

shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made at the option of Great Britain in gold coin of the United States or in gold bullion or in immediately available funds, or if in bonds, of the United States, shall be in form acceptable to the Secretary of the Treasury of the United States Treasury. Appropriate notation of all payments on account of principal shall be made on the bonds proposed to be issued hereunder which may be held by the United States. Provided, however, that all payments in respect of any market obligations issued under Paragraph 9 of this Proposal shall be made at the office of the fiscal agents of the British Government in the City of New York.

4. *Exemption from Taxation.*

The principal and interest of all bonds issued or to be issued hereunder, shall be exempt from all British taxation, present or future, so long as they are in the beneficial ownership of the United States, or of a person, firm, association or corporation neither domiciled nor ordinarily resident in the United Kingdom.

5. *Form of Bonds.*

All Bonds proposed to be issued hereunder to the United States shall be payable to the United States of America, or order, shall be issued, so far as possible, in denominations of \$4,600,000 each, and shall be substantially in the form set forth in the exhibit annexed hereto, and marked "Exhibit A." The bonds shall be signed for Great Britain by the Counsellor of His Britannic Majesty's Embassy at Washington.

6. *Repayment of Principal.*

To provide for the repayment of the total principal of the debt before maturity of the \$4,600,000,000 principal amount of bonds to be issued, it is proposed that the bonds shall contain provisions the effect of which shall be that Great Britain shall make to the United States payments, on account of the original principal amount of the bonds to be issued, in the amounts and on the dates named in the following Table:—

<i>Date.</i>					<i>Annual instalments to be paid on account of principal.</i>
15th December :—					
1923	...	...	...	...	\$23,000,000
1924	...	...	...	...	23,000,000
1925	...	...	...	...	24,000,000
1926	...	...	...	...	25,000,000
1927	...	...	...	...	25,000,000
1928	...	...	...	...	27,000,000
1929	...	...	...	...	27,000,000
1930	...	...	...	...	28,000,000
1931	...	...	...	...	28,000,000