

In sections 17 and 18 of Annex II of Part VIII of the treaty, provisions for possible default in reparation payments are stipulated as follows:

"17. In case of default by Germany in the performance of any obligation under this part of the present Treaty, the Commission will forthwith give notice of such default to each of the interested Powers and may make such recommendation as to the action to be taken in consequence of such default as it may think necessary.

"18. The measures which the Allied and Associated Powers shall have the right to take, in case of voluntary default by Germany, and which Germany agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals and, in general, such other measures as the respective Governments may determine to be necessary in the circumstances."

April 19-26, 1920: Conference at San Remo.—Mr. Lloyd George suggests meeting of Allied and German representatives.

May 14-16, 1920: Conference at Lympne.—Franco-British committee of experts set up to consider methods of payments.

June 19-22, 1920: Lympne-Boulogne conversation.—International loan for Germany is suggested.

July 2-4, 1920: First Brussels conference.—Proportionate distribution of reparations among the Allies is arranged.

July 5-16, 1920: Spa conference; German delegates present.—The distribution of reparation payments among the Allies, as proposed at the Brussels conference is confirmed, and the original coal demands are reduced. The original liability of Germany in coal deliveries for 1920-21 was as follows:

	Million tons
To France	25
To Belgium	8
To Italy	6
Total	39

Germany professes inability to deliver more than 1,100,000 tons per month. Allies demand 2,000,000 tons per month for the next six months. It is agreed that until January, 1921, (1) Germany will deliver 2,000,000 tons per month; (2) a premium of 5 gold marks will be paid for each ton received; (3) advances will be made to Germany equivalent to the difference between the internal German price and the English f. o. b. export price in English ports, these advances enjoying absolute priority over all other claims of the Allies on Germany. (Total advances during the six months amounted to 360,791,378 gold marks.)

Allied percentages of reparation receipts are fixed as follows:

	Per cent
France	52
Great Britain	22
Italy	10
Belgium	8
Greece, Rumania, and Yugoslavia, etc.	6½
Japan and Portugal, each	¾

Belgium is to get priority on cash payments up to 2,500,000,000 gold francs.

November, 1920.—Negotiations are begun with Germany to establish a program of deliveries of coal after February, 1921. These negotiations led to the adoption of a program of 2,200,000 tons for each of the months of February and March, and this program was readopted for each month until January, 1922.

December 16-22, 1920. Second Brussels conference.—It is suggested that Allies be given a first charge on German customs receipts.

March 24-30, 1921. First Paris conference.—It is agreed that reparations are to be paid in 42 annuities; 5 marks premium per ton of coal delivered, as agreed at Spa, lapses. Germany is declared in default on coal shipments. Reparation Commission calls attention to a shortage of 500,000 tons.

March 1-7, 1921. First London conference.—German counterproposal to pay 30,000,000,000 gold marks are rejected. Germany offers material and labor for reconstruction. Ultimatum delivered to Germany.

March 3, 1921.—Allies propose following "sanctions" in case Germany does not accept Paris proposals by March 7: Occupation of Duisburg, Dusseldorf, and Ruhrort; establishment of a customs barrier on the Rhine; and imposition of special import levies on imports from Germany into Allied countries.