

Preparatory to the Paris conference the Department of State deemed it advisable to take up in a preliminary way with the respective allied Governments the question of American participation in German payments under the Dawes plan. To that end, the American ambassador at London was instructed to present to the British Government a communication concerning the position of the United States in the matter. This communication, which was dated November 15, 1924, together with subsequent correspondence with the British Government, is contained in Exhibit F. There are also transmitted herewith, as Exhibit G, copy of a letter of December 23, 1924, addressed to Mr. James A. Logan, jr., the American observer with the Reparations Commission who had participated in a preliminary meeting of experts preparatory to the finance ministers' conference, by the British representative at that preliminary meeting, Mr. Leith Ross, together with copy of a memorandum dated January 3, 1925, which the department instructed the American ambassador at London to present to Mr. Leith Ross, who was then in London.

On December 31, 1924, the Secretary of State instructed the American ambassador at London to go to Paris and, in association with the American ambassador at Paris and Mr. Logan, to represent the United States at the financial conference which convened on January 7, 1925. On the basis of the instructions and exchanges mentioned above and pursuant to further instructions as set forth in Exhibit H, the American representatives procured the inclusion in the Paris agreement, which was signed on January 14, 1925, of provision for American participation in the payments to be received under the Dawes plan. A copy of the Paris agreement, which was forwarded to the Senate on February 3, 1925, is attached for convenient reference as Exhibit I.

The Paris agreement did not surrender nor modify any treaty right of the United States, nor in any way limit the amount of the claims of the United States. The agreement specifically provided (article 27) as follows:

"The provisions of the present arrangement concluded between the powers interested in reparations do not prejudice any rights or obligations of Germany under the treaties, conventions, and arrangements at present in force."

With respect to that part of Senate Resolution 198 requesting the Secretary of State to "advise the Senate as to whether the State Department at the Paris conference, or otherwise, agreed that the United States should assume the burden of the payment of awards made in favor of American nationals against Germany," I may say that neither the Department of State nor its representatives, at the Paris conference or otherwise, made any such agreement or commitment.

Nor was any agreement or commitment made to "accept from Germany in subrogation of the rights" of American nationals "annual installments of \$11,000,000 for the payment of private American awards, and annual installments of \$12,000,000 in reimbursement of the costs of the American Army of Occupation of the Coblenz area on the Rhine, and in payment of other Government claims, as representing the entire obligation of the German Government to the Government of the United States in the premises." The Paris agreement which provides for annual receipt by the United States of