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DEPARTMENT OF STATE

FOR THE PRESS

*B66/4*

JUNE 13, 1940  
No. 290

*JWA*  
*JWP*

TEXT OF A NOTE DATED JUNE 7, 1940 FROM THE  
BRITISH AMBASSADOR, TO THE SECRETARY OF STATE,  
IN REPLY TO A NOTE FROM THE SECRETARY OF STATE,  
DATED JUNE 1, 1940.

BRITISH EMBASSY  
Washington, D. C.  
June 7th, 1940

The Honourable  
Cordell Hull,  
Secretary of State of the United States,  
Washington, D. C.

Sir,

In accordance with instructions from His Majesty's  
Principal Secretary of State for Foreign Affairs, I have the  
honour to acknowledge the receipt of your note of the 1st  
June enclosing a statement of the amounts due from His  
Majesty's Government in the United Kingdom under the pro-  
visions of the Debt Agreement of the 19th June, 1923, and  
the Moratorium Agreement of the 4th June, 1932.

I am directed to express the appreciation of His Majesty's  
Government of the assurance that the Government of the United  
States is fully disposed to discuss any proposals which His  
Majesty's Government may desire to put forward in regard to  
the payment of this indebtedness; and in return I am to assure  
you that His Majesty's Government will be willing to reopen  
discussions on the subject whenever circumstances are such as  
to warrant the hope that a satisfactory result might be  
reached.

I have the honour to be,  
with the highest consideration,  
Sir,  
Your most obedient,  
humble servant,

LOTHIAN

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TEXT OF NOTE, DATED JUNE 1, 1940, FROM THE SECRETARY  
OF STATE TO THE BRITISH AMBASSADOR

Department of State  
Washington, D. C.  
June 1, 1940

His Excellency  
The Right Honorable the Marquess of Lothian, C.H.,  
British Ambassador.

Excellency:

I am requested by the Secretary of the Treasury to  
transmit to you the attached statement showing the amounts

due

due and payable on June 15, 1933 to December 15, 1939, inclusive, and June 15, 1940 from your Government pursuant to the terms of the Debt Agreement of June 19, 1923 and the Moratorium Agreement of June 4, 1932.

In presenting this notice of amounts due under the agreements signed by the British Government, I take the occasion to reiterate that this Government is fully disposed to discuss, through diplomatic channels, any proposals which your Government may desire to put forward in regard to the payment of this indebtedness, and to assure you that such proposals would receive careful consideration with a view to eventual submission to the American Congress.

Accept, Excellency, the renewed assurances of my highest consideration.

CORDELL HULL

Enclosure:

Statement.

STATEMENT OF AMOUNTS DUE FROM THE GOVERNMENT OF  
GREAT BRITAIN FROM JUNE 15, 1933  
TO DECEMBER 15, 1939, INCLUSIVE, AND JUNE 15, 1940

	<u>Funding Agreement</u>		<u>Annuity under Moratorium Agreement</u>
	<u>Principal</u>	<u>Interest</u>	
Total of amounts due from June 15, 1933, to December 15, 1939, inclusive	<u>\$239,000,000.00</u>	<u>\$1,045,799,481.58</u>	<u>\$126,369,945.65</u>

Amount due June 15, 1940:

Semiannual interest due June 15, 1940,  
on 18th to 62nd installments..... \$71,767,500.00

Interest accrued from December 15, 1939,  
to June 15, 1940, on principal install-  
ments which matured as follows:

11th - \$32,000,000 - 12/15/33	
12th - 32,000,000 - 12/15/34	
13th - 32,000,000 - 12/15/35	
14th - 32,000,000 - 12/15/36	
15th - 37,000,000 - 12/15/37	
16th - 37,000,000 - 12/15/38	
17th - <u>37,000,000</u> - 12/15/39	
\$239,000,000 .....	4,182,500.00

Fourteenth semiannual installment of the  
annuity due June 15, 1940, on account  
of the moratorium agreement of June 4, 1932... 9,720,765.05

Amount due ..... \$85,670,765.05

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