

EXHIBIT G

LETTER OF DECEMBER 23, 1924, FROM MR. LEITH ROSS, BRITISH REPRESENTATIVE AT PRELIMINARY MEETING OF EXPERTS, TO MR. LOGAN, AMERICAN OBSERVER WITH THE REPARATION COMMISSION, TOGETHER WITH MEMORANDUM OF JANUARY 3, 1925, WHICH THE AMERICAN AMBASSADOR AT LONDON WAS INSTRUCTED TO PRESENT TO MR. LEITH ROSS

*Mr. Leith-Ross to Mr. James A. Logan, Jr.*

DECEMBER 23, 1924.

I have to thank you for your letter of the 22nd instant calling attention to the passage in the memorandum left with Mr. Chamberlain by the United States Ambassador on the 15th November last in which it is stated that "The United States are willing to recast the army costs agreement and to make an extension of time of payment provided a reasonable percentage of the money paid into the bank for reparations is also allowed on its general claims".

In order that the precise import of this passage may be made clear I should be glad to know whether I am right in understanding that the intention of the United States delegation is to claim that: (A) The United States army costs arrears should be met by an annuity spread over 24 years from the first January 1923, which would be a prior claim charge on future cash receipts and which would amount to from 45 to 50 million gold marks per annum; (B) The other claim would be met by an annuity not exceeding 40 to 50 million gold marks per annum expressed at a percentage of the Dawes annuity, i. e. as the annual payments in the normal year are fixed at two and a half milliards the percentage required would not exceed two per cent. These payments would not be entitled to any priority and would be transferred *pari passu* with the reparation shares of the allied powers.

If you can confirm definitely that the above corresponds with your intentions I shall be happy to communicate this information to the proper quarter.

*Memorandum given to Mr. Leith Ross by the American Ambassador*

LONDON, January 3, 1925.

Subject to the following observations, our position is substantially that set forth in your letter of December 23, 1924:

1. *United States Army cost claims*: The following statement in your letter under reference is noted:

(a) "The U. S. Army Costs arrears should be met by an annuity spread over 24 years from the 1st January 1923, which would be a prior charge on future cash receipts and which would amount to from 45 to 50 million gold Marks per annum."