

and after their passing the clause enjoining convertibility was not to be revoked. The resolutions have not been passed. The currency consists of paper money, maintained at its nominal gold value on the exchanges by the Reichsbank's policy of selling exchange and exporting gold. The inconvertibility in law should be borne in mind, because it has a bearing upon the method provided by the Plan for transferring Reparation payments to the Allies. The Rentenbank, which had been founded in 1923 for the purpose of issuing a provisional stable currency, was to be liquidated and its notes to be withdrawn from circulation.

The Committee provided a scheme of Reparation annuities, which were to cover all amounts due by Germany for costs arising out of the war. Reparation payments were to be made from four sources, the Budget, the Railways, the Transport Tax and Industry.

The Budget contributions were secured by pledging all revenues from alcohol, tobacco, beer, sugar and customs. These revenues were to serve as collateral security for payment of the railway and industrial contributions.

The railways were to be transferred to a company which should have a monopoly of future construction. A Commissioner for the German Railways was to supervise the administration, with contingent powers of control. The Railways Company was to issue to a Trustee appointed by the Reparation Commission 11 milliard marks of mortgage bonds, bearing interest at a rate rising from 3 to a standard 5 per cent, and being amortisable with 1 per cent per annum from the fourth year on. The service of the Railway bonds was to be guaranteed by the German Government.

The Transport Tax had been already imposed for revenue purposes, and it was made a source of Reparation payments.