

N° 336.

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## AUTRICHE

Reconstruction de l'Autriche. Proto-  
cole No. III (Déclaration) signé à  
Genève le 4 octobre 1922.

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## AUSTRIA

The Restoration of Austria. Protocol  
No. III (Declaration) signed at  
Geneva, October 4, 1922.

<sup>1</sup> TRADUCTION. — TRANSLATION.

## No. 336. -- RESTORATION OF AUSTRIA. PROTOCOL No. III. (DECLARATION) SIGNED AT GENEVA, OCTOBER 4, 1922.

*French official text registered October 4, 1922, in accordance with the final provisions of this protocol.*

The undersigned, acting in the name of the AUSTRIAN GOVERNMENT, and duly authorised for this purpose, declares that he accepts the following obligations :

(1) The Austrian Government will ask its Parliament to ratify the political declaration signed by it which is the subject of Protocol No. I.

(2) The Austrian Government will, within one month, in collaboration either with the Commissioner-General, whose functions form the subject of paragraph 4 below, or with such provisional delegation of the Council of the League of Nations as may be appointed for the purpose, draw up a programme of reforms and improvement, to be realised by stages and designed to enable Austria to re-establish a permanent equilibrium of her budget within two years, the general outline of which is defined in the report of the Financial Committee (Annex). This programme must place Austria in a position to satisfy her obligations by the augmentation of her receipts and the reduction of her expenditure; it will exclude any recourse to loans except under the conditions determined by it; it will prohibit, by the terms of the statutes to be drawn up for the Bank of Issue which is to be created, any further monetary inflation.

It should further enable Austria to assure her financial stability on a permanent basis by a series of measures leading to a general economic reform. The report of the Economic Committee dealing with this aspect of the problem shall be duly communicated to the Commissioner General.

It is understood that, if the first programme should appear in practice to be insufficient to re-establish permanent equilibrium of the budget within two years, the Austrian Government will be bound, in agreement with the Commissioner-General, to introduce therein the modifications appropriate to the result which it is essential to attain. The Austrian Government will ask its Parliament to approve the above-mentioned plan.

(3) The Austrian Government will forthwith lay before the Austrian Parliament a draft law giving, during two years, to any Government which may then be in power, full authority to take all measures, within the limits of this programme, which in its opinion may be necessary to assure at the end of the period mentioned the re-establishment of budgetary equilibrium without there being any necessity to seek for further approval by Parliament.

4) Austria accepts the nomination by the Council of the League of Nations of a Commissioner-General who shall be responsible to the Council and removable by it. His functions are defined in broad outline in the report of the Financial Committee.

<sup>1</sup> Traduit par le Secrétariat de la Société des Nations.

<sup>1</sup> Translated by the Secretariat of the League of Nations.

His duty will be to ensure that the programme of reforms is carried out and to supervise its execution. The Commissioner-General shall reside at Vienna. He may provide himself with the necessary technical personnel. The expenses of the Commissioner-General and of his office shall be approved by the Council and supported by the Austrian Government. The Commissioner-General shall present monthly to the Council a report upon the progress of the reforms and the results achieved. This report shall be communicated without delay to the members of the Committee of Control.

The Austrian Government agrees that it may not dispose of any funds derived from loans, or undertake any operation with a view to discounting the proceeds of loans, except by authorisation of the Commissioner-General; provided that the conditions which the Commissioner-General may attach to such authorisation shall have no other object than that of assuring the progressive realisation of the programme of reforms and of avoiding any deterioration of the assets assigned for the service of the loan.

If the Austrian Government considers that the Commissioner-General has abused his authority, it may appeal to the Council of the League of Nations.

The functions of the Commissioner-General shall be brought to an end by a decision of the Council of the League of Nations, when the Council shall have ascertained that the financial stability of Austria is assured, without prejudice to any special control of the assets assigned for the service of the loan.

(5) The Austrian Government will furnish as securities for the guaranteed loan the gross receipts of the Customs and of the tobacco monopoly, and, if the Commissioner-General should deem it necessary, other specific assets determined in agreement with him. It will not take any measure which in the opinion of the Commissioner-General would be such as to diminish the value of such assets so as to threaten the security of the creditors and of the guarantor States. In particular, the Austrian Government may not, without the approval of the Commissioner-General, introduce into the rates producing the revenues assigned as security any changes which might be such as to reduce their minimum total yield expressed in gold as this may be determined, before the issue of the loans, in order to provide for the necessary annuities.

The yield of the gross revenues assigned as security will be paid into a special account, as and when collected, for the purpose of assuring the service of the annuity of the loans. The Commissioner-General may alone control this account. The Commissioner-General may require such modifications and improvements as may increase the productivity of the revenues assigned as security. If, notwithstanding such representations, it should appear to him that the value of these assets is seriously prejudiced by their management by the Austrian Government, he may require that this management shall be transferred to a special administration, either by the constitution of a Government monopoly or by the grant of concessions or of leases.

(6) (a) The Austrian Government undertakes to grant no concessions which, in the opinion of the Commissioner-General, might be such as to compromise the execution of the programme of reforms.

(b) The Austrian Government will surrender all right to issue paper money and will not negotiate or conclude loans except in conformity with the programme above set out and with the authorisation of the Commissioner-General. If the Austrian Government should consider itself obliged to envisage the issue of loans not covered by the conditions of the programme contemplated in this Protocol, it would first submit such plans for the approval of the Commissioner-General and of the Committee of Control.

(c) The Austrian Government will ask its Parliament to make such modifications as are considered necessary, in accordance with the report of the Financial Committee (Annex), both in the statutes of the Bank of Issue and, should the occasion arise, in the Law of July 24, 1922 (*Bulletin des Lois*, No. 490). The statutes of the Bank of Issue shall assure it complete autonomy in its relations with the Government. The Bank should be responsible for the cash transactions of the State, it should centralise the Government's receipts and payments and should furnish periodical financial statements

at the dates and in the form which may be determined in agreement with the Commissioner-General.

(d) The Austrian Government will take and carry out all decisions necessary for the full realisation of the programme of reforms, including all necessary administrative reforms and the indispensable alterations in the legislation.

(v) The Austrian Government will take all measures necessary to ensure the maintenance of public order.

(3) All obligations defined above relating to the functions of the Commissioner-General or to financial or administrative reforms, so far as they relate to a period subsequent to January 1, 1923, are conditional and shall not become finally binding until the British, French, Italian and Czechoslovak Governments have confirmed their promised guarantees by the approval of their respective Parliaments.

Nevertheless, the Austrian Government definitely undertakes :

(a) To take as from the present date all measures in its power to reduce the deficit ; these measures are to include, in particular, increases in the railway, postal and telegraphic rates, and in the sale prices of the products of the monopolies ;

(b) To submit immediately to the Austrian Parliament the draft law contemplated in paragraph (3), which will give for two years to the Government now in office, or to any succeeding Government, full authority to take all measures which in its opinion may be necessary to assure the re-establishment of budgetary equilibrium at the end of that period ;

(c) To prepare immediately a programme of reform, to set in motion the necessary legislative action and to apply the first measures of execution contemplated by the programme, between the present date and January 1, 1923.

(c) In the event of any difference as to the interpretation of this Protocol, the Parties will accept the opinion of the Council of the League of Nations.

The present Protocol shall be communicated to those States which have signed Protocol No. II signed at Geneva on October 4, 1922.

In faith whereof the undersigned, duly authorised for this purpose, has signed the present Protocol.

Done at Geneva in a single copy, which shall be deposited with the Secretariat of the League of Nations and shall be registered by it without delay, on the fourth day of October, nineteen hundred and twenty-two.

(Signed) SEIPEL.