

Agreement for the Settlement of the War Debt of Portugal to Great Britain.

WHEREAS the Government of the Portuguese Republic (hereinafter called Portugal) stand indebted to His Majesty's Government in Great Britain (hereinafter called Great Britain) for the sum of £23,527,186 represented by Portuguese sterling Treasury Bills held by His Majesty's Treasury;

And whereas the two Governments, animated by the close ties of friendship which have for many years bound together their respective countries, desire to arrive at an Agreement for the funding of this debt on terms compatible with the financial capacity of Portugal:

Now, therefore, the Right Hon. Winston Leonard Spencer Churchill, Chancellor of the Exchequer of Great Britain, and His Excellency General João José Sinel de Cordes, Finance Minister of Portugal, duly authorised thereunto by their respective Governments, subject to such ratification as may be required, have agreed as follows:—

1. Great Britain agrees to cancel Portuguese Treasury Bills in respect of the sum of £3,393,597 in consideration of the services and supplies rendered by Portugal to Great Britain during the war free of charge and in settlement of all outstanding claims in connection with the accounts relating to the War Debt.

2. In full and final settlement of the balance of the Portuguese War Debt, amounting to £20,133,589, Portugal agrees to pay and Great Britain to accept the following annuities:—

	£
For the year 1926	125,000
For the year 1927	250,000
For the year 1928	300,000
For the years 1929 to 1938 inclusive	350,000 a year.
For the years 1939 to 1987 inclusive	400,000 a year.
For the year 1988	200,000.

The above payments will be made in sterling at the Bank of England, London, in equal half-yearly instalments on the 15th June and the 15th December of each year, save that the payment for 1926 will be made in full on or before the 25th January, 1927, and the payment for 1988 will be made in full on the 15th June, 1988.

3. Portugal will issue and deliver to the British Treasury on or before the 31st January, 1927, a Bond substantially in the form set out in the annex to this Agreement in respect of each of the instalments provided for by Article 2 of this Agreement, excepting the instalment for 1926, which is payable immediately.

4. The payments due under such Bonds shall be made without deduction for and shall be exempt from any and all taxes and other public dues, present or future, imposed by or under authority of Portugal or any political or local taxing authority within Portugal.