

PROPOSAL dated the 18th day of June, 1923, by His Britannic Majesty's Government (hereinafter called Great Britain) to the Government of the United States of America (hereinafter called the United States) regarding the funding of the debt of Great Britain to the United States.

WHEREAS Great Britain is indebted to the United States as of 15th December, 1922, upon demand obligations in the principal amount of \$4,074,818,358.44, not including obligations in the principal amount of \$61,000,000, representing advances deemed to have been made to cover purchases of silver under the Act of Congress approved 23rd April, 1918, of which \$30,500,000 has been repaid in April and May, 1923, and the balance is to be repaid in 1924 pursuant to an agreement already made between the parties, and Great Britain is further indebted to the United States as of 15th December, 1922, on account of interest accrued from 15th April and 15th May, 1919, on said \$4,074,818,358.44, principal amount of demand obligations.

AND WHEREAS Great Britain has power under the War Loan Act, 1919 (9 and 10 Geo. 5, cap. 37) to issue securities in exchange for maturing securities issued under the War Loan Acts, 1914 to 1918 :

AND WHEREAS the demand obligations now held by the United States Treasury were so issued, and will become payable upon the request of the United States Treasury for their payment :

NOW THEREFORE Great Britain proposes, in the exercise of the powers above recited and in consideration and in faith of the statements, conditions, premises and mutual covenants herein contained, to issue to the United States in exchange for the demand obligations now held by the United States Treasury securities which shall be in their terms and conditions in accordance with the following provisions :—

1. *Amount of Indebtedness.*

The total amount of indebtedness to be funded is \$4,600,000,000 which has been computed as follows :—

Principal amount of demand obligations to be funded	\$4,074,818,358.44
Interest accrued thereon from April 15 and May 15, 1919, respectively to December 15, 1922, at the rate of $4\frac{1}{4}$ per cent. per annum	\$629,836,106.99