

Accumulation of Interest.

Notwithstanding anything herein contained, the interest payable from time to time on the bonds proposed to be issued shall be computed on the amount of the principal outstanding on the next interest date, with adjustments in respect of any payment in account of principal which may have been made since the previous interest date.

Exchange for Marketable Obligations.

Great Britain will issue to the United States at any time or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds proposed to be issued hereunder and held by the United States, certain engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form and otherwise on the same terms and conditions, as to the date of issue and maturity, rate or rates of interest, exemption from taxation, payment in bonds of the United States issued or to be issued after 6th April, 1917, payment before maturity, and in all other respects, as the like, as the bonds surrendered on such exchange, that the bonds shall carry such provision for repayment of principal as shall be agreed upon; provided that if no agreement to the contrary is arrived at, any such bonds shall contain separate provision for payments before maturity, including provision substantially to the table of repayments prescribed by paragraph 6 of this proposal and in form satisfactory to the Secretary of the Treasury of the United States, such payments to be computed on a basis to accomplish the retirement of any such bonds by December 15, 1984, and to be made through regular drawings for redemption at par and accrued interest. Payments of principal thus made before maturity on any such bonds shall be deducted from the payments required to be made by Great Britain to the United States in the corresponding period under the terms of the table of repayments set forth in paragraph 6 of this proposal.

Great Britain will deliver definitive engraved bonds to the United States in accordance herewith within six months of the receipt of notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will, at the request of the Secretary of the Treasury of the United States, deliver to the United States interim bonds or interim receipts in a form to be agreed upon within three months of the receipt of such request. The United States before offering any such bonds or interim receipts for sale to the United States Great Britain will first offer them to Great Britain for purchase at par and accrued interest, and Great Britain shall likewise have the option, in lieu of issuing to the United States any

