency, to take such measures as are necessary in order to maintain the stability of the German currency. The German Government and the Reichsbank will, however, place themselves in communication with the Government of the United Kingdom of Great Britain and Northern Ireland and with the Bank of England without delay, and, if possible, before the application of any measures, in order to find the means of carrying through these measures with the minimum disturbance to mutual trade and financial relations.

Da diese besonderen Massnahmen, die sich die Deutsche Regierung und die Reichsbank für Notfälle vorbehalten müssen, nicht den Zweck verfolgen, das Abkommen zu ändern, wird durch diesen Vorbehalt die Bestimmung des Artikels 7 des Abkommens nicht berührt.

Genehmigen Sie, etc.

VON BÜLOW.

Since these special measures which the German Government and the Reichsbank must reserve the right to take in case of emergency have not the object of altering the Agreement, the provisions of Article 7 of the Agreement will not be affected by this reservation.

I have, etc.

VON BÜLOW.

IV.

MR. NEWTON TO HERR VON BÜLOW.

BRITISH EMBASSY.

BERLIN, *August 10th, 1934.*

SIR,

I have the honour to acknowledge the receipt of your letter of to-day's date stating, in connection with the Exchange Agreement for Commercial Payments between the Government of the United Kingdom of Great Britain and Northern Ireland and the German Government signed to-day, that the German Government and the Reichsbank reserve the right in case of emergency to take such measures as are necessary in order to maintain the stability of the German currency.

I have, etc.

B. C. NEWTON.

V.

V.

TEXTE ALLEMAND. — GERMAN TEXT.

¹ TRADUCTION. — TRANSLATION.

HERR VON BÜLOW AN MR. NEWTON.

HERR VON BÜLOW TO MR. NEWTON.

AUSWÄRTIGES AMT.

FOREIGN OFFICE.

BERLIN, *den 10. August 1934.*

BERLIN, *August 10th, 1934.*

HERR GESCHÄFTSTRÄGER !

M. LE CHARGÉ D'AFFAIRES,

Mit Beziehung auf das heute unterzeichnete Zahlungsabkommen für kaufmännische Verbindlichkeiten zwischen der Deutschen Regierung und der Regierung des Vereinigten Königreichs von Grossbritannien und Nordirland beehre ich mich folgendes zu erklären :

In connection with the Exchange Agreement for Commercial Payments between the German Government and the Government of the United Kingdom of Great Britain and Northern Ireland signed to-day, I have the honour to make the following declaration :

Die Deutsche Regierung hat beschlossen, dass alle zwischen ihr und anderen Regie-

The German Government has decided that all the Exchange Agreements existing

¹ Traduction du Foreign Office de Sa Majesté britannique.

¹ Translation of His Britannic Majesty's Foreign Office.

rungen bestehenden Zahlungsabkommen dahin abgeändert werden müssen, dass für das in diesem Abkommen vorgesehene Sonderkonto ein Höchstbetrag festgesetzt wird. Sollte diese Änderung von den an diesen Abkommen beteiligten Regierungen nicht angenommen werden, so wird die Deutsche Regierung die betreffenden Abkommen kündigen.

Sollte jedoch entgegen dieser Absicht der Deutschen Regierung irgendein Zahlungsabkommen zwischen der Deutschen und irgend einer anderen Regierung weiter bestehen, ohne dass darin eine solche Begrenzung des Höchstbetrags des Sonderkontos vorgesehen ist, so ist die Deutsche Regierung bereit, das heute unterzeichnete Abkommen dahin abzuändern, dass die Bestimmung über den Höchstbetrag des Sonderkontos gestrichen wird.

Genehmigen Sie, etc.

VON BÜLOW.

between it and other Governments must be amended by a provision fixing a maximum amount for the Special Accounts provided for in those Agreements. Failing acceptance of such an amendment by the Governments Parties to these Agreements, the German Government will terminate the Agreements in question.

If, however, contrary to this intention of the German Government, any Exchange Agreement should subsist between the German Government and any other Government which does not contain such a limitation of the maximum amount of the Special Account, the German Government is prepared to amend the Agreement signed to-day by eliminating the provision regarding the maximum amount of the Special Account.

I have, etc.

VON BÜLOW.

VI.

MR. NEWTON TO HERR VON BÜLOW.

BRITISH EMBASSY.

BERLIN, *August 10th*, 1934.

SIR,

I have the honour to acknowledge the receipt of your letter of to-day's date stating, in connection with the Exchange Agreement for Commercial Payments between the Government of the United Kingdom of Great Britain and Northern Ireland and the German Government signed to-day, that the German Government has decided to terminate any of the Exchange Agreements existing between it and other Governments which are not amended by a provision fixing a maximum to the amount which may stand in the Special Account.

I have, etc.

B. C. NEWTON.

¹ TRADUCTION. — TRANSLATION.

N^o 3568. — ACCORD POUR LE RÈGLEMENT DES OBLIGATIONS COMMERCIALES ENTRE LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD ET LE GOUVERNEMENT ALLEMAND. SIGNÉ A BERLIN, LE 10 AOUT 1934.

LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD ET LE GOUVERNEMENT ALLEMAND, désireux de faciliter les règlements commerciaux, sont convenus des dispositions suivantes :

Article premier.

a) Les maisons de commerce allemandes qui sont en possession du permis général prévu à la Section III, 3 des Règlements allemands du 23 juin 1932 concernant le contrôle des changes (*Richtlinien für die Devisenbewirtschaftung vom 23 Juni 1932*), amendés le 7 décembre 1933 (désignés ci-après par le terme « les règlements »), et qui, dans le cadre de leurs opérations antérieures, achètent des marchandises tombant sous le coup du présent accord, pourront, si les montants en devises étrangères qui leur sont alloués chaque mois d'après la législation allemande sur les devises ne suffisent pas à payer ces marchandises, verser en Reichsmark le solde dû, pour le compte de leurs créanciers britanniques, à un compte spécial qui sera ouvert auprès de la Reichsbank, au nom de la Banque d'Angleterre, conformément aux dispositions du présent accord. Ce compte sera désigné ci-après par le terme « compte spécial ».

b) Les maisons établies dans le Royaume-Uni, et auxquelles un permis général aura été délivré, en vertu de la Section III, 5-8 des règlements, pour le recouvrement et le transfert des sommes dues par des maisons allemandes pour des marchandises livrées, pourront verser au compte spécial, en Reichsmark, conformément aux dispositions du présent accord, les montants dont elles ne peuvent pas disposer selon la législation allemande sur le contrôle des changes.

Article 2.

Les versements au compte spécial prévus à l'article premier du présent accord ne pourront être effectués que s'ils ont trait à des transactions définies dans les articles 3 et 4 et sous réserve des conditions spécifiées dans ces articles. En outre, la Reichsbank pourra, à tout moment, suspendre les versements au compte spécial dès que le total du montant non utilisé de ce compte dépassera 5 millions de Reichsmark. Dès que le montant du compte spécial sera de nouveau tombé à un chiffre inférieur à 5 millions de Reichsmark, la Reichsbank permettra la reprise des versements au compte spécial, conformément au présent accord.

Article 3.

a) Les versements au compte spécial, afférents à l'achat de marchandises qui ont été produites ou fabriquées dans le Royaume-Uni ou y ont subi une transformation (désignées ci-après par le terme « marchandises du Royaume-Uni »), pourront être effectués aux conditions suivantes :

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.