

SETTLEMENT OF THE INDEBTEDNESS OF BELGIUM TO THE UNITED STATES

JANUARY 7, 1926.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. CRISP, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 6774]

The Committee on Ways and Means, to which was referred the bill (H. R. 6774) to authorize the settlement of the indebtedness of the Kingdom of Belgium to the Government of the United States of America, having had the same under consideration, report it back to the House without amendment with the recommendation that the bill be passed.

The World War Foreign Debt Commission negotiated a settlement with the Belgian Debt Funding Commission, composed of Bon de Cartier de Marchienne, F. Cattier, E. Francqui, and G. Theunis. The President has approved the agreement and has urged Congress to ratify the same. This agreement has been reduced to writing and signed by the Secretary of the Treasury as chairman of the American Debt Commission and by the members of the Belgian Debt Funding Commission. This agreement is subject to the approval of Congress and to the approval of the competent authorities of the Kingdom of Belgium.

In reaching the settlement, the indebtedness of Belgium was divided into two categories, to wit, the amount of money loaned Belgium before the armistice, November 11, 1918, amounting to \$171,780,000, and the amount of indebtedness accruing after the date of the armistice, totaling to date of the settlement \$246,000,000. When the treaty of Versailles was signed, it contained a provision obligating Great Britain, France, and the United States to cancel the prearmistice indebtedness of Belgium and substitute as debtor the Republic of Germany. During the negotiations leading up to the treaty of Versailles the Belgian Government claimed that the German troops, which had completely occupied Belgium during the

war, had ruthlessly done war damage to Belgium in amounts estimated at \$1,000,000,000; that most of the machinery in the industrial plants and much of the movable personal property of Belgium had been removed to Germany; that, during the period of occupation, Germany had caused to be printed and circulated in Belgium paper money which the Belgian people were forced to accept; that, at the conclusion of the war, Belgium had redeemed this worthless currency, issuing its own currency in exchange therefor, the loss to Belgium on this account being estimated at \$1,200,000,000. The Belgian Government insisted that they had a prior lien on German reparations to reimburse these amounts and stated that they would not continue in the conference unless this was agreed to. President Woodrow Wilson, the head of the American representatives, and the representatives of Great Britain and of France prevailed upon Belgium to waive these claims upon condition that her prearmistice indebtedness to said nations should be canceled and Germany substituted as the debtor nation. In consideration of this, Belgium further agreed to reduce her claim for priority on German reparations from \$2,200,000,000 down to the sum of \$500,000,000. The treaty of Versailles contained a provision to this effect, and the United States is a signatory party to this agreement through its authorized representative, President Woodrow Wilson.

It is conceded that, under the Constitution of the United States, no treaty or agreement made by the President with a foreign nation is binding on the United States unless it is ratified by a two-thirds vote of the United States Senate, and the signatory powers to the treaty of Versailles were fully advised as to this. The Senate of the United States, acting clearly within its constitutional powers, refused to ratify the treaty of Versailles, and therefore that treaty is in no legal respect binding upon the United States. The American World War Foreign Debt Commission, however, considering the sacrifices made by Belgium and her heroic conduct throughout the war and the substantial rights waived by her in reliance upon the ratification of the treaty of Versailles, felt that, in good conscience and equity, the United States should waive all interest on Belgium's prearmistice indebtedness of \$171,780,000. The Belgian commission finally, after much consideration, agreed to fund and repay this principal debt upon the United States' waiving all interest on it, and, accordingly, an agreement was entered into to this effect. Under the agreement, the amount of the prearmistice indebtedness of \$171,780,000 is funded over a period of 62 years, without interest, the amount to be paid under the same plan and proportion as the principal indebtedness of Great Britain is to be paid.

The amount of Belgium's postarmistice indebtedness of \$246,000,000 is funded to be paid over a period of 62 years and conforms in substance to the settlement made by the United States with Great Britain. Under the British-American settlement, the funded indebtedness draws interest at the rate of 3 per cent for the first 10 years and thereafter at the rate of $3\frac{1}{2}$ per cent. The Belgian settlement provides for a graduated rate of interest payments for the first 10 years so that at the beginning of the eleventh year a rate of interest of $3\frac{1}{2}$ per cent shall apply throughout the remainder of the period of payments.

The Secretary of the Treasury, Mr. Mellon, the Undersecretary of the Treasury, Mr. Winston, Congressman Burton, and Congressman Crisp, all members of the American World War Foreign Debt Commission, appeared before the committee and explained in detail the negotiations between the two commissions, and the committee is of the opinion that, all facts and circumstances considered, the agreement as entered into is fair, equitable, and just to both Governments concerned.

The amount of the postarmistice indebtedness to be funded after allowing for certain cash payments made or to be made by Belgium is \$246,000,000, which has been computed as follows:

Principal of obligations for cash advanced...	\$175, 430, 808. 68	
Accrued and unpaid interest at $4\frac{1}{4}$ per cent per annum to Dec. 15, 1922-----	26, 314, 491. 66	\$201, 745, 300. 34
Principal of obligations for war material sold on credit-----	29, 818, 933. 39	
Accrued and unpaid interest at $4\frac{1}{4}$ per cent per annum to Dec. 15, 1922-----	491, 359. 24	30, 310, 292. 63
Total indebtedness as of Dec. 15, 1922-----		232, 055, 592. 97
Accrued interest thereon at 3 per cent per annum from Dec. 15, 1922, to June 15, 1925-----		17, 404, 169. 47
Total indebtedness as of June 15, 1925-----		249, 459, 762. 44
Deduct:		
Payments on account of interest re- ceived between Dec. 15, 1922, and June 15, 1925, on obligations for war material-----	\$3, 442, 346. 20	
Principal payment of \$172.01 made August 7, 1923, together with inter- est thereon at 3 per cent per annum to June 15, 1925-----	181. 58	3, 442, 527. 78
Net indebtedness as of June 15, 1925-----		246, 017, 234. 66
To be paid in cash upon execution of agreement-----		17, 234. 66
Total indebtedness to be funded into bonds-----		246, 000, 000. 00

As in the British settlement, Belgium shall have the right to pay all bonds issued or to be issued under the agreement, as to both principal and interest, in United States gold coin of the present standard of value; or, at the option of Belgium, upon not less than 30 days advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment.

Also, as in the British agreement, Belgium, at its option, upon not less than 90 days' advance notice to the United States, may postpone any payment on account of principal falling due after June 15, 1943, to any subsequent June 15 or December 15 not more than two years distant from its due date. When two such payments have been postponed, Belgium shall not have the right to postpone any other payment until the two payments in arrears have been paid in full.

On the date the agreement was made, August 18, 1925, the World War Foreign Debt Commission issued a statement to the press

explaining in detail the settlement, and there is attached hereto and made a part of this report a copy of that statement. There is also attached a copy of a letter from the President of the United States to Congress, recommending the approval of the settlement, and a copy of the agreement entered into between the two Governments for the funding of this indebtedness.

STATEMENT GIVEN TO THE PRESS BY THE WORLD WAR FOREIGN DEBT COMMISSION
AT THE CONCLUSION OF THE NEGOTIATIONS FOR THE FUNDING OF THE IN-
DEBTEDNESS OF BELGIUM TO THE UNITED STATES

AUGUST 19, 1925.

The World War Foreign Debt Commission, in announcing the conclusion of the negotiations over the Belgian debt, made the following statement:

"The basis of settlement of the Belgian debt to the United States has been reached between the United States World War Foreign Debt Commission, with the approval of the President, and the Belgian Debt Commission, subject to the ratification of the United States Congress and the Belgian political authorities.

"Repayment of the postarmistice debt, amounting at date to about \$246,000,000, has been arranged on the general lines accorded to other countries. Installments on principal are spread over a period of 62 years and the rate of interest is to be $3\frac{1}{2}$ per cent beginning at the end of 10 years as in the other cases. In this case, however, interest payments during the first 10 years have been graduated in fixed amounts as shown in the statement attached. Repayment on the principal and interest for the first year will be about \$3,000,000, increasing each year until the eleventh year, when the total amount repayable on principal and interest is about \$9,800,000.

"The Belgian commission has been insistent that the United States should accept the basis for settlement of the prearmistice debt of \$171,000,000 which was accepted by President Wilson at the Peace Conference. The arrangement contemplated at that time was that the German Government should be substituted for Belgium as the debtor for the prearmistice debts. This proposal was accepted by the Belgian Government as a fundamental part of other arrangements made by her under the treaty of Versailles, and was also accepted by the other creditors whose advances amounted to over \$800,000,000.

"At that time it was considered by all the Belgian creditors that the prearmistice advances to Belgium occupied entirely a different position from other financial obligations between any of the countries in the war. Although the plan was accepted by the American representatives at Paris and acted upon by all the other parties to it, the United States did not of course become legally bound, as the Versailles treaty with Germany was not ratified. Nevertheless, the United States Debt Commission considers that while no legal obligation rests upon the United States in the matter, there does continue a weighty moral obligation as a result of assurances given which entirely differentiates this sum from all other debts due the United States from foreign countries.

"Provision was made under the Dawes plan that 5 per cent of the annual German reparations payments are set aside, after satisfying certain priorities (of which the payment of cost of the Army of Occupation of the United States is included as one of such priorities) for service to all nations on the Belgian prearmistice debt. All the other countries except the United States have accepted their proportion of the sum thus payable, as a consummation of the plan accepted by President Wilson, and Belgium has been relieved as a debtor to these other nations.

"The United States Debt Commission has not been able to accept the Belgian proposal that either Germany directly, or the proportion of the 5 per cent payable to Belgium under the Dawes plan and applicable to the American debt, should be substituted by Belgium for repayment of the prearmistice debt and a specific act by Congress forbids such action. But the United States Debt Commission has felt that under all the circumstances the United States should not ask for more than the repayment of the principal of the prearmistice debt. This has been arranged upon the basis of installments payable over 62 years without interest, the obligation remaining directly upon Belgium. The amount of such annual installments is to be \$2,900,000 but with a portion deferred during the

first six years for subsequent repayment. Thus after the preliminary periods the total payments of Belgium to the United States will be about \$12,700,000 per annum.

"The adjustments of early payments on the debts have been made to meet the present difficulties of Belgium in obtaining foreign exchange because of the unfavorable balance of her commodity trade and the deficiencies in her income from foreign investments, tourist travel, and other forms of 'invisible' exchange. A statement of the exact payments follows."

To the Congress of the United States:

I am submitting herewith for the consideration of the Congress a copy of an agreement, dated August 18, 1925, executed by the Secretary of the Treasury as chairman of the World War Foreign Debt Commission, providing for the settlement of the indebtedness of the Government of the Kingdom of Belgium to the Government of the United States of America. The agreement was approved by me on August 21, 1925, subject to the approval of Congress, pursuant to authority conferred by act approved February 9, 1922, as amended by act approved February 28, 1923, and as further amended by act approved January 21, 1925.

I believe that the settlement upon the terms set forth in the agreement is fair and just to both Governments and recommend its approval.

CALVIN COOLIDGE.

THE WHITE HOUSE,
December 8, 1925.

AGREEMENT FOR THE FUNDING OF THE DEBT OF BELGIUM TO THE UNITED STATES

Agreement made the eighteenth day of August, 1925, at the city of Washington, District of Columbia, between the Government of the Kingdom of Belgium, hereinafter called Belgium, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part

Whereas, Belgium is indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$377,029,570.06, together with interest accrued and unpaid thereon; and

Whereas, Belgium desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the United States, and the United States is prepared to accept bonds from Belgium upon the terms and conditions hereinafter set forth;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. *Amount of Indebtedness.*—The indebtedness is divided into two classes—that incurred prior to November 11, 1918, hereinafter called Pre-Armistice indebtedness, and that incurred subsequent to November 11, 1918, hereinafter called Post-Armistice indebtedness.

(a) The amount of the Pre-Armistice indebtedness to be funded is \$171,780,000, which is the principal amount of the obligations of Belgium received by the United States for cash advances made prior to November 11, 1918.

(b) The amount of the Post-Armistice indebtedness to be funded after allowing for certain cash payments made or to be made by Belgium is \$246,000,000, which has been computed as follows:

Principal of obligations for cash advanced	\$175, 430, 808. 68	
Accrued and unpaid interest at $4\frac{1}{4}\%$ per annum to December 15, 1922	26, 314, 491. 66	
		\$201, 745, 300. 34
Principal of obligations for war material sold on credit	29, 818, 933. 39	
Accrued and unpaid interest at $4\frac{1}{4}\%$ per annum to December 15, 1922	491, 359. 24	
		30, 310, 292. 63

SETTLEMENT OF THE INDEBTEDNESS OF BELGIUM

Total indebtedness as of December 15, 1922-----	\$232, 055, 592. 97
Accrued interest thereon at 3% per annum from December 15, 1922, to June 15, 1925-----	17, 404, 169. 47

Total indebtedness as of June 15, 1925-----	249, 459, 762. 44
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Deduct:

Payments on account of interest received between December 15, 1922, and June 15, 1925, on obligations for war material-----

\$3, 442, 346. 20

Principal payment of \$172.01 made August 7, 1923, together with interest thereon at 3% per annum to June 15, 1925-----

181. 58

3, 442, 527. 78

Net indebtedness as of June 15, 1925-----	246, 017, 234. 66
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To be paid in cash upon execution of agreement-----	17, 234. 66
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Total indebtedness to be funded into bonds-----	246, 000, 000. 00
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2. *Repayment of Principal.*—(a) In order to provide for the repayment of the Pre-Armistice indebtedness thus to be funded, Belgium will issue to the United States at par bonds of Belgium bearing no interest in the aggregate principal amount of \$171,780,000, dated June 15, 1925, and maturing serially on each June 15 in the succeeding years for 62 years, on the several dates and in the amounts fixed in the following schedule:

June 15—

1926-----	\$1, 000, 000
1927-----	1, 000, 000
1928-----	1, 250, 000
1929-----	1, 750, 000
1930-----	2, 250, 000
1931-----	2, 750, 000
1932-----	2, 900, 000
1933-----	2, 900, 000
1934-----	2, 900, 000
1935-----	2, 900, 000
1936-----	2, 900, 000
1937-----	2, 900, 000
1938-----	2, 900, 000
1939-----	2, 900, 000
1940-----	2, 900, 000
1941-----	2, 900, 000
1942-----	2, 900, 000
1943-----	2, 900, 000
1944-----	2, 900, 000
1945-----	2, 900, 000
1946-----	2, 900, 000
1947-----	2, 900, 000
1948-----	2, 900, 000
1949-----	2, 900, 000
1950-----	2, 900, 000
1951-----	2, 900, 000
1952-----	2, 900, 000
1953-----	2, 900, 000
1954-----	2, 900, 000
1955-----	2, 900, 000
1956-----	2, 900, 000
1957-----	2, 900, 000

June 15—

1958-----	\$2, 900, 000
1959-----	2, 900, 000
1960-----	2, 900, 000
1961-----	2, 900, 000
1962-----	2, 900, 000
1963-----	2, 900, 000
1964-----	2, 900, 000
1965-----	2, 900, 000
1966-----	2, 900, 000
1967-----	2, 900, 000
1968-----	2, 900, 000
1969-----	2, 900, 000
1970-----	2, 900, 000
1971-----	2, 900, 000
1972-----	2, 900, 000
1973-----	2, 900, 000
1974-----	2, 900, 000
1975-----	2, 900, 000
1976-----	2, 900, 000
1977-----	2, 900, 000
1978-----	2, 900, 000
1979-----	2, 900, 000
1980-----	2, 900, 000
1981-----	2, 900, 000
1982-----	2, 900, 000
1983-----	2, 900, 000
1984-----	2, 900, 000
1985-----	2, 900, 000
1986-----	2, 900, 000
1987-----	2, 280, 000

171, 780, 000

(b) In order to provide for the repayment of the Post-Armistice indebtedness thus to be funded Belgium will issue to the United States at par bonds of Belgium in the aggregate principal amount of \$246,000,000, dated June 15, 1925, and maturing serially on each June 15, in the succeeding years for 62 years, on the several dates and in amounts fixed in the following schedule:

June 15—		June 15—	
1926-----	\$1, 100, 000	1958-----	\$3, 500, 000
1927-----	1, 100, 000	1959-----	3, 600, 000
1928-----	1, 200, 000	1960-----	3, 700, 000
1929-----	1, 200, 000	1961-----	3, 800, 000
1930-----	1, 200, 000	1962-----	4, 000, 000
1931-----	1, 300, 000	1963-----	4, 100, 000
1932-----	1, 300, 000	1964-----	4, 300, 000
1933-----	1, 300, 000	1965-----	4, 400, 000
1934-----	1, 400, 000	1966-----	4, 600, 000
1935-----	1, 400, 000	1967-----	4, 700, 000
1936-----	1, 600, 000	1968-----	4, 900, 000
1937-----	1, 700, 000	1969-----	5, 100, 000
1938-----	1, 800, 000	1970-----	5, 300, 000
1939-----	1, 800, 000	1971-----	5, 400, 000
1940-----	1, 900, 000	1972-----	5, 600, 000
1941-----	1, 900, 000	1973-----	5, 800, 000
1942-----	2, 000, 000	1974-----	6, 000, 000
1943-----	2, 100, 000	1975-----	6, 300, 000
1944-----	2, 100, 000	1976-----	6, 600, 000
1945-----	2, 200, 000	1977-----	6, 800, 000
1946-----	2, 300, 000	1978-----	7, 000, 000
1947-----	2, 400, 000	1979-----	7, 200, 000
1948-----	2, 500, 000	1980-----	7, 500, 000
1949-----	2, 500, 000	1981-----	7, 800, 000
1950-----	2, 600, 000	1982-----	8, 100, 000
1951-----	2, 700, 000	1983-----	8, 400, 000
1952-----	2, 800, 000	1984-----	8, 600, 000
1953-----	2, 900, 000	1985-----	8, 900, 000
1954-----	3, 000, 000	1986-----	9, 300, 000
1955-----	3, 100, 000	1987-----	9, 600, 000
1956-----	3, 300, 000		
1957-----	3, 400, 000		
			246, 000, 000

Provided however, That Belgium at its option, upon not less than ninety days' advance notice to the United States, may postpone any payment on account of principal falling due as hereinabove provided after June 15, 1935, to any subsequent June 15 or December 15 not more than two years distant from its due date, but only on condition that in case Belgium shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

3. *Form of Bonds.*—All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order, and shall be signed for Belgium by its Ambassador Extraordinary and Plenipotentiary at Washington, or by its other duly authorized representative. The bonds issued for the Pre-Armistice indebtedness shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A", and shall be issued in 62 pieces with maturities and in denominations corresponding to the annual payments hereinabove set forth. The bonds issued for the Post-Armistice indebtedness shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit B", and shall be issued in 62 pieces with maturities and in denominations corresponding to the annual payments of principal hereinabove set forth.

4. *Payments of Interest.*—All bonds issued for the Post-Armistice indebtedness shall bear interest from June 15, 1925, payable in the amounts and on the dates set forth in the following schedule:

December 15, 1925-----	\$870, 000	December 15, 1930-----	\$1, 625, 000
June 15, 1926-----	870, 000	June 15, 1931-----	1, 625, 000
December 15, 1926-----	1, 000, 000	December 15, 1931-----	1, 875, 000
June 15, 1927-----	1, 000, 000	June 15, 1932-----	1, 875, 000
December 15, 1927-----	1, 125, 000	December 15, 1932-----	2, 125, 000
June 15, 1928-----	1, 125, 000	June 15, 1933-----	2, 125, 000
December 15, 1928-----	1, 250, 000	December 15, 1933-----	2, 375, 000
June 15, 1929-----	1, 250, 000	June 15, 1934-----	2, 375, 000
December 15, 1929-----	1, 375, 000	December 15, 1934-----	2, 625, 000
June 15, 1930-----	1, 375, 000	June 15, 1935-----	2, 625, 000

until and including June 15, 1935, and thereafter at the rate of $3\frac{1}{2}$ per cent per annum payable semiannually on June 15 and December 15 of each year until the principal of said bonds shall have been paid.

5. *Method of Payment.*—All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of Belgium, upon not less than thirty days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

All payments, whether in cash or in obligations of the United States, to be made by Belgium on account of the principal of or interest on any bonds issued or to be issued hereunder and held by the United States, shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

6. *Exemption from Taxation.*—The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Belgium or any political or local taxing authority within the Kingdom of Belgium, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Belgium, or (c) a corporation not organized under the laws of Belgium.

7. *Payments before Maturity.*—Belgium at its option, on June 15 or December 15 of any year, upon not less than ninety days' advance notice to the United States, may make advance payments in amounts of \$1,000 or multiples thereof, on account of the principal of any bonds issued or to be issued hereunder and held by the United States. Any such advance payments shall be applied to the principal of such bonds as may be indicated by Belgium at the time of the payment.

8. *Exchange for Marketable Obligations.*—Belgium will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form, and otherwise on the same terms and conditions as to dates of issue and maturity, rate or rates of interest, if any, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. Belgium will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within thirty days of the receipt of such request, all without expense to the United States.

The United States, before offering any such bonds or interim receipts for sale in Belgium, will first offer them to Belgium for purchase at par and accrued interest, if any, and Belgium shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, if any, of a corresponding principal amount of bonds issued hereunder and held by the United States. Belgium agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders, as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in Belgium or elsewhere, and that if requested by the Secretary of the Treasury of the United States, it will use its good offices to secure the listing of the bonds on such stock exchanges as the Secretary of the Treasury of the United States may specify.

9. *Cancellation and Surrender of Obligations.*—Upon the execution of this agreement, the payment to the United States of cash in the sum of \$17,234.66, as provided in subdivision (b) of paragraph 1 of this Agreement and the delivery to the United States of the \$417,780,000 principal amount of bonds of Belgium to be issued hereunder, together with satisfactory evidence of authority for the execution of this Agreement by the representatives of Belgium and for the execution of the bonds to be issued hereunder on behalf of Belgium by its Ambassador Extraordinary and Plenipotentiary at Washington, or by its other duly authorized representative, the United States will cancel and surrender to Belgium, at the Treasury of the United States in Washington, the obligations of Belgium in the principal amount of \$377,029,570.06, described in the preamble of this Agreement.

10. *Notices.*—Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States, shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the Embassy of Belgium at Washington or at the office of the Ministry of Finance in Brussels; and any notice, request, or election from or by Belgium shall be sufficient if delivered to the American Embassy at Brussels or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States in its discretion may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

11. *Compliance with Legal Requirements.*—Belgium represents and agrees that the execution and delivery of this Agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this Agreement have been completed as required by the laws of Belgium and in conformity therewith.

12. *Counterparts.*—This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof Belgium has caused this Agreement to be executed on its behalf by BON DE CARTIER de Marchienne, F. Cattier, E. Francqui, G. Theunis, its Special Commissioners at Washington, thereunto duly authorized, subject, however, to the approval of the competent authorities of the Kingdom of Belgium and the United States has likewise caused this Agreement to be executed on its behalf by the Secretary of the Treasury, as Chairman of the World War Foreign Debt Commission, with the approval of the President, subject, however, to the approval of Congress, pursuant to the Act of Congress approved February 9, 1922, as amended by the Act of Congress approved February 28, 1923, and as further amended by the Act of Congress approved January 21, 1925, all on the day and year first above written.

THE GOVERNMENT OF THE
KINGDOM OF BELGIUM,
By BON DE CARTIER DE MARCHIENNE,
F. CATTIER,
E. FRANQUI,
G. THEUNIS.

THE GOVERNMENT OF THE
UNITED STATES OF AMERICA,
For the World War Foreign Debt Commission:

By A. W. MELLON,
Secretary of the Treasury and
Chairman of the Commission.

Approved:
CALVIN COOLIDGE,
President.

