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TREATY SERIES No. 2 (1926)

# AGREEMENT

BETWEEN THE

## United Kingdom and Hungary

MODIFYING THE

Agreement between the British and Hungarian Governments of December 11, 1923, relating to the Periodical Instalments payable by the Hungarian Government thereunder

Budapest, October 17, 1925

[In continuation of "Treaty Series No. 9 (1924)," Cmd. 2045.]

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PRESENTED BY THE SECRETARY OF STATE FOR FOREIGN  
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**Agreement between the United Kingdom and Hungary modifying the Agreement between the British and Hungarian Governments of December 11, 1923, relating to the Periodical Instalments payable by the Hungarian Government thereunder.**

*Budapest, October 17, 1925.*

[*In continuation of "Treaty Series No. 9 (1924)," Cmd. 2045.*]

1. It is agreed that the conditions expressed in article 4 of the Agreement signed at Paris on the 11th December, 1923, by M. de Kallay, the Hungarian Minister of Finance, and Mr. Grey, the Controller of the British Clearing Office, have been fulfilled, and that payment of the full instalments, which the Hungarian Government has undertaken to make under the convention of the 20th December, 1921, are to be resumed as from the 30th June, 1925.

2. It is further agreed, in modification of the said convention, that payment of the full instalments shall be made as follows :—

- (i.) As regards the Hungarian fiscal year commencing the 1st July, 1925, the Hungarian Treasury, in addition to the two Treasury Bills of £100,000 each payable during the year in question, shall hand to the British Clearing Office two additional Bills of £150,000 each maturing on the 25th January and the 24th July, 1926, respectively.
- (ii.) The following conditions shall apply to the said two last-mentioned Bills :—

(a.) Such Bills shall not be endorsed by the Controller of the British Clearing Office, except for the purpose of collection.

(b.) In the event of the Hungarian Treasury showing by the production of a certificate of the Commissioner-General of the League of Nations for Hungary that the realised budget surplus in the period of six months ending the 31st December, 1925, is less than the face value of the Bill maturing in January 1926, the amount payable by the Hungarian Treasury in respect thereof shall be reduced to the actual amount of such surplus, the Hungarian Government undertaking to pay to the British Clearing Office at the end of the following period or periods of six months any surplus realised during such period or periods until the said deficiency has been fully met. The same conditions shall apply to the second Bill maturing on the 24th July, 1926.

(c.) It is clearly understood that, in ascertaining the realised surplus for any period of six months, only such charges shall be allowed as are included in the original budget estimates of the Hungarian Government and such supplementary estimates as the Commissioner-General may consider essential, the intention being that the payments to the British Clearing Office provided for above shall take priority over all other expenditure.

3. The Hungarian Government undertakes to provide for payment of the full amount of all future instalments under the said convention in its budgets of 1926/27 and succeeding years.

4. As regards the arrears of instalments due under the said convention for the liquidation of which the Hungarian Government in the said Agreement of the 11th December, 1923, undertook to make proposals, the Hungarian Government agrees to deliver forthwith to the British Clearing Office a Treasury Bill for £100,000 maturing for payment on the 25th January, 1926, and in consideration of such Bill being duly met on maturity the unpaid balance of such instalments shall no longer be regarded as being in arrear.

5. In the event of the budget surplus realised at the date of maturity of the said Bill for £100,000, and ascertained in manner above mentioned, being insufficient for the payment thereof, the conditions relating to the two Bills of £150,000 each shall govern the payment of such Bill for £100,000.

(Signed) E. S. GREY.

(Signed) BUD JANOS.

*Budapest, October 17, 1925.*