

N° 335.

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**AUTRICHE, GRANDE-  
BRETAGNE, FRANCE, ITALIE,  
TCHÉCOSLOVAQUIE, etc.**

Reconstruction de l'Autriche. Proto-  
cole No. II avec Annexes et  
Note Interprétative, signés à  
Genève, le 4 octobre 1922.

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**AUSTRIA, GREAT BRITAIN,  
FRANCE, ITALY,  
CZECHOSLOVAKIA, etc.**

The Restoration of Austria. Protocol  
No. II with Annexes and Expla-  
natory Note, signed at Geneva,  
October 4, 1922.

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

## No. 335. — RESTORATION OF AUSTRIA. PROTOCOL No. II AND ANNEXES AND EXPLANATORY NOTE SIGNED AT GENEVA, OCTOBER 4, 1922.

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

With the object of assisting Austria in the work of her economic and financial restoration, the BRITISH, FRENCH, ITALIAN, CZECHOSLOVAK and AUSTRIAN GOVERNMENTS have by common consent drawn up the following provisions :

*Article 1.*

The Austrian Government may create, under the guarantee resulting from the present Convention, the amount of securities necessary to yield an effective sum equivalent to not more than 650 millions of gold crowns. The capital and interest of the securities so issued shall be free from all taxes, dues or charges for the benefit of the Austrian State.

*Article 2.*

The expenses of issue, of negotiation and of delivery, shall be added to the capital of the loan as fixed under the preceding article.

*Article 3.*

The service of the interest and amortisation of the loan shall be assured by means of an annuity provided by the revenues assigned as security for this loan in accordance with the provisions contained in Protocol No. III.

*Article 4.*

The yield of the loan may not be employed except under the authority of the Commissioner-General appointed by the Council of the League of Nations and in accordance with the obligations contracted by the Austrian Government and set out in Protocol No. III.

*Article 5.*

The British, French, Italian and Czechoslovak Governments, without prejudice to action by other Governments which may accede to the present Convention, undertake to ask without delay from their Parliaments authority to guarantee (subject always to the approval by the Austrian Parliament of Protocol No. III, and to the voting by that Parliament of the law contemplated in Article 3 of the said Protocol) the service of the annuity of this loan, up to a maximum of 84 per cent., to be shared under special arrangements between the Parties concerned.

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

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

*Article 6.*

Each of the four Governments shall have power to appoint a representative on the Committee of Control, the functions of which are determined by the provisions set out below. Each such representative shall have twenty votes. Those Governments which may agree to guarantee the remainder of the annuity which is not covered by the guarantee of the British, French, Italian and Czechoslovak Governments, shall in like manner have power either to appoint one representative each, or to agree among themselves to appoint common representatives. Each representative shall have one vote for every 1 % guaranteed by his Government.

*Article 7.*

The method of application of the guarantee, the conditions of the loan, the issue price, the rate of interest, the amortisation, the expenses of issue, of negotiation and of delivery, shall be submitted for the approval of the Committee of Control constituted by the guarantor States. The amount of the annuity necessary for the service of interest and amortisation of the loan shall likewise be approved by the Committee of Control. Every loan proposed by the Austrian Government, and not falling within the conditions of the programme contemplated in Protocol No. III, shall first be submitted for the approval of the Committee of Control.

*Article 8.*

The Committee of Control shall determine the conditions under which the advances by the Governments should be effected in the event of the guarantee coming into operation, and the method of repaying such advances.

*Article 9.*

Within the limits fixed by the contracts under which they are issued, the Austrian Government shall have the right to effect conversion of the loans with the consent of the Committee of Control ; it shall be obliged to exercise this power on the request of the Committee of Control.

*Article 10.*

The Committee of Control shall have the right to require the production of periodical statements and accounts and any other information urgently needed in regard to the administration of the revenues assigned as security ; it may bring to the attention of the Commissioner-General any administrative changes and improvements calculated to increase their productivity. Any changes in the rates producing such revenues 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 the necessary annuities, shall first be submitted for the approval of the Committee of Control. The same rule shall apply to proposed contracts for the concession or farming out of those revenues.

*Article 11.*

In case the yield of the assigned revenues should be insufficient and should involve a possibility of bringing into operation the guarantee of the Governments, the Committee of Control may require that other revenues sufficient to meet the service of the annuity shall be assigned as security.

Any draft instrument or contract which is likely materially to change the nature, condition or administration of the public domain of Austria shall be communicated to the Committee three weeks before the instrument becomes final.

*Article 12.*

The Committee of Control shall meet from time to time at such dates as it may itself determine, preferably at the seat of the League of Nations. It shall communicate only with the Commissioner-General, who shall be present or shall be represented at the meetings of the Committee of Control. The decisions of the Committee shall be taken by an absolute majority of the votes present ; provided always that a majority of two-thirds of the votes present shall be required for any decisions under Articles 7 and 8.

An extraordinary meeting of the Committee of Control shall be convened on a request supported by not less than ten votes.

*Article 13.*

The Committee of Control, or any one of its members, may demand any information or explanations as to the elaboration and the execution of the programme of financial reform. The Committee may address any observations or make any representations to the Commissioner-General which it recognises to be necessary to safeguard the interests of the guarantor Governments.

*Article 14.*

In the event of abuse, the Committee of Control or any guarantor State may appeal to the Council of the League of Nations, which shall give its decision without delay.

*Article 15.*

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.

In faith whereof the undersigned, duly authorised for this purpose, have 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, one thousand nine hundred and twenty-two.

(Signed) BALFOUR.  
G. HANOTAUX.  
IMPERIALI.  
{ KRČMÁŘ.  
{ POSPIŠIL.

(Signed) SEIPEL.

As Article 5 of the present Convention (Protocol No. II) provides for the accession of other Governments, the Government of His Majesty the King of Spain undertakes to apply to Parliament without delay for authorisation to guarantee the service of annual interest up to five per cent. on the loan provided for in the Convention, subject to the reservations referred to in Article 5 and in accordance with the provisions of the Convention and its annexes, and particularly paragraph 2 of the preamble of the Annexes and the explanatory Note.

In faith whereof the undersigned, duly authorised for that purpose, has signed the present Declaration.

This third of November, nineteen hundred and twenty-two.

(Signed) QUIÑONES DE LEÓN.

## ANNEXES TO PROTOCOL No.II.

## PREAMBLE.

(1) The guarantee granted by the States signatories of Protocol No. II shall be employed for an Austrian loan of 650 million gold crowns, bonds for which shall all be of the same character and shall offer the same security, the Financial Committee having calculated that the Austrian deficit needs to be increased from 520 to 650 million gold crowns so as to take into account the advances made by certain Governments in the course of this year, which carry the right to repayment either from the proceeds of the loan organised by the League of Nations, or in securities enjoying the same guarantees and the same advantages.

(2) In order, however, that the advances which may result from the guarantee of that part of the Austrian loan which should be devoted to the repayment of advances already made may not devolve on States not interested in this repayment, and in order that the sacrifices which may ultimately have to be asked of those States should not be greater than those which would be entailed in the guarantee by them of a loan of 520 million gold crowns, the Governments entitled to repayments from the Austrian Government (the British, French, Italian and Czechoslovak Governments) have laid down the provisions which form the subject of Annex B.

## ANNEX A.

The French, Italian and Czechoslovak Governments undertake to assign for the guarantee of the issues of Treasury bonds or similar Treasury operations, guaranteed by the gross receipts of the Customs and tobacco monopolies and envisaged in the report of the Financial Committee for the period previous to the Vote by the various Parliaments of authority for the guarantees, the balance of the advances promised in 1922 to the Austrian Government, the total amount of which was fixed at

France . . . . .	55 million francs.
Italy . . . . .	70 million lire.
Czechoslovakia . . . . .	500 million Czechoslovak crowns.

By the word, "balance" should be understood not only the sums not yet paid in respect of the above totals, but those which, having been paid, might be capable, by reason of their present employment, of being liberated for a different use with the consent of the Austrian Government. As soon as this has been obtained, the balances, as here defined, should be placed without delay at the disposal of the Austrian Government to be utilised — under the authority of the Commissioner-General or of the Provisional Delegation of the Council — in the Treasury operations referred to above.

As soon as the legislation voted by the various Parliaments authorising guarantees shall have obtained a total of at least 80 %, the balances of the advances thus utilised as guarantees shall be liberated and reimbursed to the Governments interested.

Done at Geneva on October the fourth, one thousand nine hundred and twenty-two.

(Signed) BALFOUR.  
G. HANOTAUX.

(Signed) IMPERIALI.  
{ KRČMÁŘ.  
{ POSPISIL.

November 3, 1922.

QUIÑONES DE LEÓN.

## ANNEX B.

The apportionment of the guarantee between the four Governments, British, French, Italian and Czechoslovak, provided for in Article 5 of Protocol II and paragraph 2 of the preamble, shall take place in accordance with the following provisions :

(1) The guarantee of the annuities corresponding to the sum of 130 millions required for the reimbursement of the advances referred to in the first paragraph of the preamble, shall be apportioned as to one-third to each of the British, French and Czechoslovak Governments.

(2) With regard to the sum required for the reimbursement of the Czechoslovak credit, amounting to about 80 million gold crowns, the Czechoslovak Government undertakes to limit to 60 million gold crowns the total of the reimbursement which it will have the right to claim from the proceeds of the loan. It will accept in payment of this share of 60 millions, bonds of this loan issued over and above the total of the effective subscriptions. With regard to the balance of this claim, it will be satisfied that it should be covered by securities in Czechoslovak crowns and enjoying the same rights and guarantees as the bonds of the loan, but it is understood that these securities shall not benefit by the guarantee of the other Governments, and may be issued in excess of the sum of 650 millions.

The British and French Governments, which are entitled, by the terms of their contracts, to complete reimbursement of the amount of their advances out of the proceeds of the first loan, accept a scale of progressive repayment, charging the larger part of the repayment on the later instalments of the loan.

Italy shall have the right of reimbursement out of the proceeds of the loan, in accordance with a scale of payment identical with that adopted for the English claim, on that part of its advance which shall not have been repaid after having been utilised in accordance with the terms in Annex A. In the case of the guarantee coming into force, Italy shall, in respect of the guarantee of the 130 millions, be responsible only for the liability appertaining to that part of the annuity of the loan which corresponds to the total.

To the extent to which Italy shall thus be led to assume a portion of the guarantee of the 130 millions, the share of the guarantee borne by France, Czechoslovakia and Great Britain shall be correspondingly diminished.

Done at Geneva, the fourth day of October, one thousand nine hundred and twenty-two.

(Signed) BALFOUR.  
G. HANOTAUX.  
IMPERIALI.  
{ KRČMÁŘ.  
{ POSPIŠIL.

November 3, 1922.

QUIÑONES DE LEÓN.

## EXPLANATORY NOTE.

From a comparison of Article 5 of Protocol No II (which fixes at a maximum of 84 % the guarantee to be given by the four Governments and to be apportioned as may be arranged) with the Preamble and with Annex B, it follows :

That each of the four Governments undertakes to guarantee 20 % of the annuity corresponding to the capital of the loan floated to meet the deficit of 520 millions ;

That the apportionment of the guarantee for the remainder of the annuity, which corresponds to the difference (130 millions) between the total of 650 and this sum of 520 millions, will be made in accordance with Annex B.

GENEVA, *October 4, 1922.*

(Signed) BALFOUR.  
G. HANOTAUX.  
IMPERIALI.  
{ KRČMÁŘ.  
{ POSPIŠIL.

November 3, 1922.

QUIÑONES DE LEÓN.