

I. DRAFT PEACE TREATIES WITH ITALY, RUMANIA, BULGARIA, HUNGARY, AND FINLAND

DRAFT PEACE TREATY WITH ITALY, PREPARED BY THE COUNCIL
OF FOREIGN MINISTERS, PALAIS DU LUXEMBOURG, PARIS, JULY 18,
1946

CFM Files

*Draft Peace Treaty With Italy*¹

PREAMBLE

The U.S.S.R., U.K., U.S.A., China, France, Australia, Belgium, Byelorussian S.S.R., Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, the Netherlands, New Zealand, Poland, Ukrainian S.S.R., Union of South Africa and Yugoslavia, hereinafter referred to as the Allied and Associated Powers of the one part,
and Italy of the other part:

Whereas Italy under the Fascist regime became a party to the Tripartite Pact with Germany and Japan, declared a war of aggression and entered into war with all the Allied and Associated Powers and with other United Nations, and bears her share of responsibility for the war; and

Whereas, under the pressure of military events, the Fascist regime in Italy was overthrown on July 25, 1943, and Italy surrendered unconditionally and accepted terms of Armistice signed on September 3 and 29 of the same year; ² and

Whereas after the said Armistice Italian armed forces took an active part in the war against Germany and Italy declared war on Germany as from October 13, 1943, and thereby became a co-belligerent against Germany; and

Whereas the Allied and Associated Powers and Italy are respectively desirous of concluding a treaty of peace which will form the basis of friendly relations between them and settle questions still outstanding as a result of the events hereinbefore recited, thereby enabling the Allied and Associated Powers to support Italy's application to become a member of the United Nations and also to adhere to any convention concluded under the auspices of the United Nations;

¹ The table of contents and the list of annexes in the source text are not printed here.

² Department of State Treaties and Other International Acts Series (TIAS) No. 1604.

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Peace Treaty, and have accordingly appointed as their Plenipotentiaries.....

^{2a}

who, after presentation of their full powers, found in good and due form, have agreed on the following provisions.

PART I. TERRITORIAL CLAUSES

SECTION I.—*Frontiers*

ARTICLE 1

The frontiers of Italy shall be those existing on January 1, 1938, subject to the modifications set out in articles 2, 3,.....

These frontiers are traced on the maps attached to the present treaty.

ARTICLE 2

The frontier between France and Italy, as it existed on January 1, 1938, shall be modified as follows:

1. *Little St. Bernard Pass*

The frontier shall follow the watershed, leaving the present frontier at a point about 2 kilometers Northwest of the Hospice, crossing the road about 1 kilometer Northwest of the Hospice and rejoining the present frontier about 2 kilometers Southeast of the Hospice.

2. *Mont Cenis Plateau*

The frontier shall leave the present frontier about 3 kilometers Northwest of the summit of Rochemelon, cross the road about 4 kilometers Southeast of the Hospice and rejoin the present frontier about 4 kilometers Northeast of Mont d'Ambin.

3. *Mont-Thabor-Chaberton*

1. In the Mont-Thabor area, the frontier shall leave the present frontier about 5 kilometers to the East of Mont-Thabor and run south-eastward to rejoin the present frontier about 2 kilometers West of the Pointe de Charra.

2. In the Chaberton area, the frontier shall leave the present frontier about 3 kilometers North of Chaberton, which it skirts on the East, crosses the road about 1 kilometer from the present frontier, which it rejoins about 2 kilometers Southeast of Montgenevre.

^{2a} Marks of ellipsis throughout this document occur in the source text.

4. *Upper Tinee, Vesubie and Roya Valleys*

The frontier shall leave the present frontier at Colla Lunga, shall follow along the watershed by way of Mont Clapier, Col de Tenda, Mont Marguareis whence it shall run southward by way of Mont Saccarello, Mont Vacchi, Mont Pietravecchia, Mont Lega and shall reach a point approximately 100 meters from the present frontier near Colla Pegairolle, about 5 kilometers to the Northeast of Breil; it then shall run in a southwesterly direction, and shall rejoin the present frontier at the Pas de Strafourche, at about 6 kilometers Southeast of Sospel.

ARTICLE 3

Frontier Between Italy and Yugoslavia

1. The Council of Foreign Ministers agreed that all territory east of the line known as the French line shall be ceded by Italy to Yugoslavia and that the Free Territory of Trieste shall be constituted within the French line bounded on the north by a line drawn from Duino to the French line.

2. U.S. proposal (not yet discussed by the Council of Foreign Ministers):

The boundary between Yugoslavia and Italy shall follow a line that extends from the junction of the boundaries of Austria, Italy and Yugoslavia as they existed on January 1, 1938, southward along the boundary of 1938 between Yugoslavia and Italy to the junction of that boundary with the boundary between the Italian provinces of Friuli (Udine) and Gorizia;

The line follows the boundary between the Italian provinces of Friuli and Gorizia in a southwesterly direction, passing Monte Mangart (2678) Predil Pass, to Monte Canin (2635);

From Monte Canin, the line continues along the boundary between the Italian provinces of Friuli and Gorizia to a point approximately 0.5 kilometer North of the village of Mernico in the valley of the Iudrio;

Leaving the provincial boundary at this point, the line extends eastward to a point approximately 0.5 kilometer West of the village of Verzeglia di Cosbana, and thence southward between the valleys of the Quarnizzo and the Cosbana to a point approximately 1 kilometer Southwest of the village of Fleana, leaving within Yugoslavia the road from Cosbana via Nebola to Castel Dobra;

The line then continues to the Southeast passing approximately 0.7 kilometer South of the town of Vipulzano, leaving the villages of Medana and Cero di sotto within Yugoslavia;

Passing about 0.5 kilometer North of the town of San Floriano, the line extends to Monte Sabotino (610), leaving the town of Poggio San Valentino within Yugoslavia;

The line then extends southward across the Isonzo River, leaving the town of Salcano within Yugoslavia, and passes approximately 2.2 kilometers East of the centre of the city of Gorizia, leaving the highway from Salcano to Aisovissa within Yugoslavia and the town of San Pietro within Italy;

From a point immediately southeast of the town of San Pietro the line extends southwestward to a point between the town of Merna and Highway No. 55, from Gorizia to Trieste, leaving the towns of Vertoiba and Merna within Yugoslavia;

Thence the line continues in a southerly direction across the karst upland approximately 1 kilometer East of Highway No. 55, leaving the village of Opacchiasella in Yugoslavia and the village of Iamiano nuovo in Italy; and from a point approximately 1.3 kilometer East of Iamiano nuovo the line follows the boundary between the Italian provinces of Gorizia and Trieste to its junction with the boundary of the Free Territory of Trieste approximately 2 kilometers Northeast of the village of San Giovanni.

ARTICLE 4

Frontier Between Italy and the Free Territory of Trieste

1. The Council of Foreign Ministers agreed that all territory East of the line known as the French line shall be ceded by Italy to Yugoslavia and that the Free Territory of Trieste shall be constituted within the French line bounded on the North by a line drawn from Duino to the French line.

2. U.S. proposal (not yet discussed by the Council of Foreign Ministers) :

The boundary between the Free Territory of Trieste and Italy shall follow a line that extends from a point on the boundary between the Italian provinces of Gorizia and Trieste approximately 2 kilometers Northeast of the village of San Giovanni, southwestward to a point adjacent to Highway No. 14 and approximately 1 kilometer Northwest of the junction between Highways Nos. 55 and 14 from Gorizia and Monfalcone, respectively, to Trieste;

The line then extends in a southerly direction to a point, in the Gulf of Panzano, equidistant from Punta Sdobba at the mouth of the Isonzo River and Castello Vecchio at Duino, departing from the coastline approximately 2 kilometers West of the town of Duino;

The line then reaches the high seas by following a line placed equidistant from the coastlines of Italy and the Free Territory of Trieste.

ARTICLE 5

The exact line of the new frontiers laid down in Articles 2, 3, 4 . . . of the present Treaty shall be determined on the spot by Boundary Commissions composed of the representatives of the two Governments concerned.

The Commissions will commence their duties immediately on the coming into force of the present Treaty, and shall complete them as soon as possible and in any case within a period of six months.

Any questions which the Commissions are unable to agree upon will be referred to the four Ambassadors acting as provided in Article 75 for final settlement by such methods as they may determine, including, where necessary, the appointment of an impartial third Commissioner.

The expenses of the Boundary Commissions will be borne in equal charges by the two Governments concerned.

U.S. proposal (not yet discussed by the Council of Foreign Ministers).

1. Addition to first paragraph:

For the purposes of demarcating on the spot the boundary of the Free Territory of Trieste with Italy on the one hand and with Yugoslavia on the other hand, a third Commissioner shall be appointed to the Boundary Commission by the Security Council of the United Nations to represent that body.

2. Revision of third paragraph:

. . . appointment of an impartial additional Commissioner.

3. Addition to the fourth paragraph:

. . . and, in regard to the Commission to determine the boundary for the Free Territory of Trieste, by the two Governments concerned and by the Security Council of the United Nations.

4. Additional paragraph:

For the purpose of determining on the spot the boundaries of Italy with Yugoslavia and with the Free Territory of Trieste and of the Free Territory of Trieste with Yugoslavia, the Commissioners shall be allowed to depart 0.5 kilometer from the line laid down in the present Treaty in order to adjust the boundary to local geographical and economic conditions, except where the line follows Italian provincial boundaries and provided that no village or town of more 500 inhabitants, no important railroads or highways, and no major power or water supply are placed under a sovereignty contrary to the delimitations laid down in the present Treaty.

SECTION II.—*France* (Special Clauses)

ARTICLE 6

Italy hereby cedes to France in full sovereignty the former Italian territory situated on the French side of the Franco-Italian frontier defined in Article 2.

ARTICLE 7

The Italian Government undertakes to hand over to the French Government all archives, historical or administrative, prior to 1860 and which concern the territory ceded to France under the Treaty of March 24, 1860, and the convention of August 23, 1860.

ARTICLE 8

The Italian Government undertakes to co-operate with the French Government in the possible establishment of a railway connection between Briançon and Modane, via Bardonneche. The necessary arrangements shall be concluded in due time between the two Governments.

The Italian Government undertakes to authorize, free of customs duty and inspection, passport and other such formalities, the passenger and freight railway traffic travelling on the connection thus established, through Italian territory, from one point to another in France, in both directions; furthermore, to take all necessary measures to ensure that the French trains using the said connections are allowed to pass, under the same conditions, duty free and without unjustifiable delay.

ARTICLE 9

1. Plateau of Mont Cenis

In order to secure to Italy the same facilities as Italy enjoyed in respect of hydro-electric power and water supply from the Lake of Mont Cenis before cession of the district to France, the latter shall give Italy under a bilateral agreement the technical guarantees set out in Annex 2.

2. The Tenda-Briga District

In order that Italy should not suffer any diminution in the supplies of electric power which Italy has drawn from sources existing in the Tenda district before its cession to France, the latter shall give Italy under a bilateral agreement the technical guarantees set out in Annex 2.

SECTION III.—*Austria* (Special Clause)

ARTICLE 10

Italy shall enter into or confirm arrangements with Austria to guarantee free movement of passenger and freight traffic between the North and East Tyrol.

SECTION IV.—*Yugoslavia* (Special Clause)

ARTICLE 11

1. Italy hereby cedes to Yugoslavia in full sovereignty the territory situated between the new frontiers of Yugoslavia as defined in Articles 3 and 16 and the Italo-Yugoslav frontier as it existed on January 1, 1938, as well as the commune of Zara and all islands and adjacent islets lying within the following areas:

a. The area bounded:

On the North by the parallel of 42°50' N.;

On the South by the parallel of 42°42' N.;

On the East by the Meridian of 17°10' E.;

On the West by the Meridian of 16°25' E.

b. The area bounded:

On the North by the parallel 45°12' N.;

On the South by the parallel 44°23' N.;

On the West by a line joining the following points:

(i) 45°12' N., 14°17'30'' E.;

(ii) 44°40' N., 14°9'10'' E.;

(iii) 44°23' N., 14°18'30'' E.

On the East by the islands and mainland of Yugoslavia.

2. Italy hereby cedes to Yugoslavia in full sovereignty the island of Pelagosa and the adjacent islets.

The island of Pelagosa shall remain demilitarized.

Italian fisherman shall enjoy the same rights in Pelagosa and the surrounding waters as were enjoyed by Yugoslav fishermen prior to April 6, 1941.

SECTION V.—*Greece* (Special Clause)

ARTICLE 12

Italy hereby cedes to Greece in full sovereignty the Dodecanese Islands. These Islands shall be and shall remain demilitarized.

The procedure and the technical conditions governing the transfer

of these islands to Greece will be determined by agreement between the Governments of the United Kingdom and Greece and arrangements shall be made for the withdrawal of foreign troops not later than 90 days from the date of coming into force of the present Treaty.

SECTION VI.—*Nationality [and Civic Rights]*^{2b} in Ceded Territories

ARTICLE 13

1. Italian citizens who were domiciled on June 10, 1940 in territory transferred by Italy to another State under the present Treaty shall, except as provided in the following paragraph, become citizens with full civil and political rights of the State to which the territory is transferred in accordance with legislation to be introduced to that effect by that State within three months of the coming into force of the present Treaty. Upon becoming citizens of the State concerned, they shall lose their Italian citizenship.

2. The Government of the State to which the territory is transferred shall by appropriate legislation within three months of the coming into force of the present Treaty provide that all persons mentioned in paragraph 1 over the age of eighteen years (or married persons whether under or over that age) whose customary language is Italian, shall be entitled to opt for Italian citizenship within a period of one year from the coming into force of the present Treaty. Any person so opting shall retain Italian citizenship and shall not be considered to have acquired the citizenship of the State to which the territory is transferred.

The option of the husband shall not constitute an option on the part of the wife. Option on the part of the father, or, if the father is not alive, on the part of the mother, shall, however, automatically include all unmarried children under the age of eighteen years.

3. The State to which the territory is transferred may require those who take advantage of the option to move to Italy within a year from the date when the option was exercised.

U.S. proposal:

4. *The State to which the territory is transferred shall take all measures necessary to secure to all persons within the territory, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.*

^{2b} Bracketed addition appears in the source text.

PART II. POLITICAL CLAUSES

SECTION I.—*General Clauses*

ARTICLE 14

Italy shall take all measures necessary to secure to all persons under Italian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

ARTICLE 15

Italy undertakes to recognise the full force of the Treaties of Peace with Roumania, Bulgaria, Hungary and Finland and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Austria, Germany and Japan for the restoration of Peace.

SECTION II.—*Free Territory of Trieste*

ARTICLE 16

I.

The Council of Foreign Ministers agreed :

1. That all territory East of the line known as the French line shall be ceded by Italy to Yugoslavia and that the Free Territory of Trieste shall be constituted within the French line bounded on the North by a line drawn from Duino to the French line.

2. The integrity and independence of this Free Territory shall be assured by the Security Council of the United Nations.

3. A special Commission, representing the Four Powers of the Council, shall be immediately appointed to consult with representatives of Yugoslavia and Italy, and to examine the whole subject and present preliminary suggestions to the Peace Conference.

4. The permanent Statute shall be submitted to the approval of the Security Council which will report to the General Assembly of the United Nations in accordance with Article 15 of the United Nations Charter.

5. Recommendations for a provisional government and for the formation of a permanent statute shall be made by the Peace Conference of the 21 nations, in accordance with the procedure adopted at the Moscow Conference.

6. The provisional government and the permanent Statute shall preserve the following general principles:

1. The Governor shall be appointed by the Security Council after consultation with Yugoslavia and Italy;

2. Legislative and executive authority shall be established on democratic lines including universal suffrage;

3. Rights of citizens shall be protected in respect to human rights and fundamental freedoms, particularly including religion, language, press, schools and access to public services;

4. Annual reports shall be submitted by the Governor to the Security Council.

II.

NOTE.—The following proposals have not yet been discussed and should be considered only as suggestions of individual delegations:

A. United Kingdom proposal:

Italy renounces her sovereignty over the territory lying between the Adriatic coast and the boundaries defined in Article 4 and . . . as being the boundaries between the Free Territory of Trieste and Italy and Yugoslavia respectively. This territory is hereby constituted the Free Territory of Trieste and shall be governed in accordance with the terms of the Statute in Annex . . . after it has been approved by the Security Council of the United Nations. Upon such approval this statute shall be considered as an integral part of the present Treaty.

B. United States proposal:

1. Boundary between the Free Territory of Trieste and Italy

The boundary between the Free Territory of Trieste and Italy shall follow a line that extends from a point on the boundary between the Italian provinces of Gorizia and Trieste approximately 2 kilometers Northeast of the village of San Giovanni, southwestward to a point adjacent to Highway No. 14 and approximately 1 kilometer Northwest of the junction between Highways Nos. 55 and 14 from Gorizia and Monfalcone, respectively, to Trieste:

The line then extends in a southerly direction to a point, in the Gulf of Panzano, equidistant from Punta Sdobba at the mouth of the Isonzo River and Castello Vecchio at Duino, departing from the coastline approximately 2 kilometers West of the town of Duino;

The line then reaches the high seas by following a line placed equidistant from the coastlines of Italy and the Free Territory of Trieste.

2. Boundary between the Free Territory of Trieste and Yugoslavia

The boundary between the Free Territory of Trieste and Yugoslavia shall follow a line that extends from a point on the boundary between the Italian provinces of Gorizia and Trieste, approximately 2 kilo-

meters Northeast of the village of San Giovanni, southeastward along this boundary to Monte Lanaro (546) and thence in a southeasterly direction to Monte Cocusso (667), crossing Highway No. 58 from the city of Trieste to Sesana approximately 3.3 kilometers West of the town of Sesana and leaving the villages of Vegliano and Orle within Yugoslavia;

Crossing the railroad from Trieste to Cosina, the line extends to Monte Carso (456), and continues in a southerly direction following the boundary between the Italian provinces of Trieste and Istria to a point approximately 0.7 kilometer southwest of the town of San Servola;

Thence the line continues southward to Monte San Antonio (355), crossing the Risano River approximately 0.3 kilometer West of the village of Risano and leaving the towns of Ospo and Rosario within Yugoslavia;

The line then extends to a point approximately 0.5 kilometer East of the village of Cernova, crossing the Gragogna River approximately 1 kilometer North of that village and leaving the villages of Bucciani and Truscola within Italy and the village of Terseco within Yugoslavia, and thence it continues in a southwesterly direction Southeast of the road between the villages of Cernova and Chervoi leaving this road approximately 0.8 kilometer East of the village of Cucciani and thence in a south-southwesterly direction passing about 0.5 kilometer East of Monte Braico and about 0.4 kilometer West of the village of Sterna Filaria, reaching the Quieto River at a point approximately 1.6 kilometer South of the town of Castagna, passing about 0.4 kilometer West of the town of Piemente and about 0.5 kilometer East of the town of Castagna;

Thence the line follows the principal and improved channel of the Quieto to its mouth and extends through the Porto del Quieto to the high seas by following a line placed equidistant from the coastlines of the Free Territory of Trieste and Yugoslavia.

The United States Delegation proposes the following texts as an alternative to the two paragraphs beginning "thence the line continues southward to Monte San Antonio (355) . . ." in its previous proposal for the definition of the boundary between the Free Territory of Trieste and Yugoslavia:

Following the crests of westward facing escarpments southeastward to a point approximately 0.5 kilometer East of Besovizza, the line then bears westward to a point 0.5 kilometer North of Monte San Antonio (355), leaving the village of Santa Maria del Risano about 0.5 kilometer to the North of the line within Italy and the town of Covedo about 0.5 kilometer to the South of the line within Yugoslavia;

The line then continues southwestward to a point approximately 0.6 kilometer Northwest of the village of Chermi, roughly paralleling and lying about 0.6 kilometer Northwest of the road from Maresego through Duori and thence extends Southeast to a point 0.5 East of the town of Cernova, leaving the town of Boste within Italy and the town of Truscolo with [within] Yugoslavia;

Thence the line continues in a southwesterly direction Southeast of the road between the villages of Cernova and Chervoi leaving this road approximately 0.8 kilometer East of the village of Cucciani and thence in a South-southwesterly direction passing about 0.5 kilometer East of Monte Braico and about 0.4 kilometer West of the village of Sterna Filaria, reaching the Quieto River at a point approximately 1.6 kilometer South of the town of Castagna, passing about 0.4 kilometer West of the town of Piedmonte and about 0.5 kilometer East of the town of Castagna.

3. Guarantees

Italy and Yugoslavia undertake to give to the Free Territory of Trieste the guarantees set out in Annex 9.

SECTION III.—*Italian Colonies*

ARTICLE 17

1. Italy renounces all right and title to the Italian territorial possessions in Africa, i.e. Libya, Eritrea and Italian Somaliland.

2. Pending their final disposal, the said possessions shall continue under their present administration.

3. The final disposal of these possessions shall be determined jointly by the Governments of the U.S.S.R., U.K., U.S.A. and France within one year of the coming into force of the present Treaty, in the manner laid down in the joint declaration of (date) issued by the said Governments.

SECTION IV.—*Special Interests of China*

ARTICLE 18

Italy renounces in favour of China all benefits and privileges resulting from the provisions of the final Protocol signed at Peking on September 7, 1901,³ and all annexes, notes and documents supplementary thereto, and agrees that the said protocol, annexes, notes and documents shall be abrogated in respect of Italy. Italy likewise renounces any claim thereunder to an indemnity.

³ Department of State Treaty Series No. 397.

ARTICLE 19

Italy agrees to the abrogation of the lease from the Chinese Government under which the Italian concession at Tientsin is now held, and to the transfer to the Chinese Government of any documents belonging to the Archives of the Concession which are still in Italian possession.

ARTICLE 20

Italy renounces in favour of China the rights accorded to Italy in relation to the International Settlements at Shanghai and Amoy, and agrees that the said Settlements shall revert to the administration and control of the Chinese Government.

SECTION V.—*Albania*

ARTICLE 21

Italy recognises and undertakes to respect the sovereignty and independence of the State of Albania.

ARTICLE 22

Italy recognises that the Island of Saseno is part of the territory of Albania and renounces all claims thereto.

ARTICLE 23

Italy formally renounces in favour of Albania all property (apart from normal diplomatic and consular premises), rights, interests and advantages of all kinds in Albania acquired by the Italian State, whether before or after 1939. Italy also renounces all claims to special interests or influence in Albania.

ARTICLE 24

Italian nationals in Albania will enjoy the same juridical status as other foreign nationals, but Italy recognises the legality of all Albanian measures annulling or modifying concessions or special rights granted to Italian nationals provided that such measures are taken within a year from the coming into force of the present Treaty.

ARTICLE 25

Italy recognises that all agreements and arrangements made between Italy and the authorities in Albania installed by Italy from April 1939 to September 1943 are null and void.

ARTICLE 26

Italy recognises the legality of any measures which Albania may consider it necessary to take to confirm or give effect to the preceding provisions.

SECTION VI.—*Ethiopia*

ARTICLE 27

Italy recognises and undertakes to respect the sovereignty and independence of the State of Ethiopia.

ARTICLE 28

Italy formally renounces in favour of Ethiopia all property (apart from normal diplomatic or consular premises), rights, interests and advantages of all kinds acquired at any time in Ethiopia by the Italian State.

Italy also renounces all claim to special interests or influence in Ethiopia.

ARTICLE 29

Italy recognises the legality of all measures which the Government of Ethiopia has taken or may thereafter take in order to annul Italian measures respecting Ethiopia taken after October 3, 1935 and the effects of such measures.

ARTICLE 30

Italian nationals in Ethiopia will enjoy the same juridical status as other foreign nationals, but Italy recognises the legality of all measures of the Ethiopian Government annulling or modifying concessions or special rights granted to Italian nationals, provided such measures are taken within a year from the coming into force of the present Treaty.

ARTICLE 31

Italy will restore all Ethiopian works of art, religious objects and objects of historical value removed from Ethiopia to Italy since October 3, 1935.

SECTION VII.—*International Agreements*

ARTICLE 32

Italy undertakes to accept any arrangements which have been or may be agreed for the liquidation of the League of Nations and the Permanent Court of International Justice.

Italy also undertakes to accept any arrangements which have been or may be agreed for the liquidation of the International Institute of Agriculture at Rome.

ARTICLE 33

Italy hereby renounces all rights, titles and claims deriving from the mandate system, or from any undertakings given therewith, and all special rights of the Italian State in respect of any mandated territory.

ARTICLE 34

Italy recognises the provisions of the Final Act of August 31, 1945⁴ and of the Franco-British Agreement of the same date⁵ on the Statute of Tangier, as well as all provisions which may be adopted by the Signatory Powers for carrying out these instruments.

ARTICLE 35

Italy undertakes to accept and recognises any arrangements which may be made by the Allied and Associated Powers concerned for the modification of the Congo Basin Treaties with a view to bringing them into accord with the Charter of the United Nations.

ARTICLE 36

Italy hereby renounces any rights and interests she may possess by virtue of Article 16 of the Treaty of Lausanne signed on July 24, 1923.⁶

SECTION VIII.—*Bilateral Treaties*

ARTICLE 37

1. Each Allied or Associated Power will notify Italy, within a period of six months of the coming into force of the present Treaty, which pre-war bilateral treaties it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall however be deleted from the above-mentioned Treaties.

2. All Treaties so notified will be registered with the Secretariat of the United Nations in accordance with Article 102 of the United Nations Charter.

3. All Treaties not so notified are to be regarded as abrogated.

⁴ Department of State *Bulletin*, October 21, 1945, p. 613.

⁵ *Ibid.*, p. 616 or 98 United Nations Treaty Series 250.

⁶ For text, see *British and Foreign State Papers*, vol. cxvii, p. 543.

PART III. WAR CRIMINALS

ARTICLE 38

1. Italy shall take the necessary steps to ensure the apprehension and surrender for trial of:

a. Persons accused of having committed, ordered, or abetted war crimes and crimes against peace or humanity;

b. Nationals of the Allied and Associated Powers accused of having violated their national law by treason or collaboration with the enemy during the war.

2. At the request of the United Nations Government concerned, Italy will likewise make available as witnesses persons within its jurisdiction, whose evidence is required for the trial of the persons referred to in paragraph 1 of this Article.

3. Any disagreement concerning the application of the provisions of paragraphs 1 and 2 of this Article shall be referred by any of the Governments concerned to the Ambassadors in Rome of the U.S.S.R., U.K., U.S.A. and France, who will reach agreement with regard to the difficulty.

PART IV. NAVAL, MILITARY AND AIR CLAUSES

SECTION I.—*Duration*

ARTICLE 39

Each of the military, naval and air clauses of the present Treaty will remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Italy or, after Italy becomes a member of the United Nations, by agreement between the Security Council and Italy.

SECTION II.—*General Limitations*

ARTICLE 40

1. *a.* The system of permanent Italian fortifications and military installations along the Franco-Italian frontier, and their armaments, shall be destroyed or removed.

b. This system is deemed to comprise only artillery and infantry fortifications whether in groups or separated, pillboxes of any type, shelters, observation posts and military cableways, whatever may be their importance and actual condition of maintenance or state of construction and which are constructed of metal, masonry or concrete or excavated in the rock.

c. The destruction or removal, mentioned in sub-paragraphs *a* and *b*, is limited to a distance of 20 kilometers from any point on the frontier as defined by this treaty, and shall be completed within one year from the coming into force of the present treaty.

2. Any reconstruction of the above-mentioned fortifications and installations is prohibited.

3. *a.* The following construction to the east of the Franco-Italian frontier is prohibited: permanent fortifications where weapons capable of firing into French territory or territorial waters can be emplaced; permanent military installations capable of being used to conduct or direct fire into French territory or territorial waters; and permanent supply and storage facilities emplaced solely for the use of the above mentioned fortifications and installations.

b. This prohibition does not include the other types of non-permanent fortifications or surface accommodations and installations which are designed to meet only requirements of an internal character and of local defence of the frontiers.

4. In a coastal area 15 kilometers deep, stretching from the Franco-Italian frontier to the meridian of 9°30' East, Italy shall not be authorised to establish any new, or to expand any existing, naval bases or permanent naval installations. This does not prohibit minor alterations in and the maintenance in good repair of existing naval installations provided that their overall capacity will not thereby be increased.

ARTICLE 41

1. *a.* Any permanent Italian fortifications and military installations along the Italo-Yugoslav frontier, and their armaments, shall be destroyed or removed.

b. These fortifications and installations are deemed to comprise only artillery and infantry fortifications whether in groups or separated, pillboxes of any type, shelters, observation posts and military cableways, whatever may be their importance and actual condition of maintenance or state of construction, and which are constructed of metal, masonry or concrete or excavated in the rock.

c. The destruction or removal, mentioned in sub-paragraphs *a* and *b*, is limited to a distance of 20 kilometers from any point on the frontier, as defined by this Treaty, and shall be completed within one year from the coming into force of the present Treaty.

2. Any reconstruction of the above-mentioned fortifications and installations is prohibited.

3. *a.* The following construction to the west of the Italo-Yugoslav frontier is prohibited; permanent fortifications where weapons capable

of firing into Yugoslav territory or territorial waters can be emplaced; permanent military installations capable of being used to conduct or direct fire into Yugoslav territory or territorial waters; and permanent supply and storage facilities emplaced solely for the use of the above-mentioned fortifications and installations.

b. This prohibition does not include the other types of non-permanent fortifications or surface accommodations and installations which are designed to meet only requirements of an internal character and of local defence of the frontiers.

4. In a coastal area 15 kilometers deep, stretching from the frontier between Italy and Yugoslavia [*and between Italy and the Free Territory of Trieste*] to the latitude of 44°50' North, and in the islands adjacent to this coast, Italy shall not be authorised to establish any new nor to expand any existing naval bases or permanent naval installations. This does not prohibit minor alterations in and the maintenance in good repair of existing naval installations and bases provided that their overall capacity will not thereby be increased.

5. In the Apulian Peninsula east of Longitude 17°45' East, Italy shall not be allowed to construct any new permanent military, naval or military air installations nor to expand the existing installations. This does not prohibit minor alterations in and the maintenance in good repair of existing installations provided that their overall capacity will not thereby be increased. Accommodation for such security forces as may be required for tasks of an internal character and local defence of frontiers will, however, be permitted.

ARTICLE 42

1. Pantellaria, the Pelagian Islands (Lampedusa, Lampione and Linosa), and Pianosa (in the Adriatic) shall be and shall remain completely demilitarised.

2. Such demilitarization shall be completed within one year of the coming into force of the present Treaty.

ARTICLE 43

1. In Sardinia all permanent coast defense artillery emplacements, and their armaments and all naval installations which are located within a distance of 30 kilometers from French territorial waters shall be removed to the mainland of Italy or demolished within one year from the coming into force of the present Treaty.

2. In Sicily and Sardinia all permanent installations and equipment for the maintenance and storage of torpedoes, sea-mines and bombs shall be demolished or removed to the mainland of Italy within one year from the coming into force of the present Treaty.

3. No improvements to, reconstruction, or extensions of existing installations or permanent fortifications in Sicily and Sardinia will be permitted; however, with the exception of the Northern Sardinia areas described in paragraph 1, normal maintenance of such installations or permanent fortifications and weapons already installed in them may be carried out.

4. In Sicily and Sardinia Italy shall be prohibited from constructing any naval, military and air-force installations or fortifications except for such accommodation for security forces as may be required for tasks of an internal character.

ARTICLE 44

Italy shall not possess, construct or experiment with (i) any self-propelled or guided missiles or apparatus connected with their discharge (ii) any guns with a range of over 30 kilometers (iii) sea mines of non-contact types actuated by influence mechanisms (iv) any torpedoes capable of being manned.

ARTICLE 45

The acquisition of war material of German or Japanese origin or design, either from inside or outside Italy, or its manufacture, is prohibited.

ARTICLE 46

Italy shall not manufacture or possess, either publicly or privately, any war material different in type from, or exceeding in quantity that required for the forces permitted in Sections III, IV and V below.

SECTION III.—*Limitations To Be Imposed on the Italian Navy*

ARTICLE 47

1. The present Italian Navy shall be reduced to the following number of units:

a. Major War Vessels:

Two	Battleships;
Four	Cruisers;
Four	Fleet Destroyers;
Sixteen	Torpedo Boats;
Twenty	Corvettes.

b. Minor War and Auxiliary Vessels:

Such number as can be manned and maintained in full commission by a maximum of 2,500 officers and men.

2. The names of the vessels to be retained by Italy under paragraph 1 are given in Annex 4A.

ARTICLE 48

Italy shall effect the following disposal of excess units of the Italian Navy:

a. The units of the Italian Navy specified in Annex 4B shall be placed at the disposal of the Governments of the U.S.S.R., U.K., U.S.A. and France.

b. Ships required to be transferred in compliance with sub-paragraph *a* above shall be fully equipped, in operational condition including a full outfit of armament stores, and complete with on-board spare parts and all necessary technical data.

c. The transfer of ships specified above shall be effected within three months of the coming into force of the present Treaty, except that, in the case of ships that cannot be refitted within three months, the time limit for the transfer may be extended by the Four Governments.

d. Reserve allowances of spare parts and armament stores for ships specified in Annex 4B shall, as far as possible, be supplied with the ships.

The balance of reserve spare parts and armament stores shall be supplied to an extent and at dates to be decided by the Four Governments, in any case within a maximum of one year after the coming into force of the present Treaty.

e. Details relating to the above transfers will be arranged by a Four Power Commission to be established under a separate protocol.

ARTICLE 49

1. Italy shall effect the following disposal of submarines and non-operational ships. Time-limits specified below should be taken as commencing with the coming into force of the present Treaty.

a. Surface ships afloat not listed in Annex 4 including ships under construction afloat, shall be sunk in a depth of over fifty fathoms within six months.

b. Ships under construction on slips shall be destroyed or scrapped for metal within six months.

c. Submarines afloat and not listed in Annex 4B shall be sunk in the open sea in a depth of over a hundred fathoms within three months.

d. Ships sunk in Italian harbors and approach channels, in obstruction of normal shipping, shall be destroyed by demolition or may be salvaged and subsequently sunk in a depth of over fifty fathoms within two years.

e. Ships sunk in shallow Italian waters, not in obstruction of normal shipping, shall, within one year, be rendered incapable of salvage.

f. Ships capable of reconversion, which do not come within the definition of war material and which are not listed in Annex 4, may be reconverted to civilian uses or are to be demolished within two years.

2. Italy undertakes, prior to the sinking or destruction of ships and submarines as provided for in the preceding paragraph, to salvage such equipment and spare parts as may be useful in completing the on-board and reserve allowances of spare parts and equipment to be supplied, in accordance with Article 48*d*, for all operational ships specified in Annex 4*B*.

ARTICLE 50

1. No battleship shall be constructed or acquired by Italy.

2. No aircraft carrier, submarine or other submersible craft, M.T.B. or specialised types of assault craft shall be constructed, acquired, employed or experimented with, by Italy.

3. The total standard displacement of the war vessels other than battle-ships of the Italian Navy, including ships under construction as from the date of the launching, shall not exceed 67,500 tons.

4. Any replacement of war vessels by Italy shall be effected within the limit of tonnage given in paragraph 3. There shall be no restriction on the replacement of auxiliary vessels.

5. Italy undertakes not to acquire or lay down any war vessels before January 1, 1950, except as necessary to replace any ship accidentally lost, in which case the displacement of the new ship is not to exceed by more than 10% the displacement of the ship lost.

6. The terms used in this Article are, so far as necessary, defined in Annex 5*A*.

ARTICLE 51

1. The total personnel of the Italian Navy, excluding any naval air personnel, shall not exceed 22,500 officers and men.

2. During the period of minesweeping due to the war, Italy shall be authorised to employ for this purpose an additional number of officers and men not to exceed 2,500, such period to be determined by the International Control Board for Mine Clearance of European Waters.

3. Permanent naval personnel in excess of that permitted under paragraph 1 shall be progressively reduced as follows, time-limits being taken as commencing with the coming into force of the present Treaty.

a. To 27,500 within 6 months.

b. To 22,500 within 9 months.

Two months after the completion of minesweeping by the Italian Navy, the excess personnel authorised by paragraph 2 is to be disbanded or absorbed within the above numbers.

4. Personnel, other than those authorised under paragraph 1 and 2, and any naval air personnel authorised under Article 56, shall not receive any form of naval training as defined in Annex 5B.

SECTION IV.—*Limitations To Be Imposed on the Italian Army*

ARTICLE 52

1. The Italian Army, including the Frontier Guards, shall be limited to a force of 185,000 combat, service and overhead personnel and 65,000 Carabinieri, though either of the above elements may be varied by 10,000 as long as the total ceiling does not exceed 250,000. The organisation and armament of the Italian ground forces, as well as their deployment throughout Italy, shall be designed to meet only tasks of internal character, local defence of Italian frontiers and anti-aircraft defence.

2. The armament of the Italian Army will not include more than 200 tanks, medium and heavy.

ARTICLE 53

The Italian Army, in excess of that permitted under Article 52, shall be disbanded within six months of the coming into force of the present Treaty.

ARTICLE 54

Personnel other than those forming part of the Italian Army or Carabinieri shall not receive any form of military training as defined in Annex 5B.

SECTION V.—*Limitations To Be Imposed on the Italian Air Force*

ARTICLE 55

1. The Italian Air Force, including any Naval Air Arm, shall be limited to a force of 200 fighter and reconnaissance types and 150 transport, air-sea rescue, training (school type) and liaison types of aircraft. These totals include reserve aircraft. All aircraft except for fighter and reconnaissance aircraft will be unarmed. The organisation and armament of the Italian Air Force as well as their deployment throughout Italy will be designed to meet only tasks of internal character, local defence of Italian frontiers and defence against enemy air attacks.

2. Italy shall not possess or acquire any aircraft designed primarily as bombers with internal bomb-carrying facilities.

ARTICLE 56

1. The personnel of the Italian Air Force, including any Naval Air personnel, shall be limited to a total of 25,000 effectives, which will include combat, service and overhead personnel.

2. Personnel other than those forming part of the Italian Air Force shall not receive any form of military air training as defined in Annex 5B.

ARTICLE 57

The Italian Air Force, in excess of that permitted under Article 56 above, shall be disbanded within six months of the coming into force of the present Treaty.

SECTION VI.—*Disposal of War Material* (as defined in Annex 5C.)

ARTICLE 58

1. All Italian war material in excess of that permitted for the Armed Forces specified in Sections III, IV and V shall be placed at the disposal of the Governments of the U.S.S.R., U.K., U.S.A. and France according to such instructions as they may give to Italy.

2. All Allied war material in excess of that permitted for the Armed Forces specified in Sections III, IV and V shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions to be given to Italy by the Allied or Associated Power concerned.

3. All German and Japanese war material in excess of that permitted for the Armed Forces specified in Sections III, IV and V and all German or Japanese drawings, including existing blueprints, prototypes, experimental models and plans, shall be placed at the disposal of the Governments of the U.S.S.R., U.K., U.S.A. and France in accordance with such instructions as they may give to Italy.

4. Italy shall renounce all rights to the above-mentioned war material and shall comply with the provisions of this Article within one year from the coming into force of the present treaty except as provided for in Articles 47 to 51 thereof.

Italy shall furnish the Governments of the U.S.S.R., U.K., U.S.A. and France lists of all excess war material within six months from the coming into force of the present treaty.

SECTION VII.—*Prevention of German and Japanese Rearmament*

ARTICLE 59

Italy undertakes to co-operate fully with the Allied and Associated Powers with a view to ensuring that Germany and Japan are unable

to take steps outside German and Japanese territories towards rearmament.

ARTICLE 60

Italy undertakes not to permit the employment or training in Italy of any technicians (including military or civil aviation personnel) who are or have been nationals of Germany or Japan.

ARTICLE 61

Italy undertakes not to acquire or manufacture civil aircraft, which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

SECTION VIII.—*Prisoners of War*

ARTICLE 62

1. Italian prisoners of war shall be repatriated as soon as possible in accordance with arrangements mutually agreed upon by the individual Powers detaining them and Italy.

2. All costs (including maintenance costs) incurred in moving Italian prisoners of war from their respective assembly points as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Italian territory, shall be borne by the Italian Government.

PART V. WITHDRAWAL OF ALLIED FORCES

ARTICLE 63

1. All armed forces of the Allied and Associated Powers shall be withdrawn from Italy as soon as possible and in any case not later than 90 days from the coming into force of the present Treaty.

2. All Italian goods for which compensation has not been made and which are in possession of the armed forces of the Allied and Associated Powers in Italy at the time of the coming into force of the present Treaty shall be refunded to the Italian Government within the same period of 90 days or due compensation shall be made.

3. All bank and cash balances in the hands of the forces of the Allied and Associated Powers at the time of the coming into force of the present Treaty which have been supplied free of cost by the Italian Government shall similarly be returned or a corresponding credit given the Italian Government.

PART VI. CLAIM ARISING OUT OF THE WAR

SECTION I.—*Reparation*

ARTICLE 64

A. Reparation for the U.S.S.R.

1. Italy shall pay the Soviet Union reparation in the amount of \$100,000,000 over a period of seven years from the date of the coming into force of the present Treaty. Deliveries from current industrial production shall not be made during the first two years.

2. Reparation shall be made from the following sources:

a. A share of the Italian factory and tool equipment designed for the manufacture of war implements which is not required by the permitted military establishments and is not readily susceptible of conversion to civilian purposes and which is removed from Italy pursuant to Article 58 of the present Treaty.

b. Italian assets in Roumania, Bulgaria and Hungary, subject to the exceptions specified in paragraph 5 of Article 69.

c. Italian current industrial production.

3. The quantities and types of goods to be delivered shall be the subject of agreements between the Italian Government and the Government of the U.S.S.R. and shall be selected and deliveries scheduled in such a way as to avoid interference with the economic reconstruction of Italy and the imposition of additional liabilities on other Allied or Associated Powers. Agreements concluded under this paragraph shall be communicated to the four Ambassadors in Rome of the U.S.S.R., U.K., U.S.A. and France.

4. The U.S.S.R. shall furnish to Italy on commercial terms the materials which are normally imported into Italy and which are needed for the production of these goods. Payments for these materials shall be made by deducting the value of the materials furnished from the value of the goods delivered to the U.S.S.R.

5. The four Ambassadors shall determine the value of the Italian assets to be transferred to the U.S.S.R.

B. Reparation for Other Powers

NOTE.—The claims put forward by other Powers, in particular France, Yugoslavia, Greece, Albania and Ethiopia, will be considered at the Peace Conference together with the means whereby and the extent to which they shall be met.

SECTION II.—*Restitution*

ARTICLE 65

1. Italy accepts the principles of the United Nations Declaration of January 5, 1943,⁷ and will return property removed from United Nations territories.

2. The obligation to make restitution applies to all identifiable property at present in Italy which was removed by force or duress by any of the Axis Powers from the territory of any of the United Nations, irrespective of any subsequent transactions by which the present holder of any such property has secured possession.

3. The Italian Government undertakes to return the property referred to in the present Article in good order and, in this connection, to bear all costs in Italy relating to labour, materials and transport.

4. The Italian Government will cooperate with the United Nations in, and will provide at its own expense all necessary facilities for, the search for and restitution of property liable to restitution under the present Article.

5. The Italian Government shall take the necessary measures to effect the return of property covered by this Article held in any third country by persons subject to Italian jurisdiction.

6. Claims for the restitution of property shall be presented to the Italian Government by the Government of the country from whose territory the property was removed, it being understood that rolling stock shall be regarded as having been removed from the territory to which it originally belonged. The period during which such claims may be presented shall be six months from the date of coming into force of the present Treaty.

7. The burden of identifying the property and of proving ownership shall rest on the claimant Government, and the burden of proving that the property was not removed by force or duress shall rest on the Italian Government.

8*. The Italian Government accepts the obligation to restore to the Government of the United Nation concerned all monetary gold looted by or wrongfully removed to Italy or to transfer to the Government of the United Nation concerned an amount of gold equal in weight and fineness to that looted or wrongfully removed. This obligation is recognised by the Italian Government to exist irrespective of any transfers or removals of gold from Italy to any other Axis Power or a neutral country.

⁷ *Foreign Relations*, 1943, vol. I, p. 443.

*Paragraph 8 is agreed by the U.S. Delegation subject to the question of the settlement of disputes. [Footnote in source text.]

SECTION III.—*Renunciation of Claims by Italy*

ARTICLE 66

1. Italy waives all claims of any description against the Allied and Associated Powers on behalf of the Italian Government or Italian nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Italy at the time, including the following:

a. Claims for losses or damages sustained as a consequence of acts of forces or authorities of the Allied or Associated Powers.

b. Claims arising from the presence, operations, or actions of forces or authorities of the Allied or Associated Powers in Italian territory.

c. Claims with respect to the decrees and orders of Prize Courts of the Allied or Associated Powers, Italy agreeing to accept as valid and binding all decrees or orders of such Prize Courts on or after September 1, 1939 concerning Italian ships or Italian goods or the payment of costs.

d. Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article will bar, completely and finally, all claims of the nature referred to herein, which will be henceforward extinguished, whoever may be the parties in interest. The Italian Government agrees to make equitable compensation in lire to persons who furnished supplies or services on requisition to the forces of the Allied or Associated Powers in Italian territory and in satisfaction of non-combat damage claims against the forces of the Allied and Associated Powers arising in Italian territory.

3. Italy likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Italian Government or Italian nationals against any of the United Nations which severed diplomatic relations with Italy and took action in cooperation with the Allied or Associated Powers.

4. The Italian Government will assume full responsibility for all Allied military currency issued in Italy by the Allied military authorities, including all such currency in circulation on the date of the coming into force of the present Treaty.

5. The waiver of claims by Italy under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied or Associated Powers with respect to Italian ships between September 1, 1939 and the date of the coming into force of the present Treaty, as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

6. The provisions of the present Article shall not be deemed to affect the ownership of submarine cables which at the outbreak of the war were owned by the Italian Government or Italian nationals.

NOTE.—The U.S. and U.S.S.R. Delegations reserve the right to propose changes with regard to the treatment in the present Treaty of submarine cables after further study of the legal aspects of the subject.

ARTICLE 67

Italy hereby renounces on its own behalf and on behalf of Italian nationals all claims, including debts, against Germany and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before September 1, 1939. This renunciation by Italy on its own behalf shall be deemed to include not only all inter-governmental claims in respect of arrangements entered into in the course of the war, but also all claims for loss or damage arising during the war. This renunciation shall be without prejudice to any dispositions in favour of Italy or Italian nationals made by the Powers in occupation of Germany.

PART VII. PROPERTY RIGHTS AND INTERESTS

SECTION I.—*United Nations' Property in Italy*

ARTICLE 68

1. Insofar as Italy has not already done so, Italy shall restore all the legal rights and interests in Italy of the United Nations and their nationals as they existed on June 10, 1940, and shall return all property in Italy of the United Nations and their nationals as it now exists.

2. The Italian Government undertakes that all property, rights and interests passing under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war and without the imposition of any charges by the Italian Government in connection with their return. The Italian Government will nullify all measures, including seizures, sequestration or control, taken by it against United Nations property between June 10, 1940 and the coming into force of the present Treaty. In cases where the property has not been returned within 6 months of the coming into force of the present Treaty, application shall be made to the Italian authorities not later than 12 months from the coming into force of the present Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Italian Government undertakes to invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force or duress exerted by Axis Governments or their agencies during the war.

4. U.S. proposal:

a. *Where, as a result of the war, the property cannot be returned or the United Nations national has suffered a loss because of injury to the property, the Italian Government shall compensate the owner by the payment of a sum in lire sufficient at the date of payment to enable the recipient to purchase similar property or to make good the loss or damage suffered.*

b. *Sums in lire paid by the Italian Government under this Article shall be freely usable in Italy but shall be subject to the foreign exchange control regulations which may be in force in Italy from time to time.*

c. *In cases where a corporation or association of any nationality other than that of one of the United Nations has suffered a loss of its property in Italy as a result of the war, compensation in lire shall be paid by the Italian Government to United Nations nationals who have directly, or indirectly through intermediate corporations or associations of any nationality other than that of one of the United Nations, an ownership interest in the corporation or association which has suffered the loss. This compensation shall be that fractional part of the amount which would be required to enable the corporation or association to make good the loss or damage suffered, which the interest of the United Nations nationals constitutes of the totality of ownership interests in the corporation. Such compensation, however, shall not be required in case the Italian Government shall provide to the corporation or the association itself such full compensation or restoration as would be due under this Article if it were a corporation or association of one of the United Nations. In cases where the corporation or association receives from the Italian Government partial compensation for the damage or loss sustained, the United Nations nationals shall be paid by the Italian Government compensation in lire in an amount equal to their respective proportionate shares of the loss or damage for which the corporation or association does not itself receive compensation from the Italian Government. For purposes of this paragraph the extent of interest of a United Nations national shall be determined as of June 10, 1940, or the outbreak of war between the United Nation concerned and Italy, as may be the more favourable to the United Nations national.*

d. *As used in this Article, the phrase "as a result of the war" included the consequences of any action taken by the Italian Government, any action taken by any of the belligerents, any action taken under the Armistice of September 3, 1943, and any action or failure to act caused by the existence of a state of war.*

U.S.S.R. proposal:

Italy recognises the necessity for compensation for the property of United Nations and their nationals in Italy, lost or damaged during the war. In view of the fact, however, that Italy was the first of the Axis Powers to break with Germany and come over to the side of the United Nations, and in consideration of the losses sustained by Italy in the course of military operations against Germany on Italian territory, it is agreed that such compensation will be made in part to the extent of one third of the loss and will be paid in Italian lire.

The U.K. and French Delegations approved the U.S. proposal subject to reservation as to the drafting.

5. All reasonable expenses incurred in Italy in establishing claims, including the assessment of loss or damage, shall be borne by the Italian Government.

6. United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts, imposed on their capital assets in Italy by the Italian Government, or any Italian authority between the date of Armistice and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces or of reparation payable to any of the United Nations. Any sums which have been so paid shall be refunded.

7. The owner of the property concerned and the Italian Government may agree upon arrangements in lieu of the provisions of this Article.

8. As used in this Article:

a. "United Nations nationals" means individuals who are nationals of any of the United Nations or corporations or associations organised under the laws of any of the United Nations at the date of the coming into force of the present Treaty, provided that they also had this status at the date of the Armistice with Italy.

The term "United Nations nationals" also includes all individuals, corporations or associations which under the laws in force in Italy during the war, have been treated as enemy.

b. "Owner" means the United Nations national, as defined in sub-paragraph a above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nations national as defined in sub-paragraph a. If the successor has purchased the property in its damaged state, the transferor

shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law.

c. "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights, estates or interests in property of any kind.

SECTION II.—*Italian Property in the Territory of Allied and Associated Powers*

ARTICLE 69

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests within its territory which on the date of coming into force of the present Treaty belong to Italy or to Italian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Italy or its nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Italian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Italian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Italian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Italian Government undertakes to compensate Italian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial, literary or artistic property to the Italian Government or Italian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial, literary and artistic property acquired prior to the coming into force of the present Treaty in the territory of that Allied or Associated Power by the Government of nationals of Italy, as may be deemed by the Government of the Allied and Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Italian property which has been subject to control

by reason of a state of war existing between Italy and the Allied or Associated Power having jurisdiction over the property, but shall not include:

a. Property of the Italian Government used for consular or diplomatic purposes.

b. Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes.

c. Property of natural persons who are Italian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Italian property which at any time during the war was subjected to measures not generally applicable to the property of Italian nationals resident in the same territory.

d. Property rights arising since the resumption of trade and financial relations between Italy and the Allied and Associated Powers, or arising out of transactions between Italy and the Government of any Allied or Associated Power since September 3, 1943.

e. *Property in ceded territories of Italian nationals, to which the provisions of Annex 3 shall apply.*

f. *Property of natural persons residing in ceded territories or in the Free Territory of Trieste who do not opt for Italian nationality under this Treaty, and property of corporations or associations having siège social in ceded territories or in the Free Territory of Trieste, provided that such corporations or associations are not owned or controlled by persons in Italy.*

SECTION III.—*Debts*

ARTICLE 70

1. The Contracting Parties agree that the existence of the state of war shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts which existed, and rights acquired, before the existence of a state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Italy to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Italy.

2. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of pre-war contracts concluded either by the Government or nationals of Italy.

PART VIII. GENERAL ECONOMIC RELATIONS

ARTICLE 71

Pending the conclusion of commercial treaties or agreements between Italy and the United Nations, the Italian Government shall, during the 18 months following the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Italy:

a. In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment.

b. In all other respects, Italy shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for any other territory of the United Nations or of any other foreign country.

c. Natural and legal persons who are nationals of any of the United Nations shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Italy . . .

The U.S.S.R. Delegation proposes the following text as an integral part of the paragraph:

. . . excluding certain branches where, in accordance with the internal legislation of the country, private enterprise does not take place.

The U.K., U.S. and French Delegations propose the following alternative to the U.S.S.R. proposal:

This paragraph shall not be deemed to confer on the United Nations, or their nationals, rights to engage in any branch of commerce, industry, shipping or other form of business activity which under Italian law is a monopoly of the Italian State. Nevertheless, the most-favoured-nation principle shall be observed in any such cases in which foreign participation is allowed.

Proposed further addition to this paragraph by the U.S. Delegation supported by the U.K. Delegation.

It is further understood that this paragraph shall not apply to civil aviation, but that Italy will grant no exclusive or discriminatory right to any country with regard to the operation of civil aircraft in international traffic and will afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Italian territory.

The *U.S.S.R.* Delegation sees no reason for inclusion of this addition in the Treaty.

2. The foregoing undertakings by Italy shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Italy before the war; and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that Power.

PART IX. SETTLEMENT OF DISPUTES

ARTICLE 72

U.K. proposal:

Any disputes which may arise in connection with Articles 65 and 68 [and Annexes 6, 7 and 8] of the present Treaty shall be referred to a Conciliation Commission composed of an equal number of representatives of the United Nations Government concerned and of the Italian Government. If agreement has not been reached within three months of the dispute having been referred to the Conciliation Commission, either Government may require the addition of a third member to the Commission, and failing agreement between the two Governments on the selection of this member, the President of the International Court of Justice shall be requested to make the appointment. The decisions of the Commission, as so constituted, shall be taken by the same procedure as is provided for decisions of the International Court itself in Articles 48 and 55-57 of the Statute of the Court and shall be final and binding on all parties.

U.S.S.R. proposal:

*Any disputes which may arise in giving effect to the present Articles 65 and 68 of the present Treaty shall be referred to a Conciliation Commission consisting of Representatives of the Government of the United Nations concerned and the Government of Italy, appointed on an equal footing. If within 3 months after the dispute has been referred to the Conciliation Commission no agreement has been reached, either Government may ask for the addition to the Commission of a third member selected by mutual agreement of the two Governments from nationals of third countries. Should the two Governments fail to agree on the selection of a third member of the Commission, the Governments shall apply to the Ambassadors in Rome of the *U.S.S.R.*, *U.K.*, *U.S.A.* and *France*, who will appoint the third member of the Commission.*

NOTE.—The U.S. Delegation can accept either the U.K. proposal or the U.S.S.R. proposal provided the following sentence is added at the end of the latter:

If the Ambassadors are unable to agree within a period of one month upon the appointment of the third member, the Secretary General of the United Nations shall be requested by either party to make the appointment.

The French Delegation has the same position as the U.S. Delegation provided Annexes 6, 7 and 8 also covered by the article.

PART X. MISCELLANEOUS ECONOMIC PROVISIONS

ARTICLE 73

Articles 65, 68, 71 and Annex 8 of the present Treaty shall apply to the Allied and Associated Powers and to those of the United Nations which have broken diplomatic relations with Italy.

ARTICLE 74

The provisions of Annexes 3, 6, 7 and 8 shall, as in the case of the other Annexes, have force and effect as integral parts of the present Treaty.

PART XI. FINAL CLAUSES

ARTICLE 75

For a period not to exceed 18 months from the coming into force of the present Treaty the Ambassadors in Rome of the U.S.S.R., the U.K., the U.S.A., and France, acting in concert, will represent the Allied and Associated Powers in dealing with the Italian Government in all matters concerning the execution and interpretation of the present Treaty.

The four Ambassadors will give the Italian Government such guidance, technical advice and clarification as may be necessary to ensure rapid and efficient compliance with the spirit and terms of the present Treaty.

The Italian Government undertakes to afford the said four Ambassadors all necessary information and any assistance they may require in the fulfilment of the tasks devolving on them under the present Treaty.

ARTICLE 76

U.K., U.S. and French proposal:—

Except where any other procedure is specifically provided under any article of the present Treaty, disputes concerning the interpreta-

tion or execution of the Treaty shall be referred to the four Ambassadors acting as provided under Article 75 and, if not resolved by them within a period of two months shall, at the request of any party to any dispute, be referred to the International Court of Justice. Any dispute still pending at, or arising after, the date when the Ambassadors terminate their functions under Article 75 and which is not settled by direct diplomatic negotiations, shall equally at the request of any party to the dispute, be referred to the International Court of Justice.

U.S.S.R. proposal:

Save where any other procedure is specifically provided under any Article of the present Treaty, disputes concerning the interpretation or execution of the Treaty shall be settled by direct diplomatic negotiations; if the disputes are not settled in this way, they shall be referred to the four Ambassadors acting as provided under Article 75 of the Treaty, except that in this case the Ambassadors will not be restricted by the time-limit provided in that Article.

ARTICLE 77

Any other member of the United Nations not a signatory to the present Treaty which is at war with Italy may accede to the Treaty and upon accession will be deemed to be an Associated Power for the purposes of the Treaty.

Instruments of accession will be deposited with the Government of the French Republic and shall take effect upon deposit.

ARTICLE 78

The present Treaty of which the French, English and Russian texts are authentic, shall be ratified by the Allied and Associated Powers. It shall also be ratified by Italy. It will come into force immediately upon the deposit of ratifications by France, U.K., U.S.A. and U.S.S.R. The instruments of ratification will, in the shortest time possible, be deposited with the Government of the French Republic.

With respect to each Allied or Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty will be deposited in the archives of the Government of the French Republic, which shall furnish certified copies to each of the signatory States.

Done in the city of
in the French, English, Russian and Italian languages.

ANNEX 1

*Maps of Italian Frontiers*⁸

(See Article 1)

ANNEX 2

Guarantees in Connection With Mont Cenis and Tenda-Briga

(See Article 9)

GUARANTEES TO BE GIVEN BY FRANCE TO ITALY IN CONNECTION WITH
THE CESSION OF THE PLATEAU OF MONT CENISI. *In respect of water supplied from the lake of Mont Cenis for hydro-electric purposes*

a. France shall so control the supply of water from the Lake of Mont Cenis to the underground conduits supplying the Gran Scala Venaus and Monpantero hydro-electric plants, as to supply for those plants such quantities of water at such rates of flow as Italy may require.

b. France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works required for the purposes of controlling and supplying the water in accordance with paragraph *a* insofar as these works are within French territory.

c. France shall inform Italy, as and when required by Italy, of the amount of water in the Lake of Mont Cenis and of any other information pertaining thereto so as to enable Italy to determine the quantities of water and rates of flow to be supplied to the said underground conduits.

d. France shall carry out the foregoing provisions with due regard for economy and shall charge Italy the actual cost incurred in so doing.

II. *In respect of electricity produced at the Gran Scala hydro-electric plant*

a. France shall operate the Gran Scala hydro-electric plant so as to generate (subject to the control of the supply of water as provided in Guarantee I) such quantities of electricity at such rates of output as Italy may require, after the local requirements (which shall not substantially exceed the present requirements) in the vicinity of Gran Scala within French territory have been met.

⁸ No maps accompanied the English text of the treaty.

b. France shall operate the pumping plant adjacent to the Gran Scala plant so as to pump water to the Lake of Mont Cenis as and when required by Italy.

c. France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works comprising the Gran Scala hydro-electric plant and pumping plant together with the transmission line and equipment from the Gran Scala plant to the Franco-Italian boundary.

d. France shall transmit over the transmission line from Gran Scala to the Franco-Italian boundary the electricity required by Italy as aforesaid, and shall deliver that electricity to Italy at the point at which that transmission line crosses the Franco-Italian boundary into Italian territory.

e. France shall maintain the voltage and periodicity of the electricity supplied as aforesaid at such values as Italy may reasonably require.

f. France shall arrange with Italy for telephone communication between Gran Scala and Italy and shall communicate with Italy in order to ensure that the Gran Scala plant, the pumping plant and transmission line are operated in such a manner as to comply with the foregoing guarantees.

g. The price to be charged by France and paid by Italy for the electricity available to Italy from the Gran Scala plant (after the local requirements as aforesaid have been met) shall be the same as the price charged in France for the supply of similar quantities of hydro-electricity in French territory in the neighbourhood of Mont Cenis or in other regions where conditions are comparable.

III. *Duration of guarantees.*

Unless otherwise agreed between France and Italy these guarantees will remain in force in perpetuity.

IV. *Supervisory Technical Commission.*

A Franco-Italian Supervisory Technical Commission comprising an equal number of French and Italian members shall be established to supervise and facilitate the execution of the foregoing guarantees which are designed to secure the same facilities as Italy enjoyed in respect of hydro-electric and water supplies from the Lake of Mont Cenis before the cession of this region to France.

GUARANTEES TO BE GIVEN BY FRANCE TO ITALY IN CONNECTION WITH THE CESSION OF THE TENDA-BRIGA DISTRICT TO FRANCE

1. Guarantees to ensure to Italy the supply of electricity generated by the two 16½ period generators of the hydro-electric plant at San

Dalmazzo; and the supply of electricity generated at 50 periods at the hydro-electric plants at Le Mesce, San Dalmazzo and Confine in excess of such amount thereof as may be required by France for supply to the Sospel, Menton and Nice areas until the complete reconstruction of the wrecked hydro-electric plants at Breil and Fontan, it being understood that such amount will decrease as reconstruction of these plants proceeds, will not exceed 5,000 KW in power and 3,000,000 KWH per month and that, if no special difficulties are encountered in the reconstruction, the work should be completed not later than the end of 1947.

a. France shall operate the said plants so as to generate (subject to such limitations as may be imposed by the amount of water available and taking into account as far as reasonably practicable the needs of the plants downstream) such quantities of electricity at such rates of output as Italy may require, firstly, at 16 $\frac{2}{3}$ cycles for the Italian railways in Liguria and South Piedmont, and secondly, at 50 cycles for general purposes, after the requirements by France for Sospel, Menton and Nice, as aforesaid, and of the local requirements in the vicinity of San Dalmazzo, have been met.

b. France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works comprising the Le Mesce, San Dalmazzo and Confine hydro-electric plants together with the transmission lines and equipment from the Le Mesce and Confine plants to the San Dalmazzo plant and also the main transmission lines and equipment from the San Dalmazzo plants to the Franco-Italian boundary.

c. France shall inform Italy, as and when required by Italy, of the rate of flow of water at Le Mesce and Confine and of the amount of water stored at San Dalmazzo and of any other information pertaining thereto so as to enable Italy to determine her electricity requirements as indicated in paragraph *a.*

d. France shall transmit over the main transmission lines from San Dalmazzo to the Franco-Italian boundary the electricity required by Italy as aforesaid, and shall deliver that electricity to Italy at the points at which those main transmission lines cross the Franco-Italian boundary into Italian territory.

e. France shall maintain the voltage and periodicity of the electricity supplied as aforesaid at such values as Italy may actually require.

f. France shall arrange with Italy for telephone communications between San Dalmazzo and Italy and shall communicate with Italy in order to ensure that the said hydro-electric plants and transmission lines are operated in such a manner as to comply with the foregoing guarantees.

2. Guarantee concerning the price to be charged by France to Italy for the electricity made available to Italy under paragraph 1 above until terminated in accordance with paragraph 3 below.

The price to be charged by France and paid by Italy for the elec-

tricity made available to Italy from the Le Mesce, San Dalmazzo and Confine hydro-electric plants after the requirements by France for Sospel, Menton and Nice and the local requirements in the vicinity of San Dalmazzo have been met as provided in paragraph 1 *a*, shall be the same as the price charged in France for the supply of similar quantities of hydro-electricity in French territory in the neighbourhood of the Upper Roya Valley or in other regions where conditions are comparable.

3. Guarantee of a reasonable period of time for the supply of the electricity by France to Italy.

Unless otherwise mutually agreed between France and Italy, paragraphs 1 and 2 shall remain in force until December 31, 1961 and shall terminate then or on any subsequent December 31 if either country shall have given to the other at least two years' notice in writing of its intention to terminate.

4. Guarantee of full and equitable utilization by France and Italy of the waters of the Roya and its tributaries for hydro-electric production.

a. France shall operate the hydro-electric plants in the French territory of the Roya, taking into account as far as reasonably practicable the needs of the plants downstream. France shall inform Italy in advance of the amount of water which it is expected will be available each day, and shall furnish any other information pertaining thereto.

b. Through bilateral negotiations France and Italy shall develop a mutually agreeable, co-ordinated plant for the exploitation of the water resources of the Roya.

5. A commission or such other similar body as may be agreed shall be established to supervise the carrying out of the plan mentioned in paragraph 4*b* and to facilitate the execution of the guarantees contained in paragraphs 1-4.

ANNEX 3

Economic and Financial Provisions Relating to Ceded Territories

1.† The Successor State shall receive, without payment, Italian State and para-statal property within territory ceded to it under the present Treaty, as well as all relevant archives concerning the territory in question.

The following are considered as State or para-statal property for the purposes of this article: movable and immovable property of the Italian State, of local authorities and of public institutions and

†The U.S. and U.K. Delegations accepted this paragraph without prejudice to any question of reparation. [Footnote in source text.]

publicly owned companies and associations, as well as movable and immovable property formerly belonging to the Fascist Party or its auxiliary organizations.

2. The Successor State shall make arrangements for the conversion into its own currency of Italian currency held within the Ceded Territory by persons continuing to reside on the said territory or juridical persons continuing to carry on business there. Full proof of the source of the funds to be converted may be required from their holders.

3. U.K. proposal:

The Successor Government shall not be required to make any contribution to the service of the Italian public debt but it shall assume the obligations of the Italian Government to holders of the Italian public debt who continue to reside in the said territory or who, being juridical persons, retain their head office or principal place of business there. Full proof of the source of such holdings may be required from the holders.

French and U.S.S.R. proposal:

The State to which a territory is ceded shall be exempt from any part whatever in the payment of the Italian public debt. Nevertheless, the State to which a territory is ceded shall be liable for that part of the public debt specifically incurred for the purpose of construction of public works on the ceded territory, and shall respect all privileges guaranteeing the servicing thereof.

The U.S. Delegation supports the U.K. draft but is prepared to consider other arrangements which would be equitable.

4. Special arrangements shall be concluded between Italy and the Successor State to govern the conditions under which the obligations of Italian public or private social insurance organizations towards the inhabitants of the Ceded Territory and a proportionate part of the reserves accumulated by the said organizations shall be transferred to similar organizations of the Successor State.

5. The property, rights and interests of Italian nationals permanently resident in the Ceded Territories at the date of the coming into force of the present Treaty shall, provided they have been lawfully acquired, be respected on a basis of equality with the rights of nationals of the Successor State.

The property, rights and interests within the Ceded Territory of other Italian nationals and also of Italian juridical persons, provided they have been lawfully acquired, shall be subject only to such legis-

lation as may be enforced from time to time regarding the property of foreign nationals and juridical persons generally.‡

U.S. proposal supported by U.K.:

Such property, rights and interests shall not be subject to retention or liquidation under the provisions of Article 69 of the present Treaty but shall be restored to their owners freed of any measures of this kind, or from any other measure of transfer, compulsory administration or sequestration taken between September 8, 1943 and the date of the coming into force of the present Treaty, in the condition in which they were before the application of the measures in question.

The U.S.S.R. Delegation does not consider this provision necessary.

6. Persons who opt for Italian nationality and move to Italy shall be permitted, after the settlement of any debts or taxes due from them in Ceded Territory, to take with them their movable property and transfer their funds, provided such property and funds were lawfully acquired. No export or import duties will be imposed in connection with the moving of such property. Further they shall be permitted to sell their movable and immovable property under the same conditions as nationals of the Successor State.

The removal of property to Italy will be effected under conditions and within the limits agreed upon between Italy and the Successor State.

The conditions and time-periods of the transfer of the funds, including the proceeds of sales, shall likewise be agreed.

7. U.S. and U.K. proposal:

Companies incorporated under Italian law and having siège social in the Ceded Territory, which wish to remove siège social to Italy, shall likewise be dealt with under the provisions of paragraph 6 of this Article, provided that more than fifty per cent of the capital of the company is owned by persons usually resident outside the Ceded Territory, or by persons who have opted under the present Treaty to move to Italy.

The French Delegation is not opposed to the inclusion of this paragraph, under the condition that not only a majority of the capital, but also the greater part of the activity of the company should lie outside the Ceded Territory

‡The first two sub-paragraphs are accepted without prejudice to any question of reparation.

The French Delegation proposed that the Successor State may take over free of charge, the property, rights and interests of all Italian concessionary companies or public utility services such as water, gas, electricity and transport and that in such cases the Italian Government should pay fair compensation to the parties concerned. [Footnote in source text.]

The *U.S.S.R.* Delegation considers that there is no reason for inclusion of such a provision in the Peace Treaty.

8. Debts owed by persons in Italy to persons in the Ceded Territory or by persons in the Ceded Territory to persons in Italy shall not be affected by the cession. Italy and the Successor State undertake to facilitate the settlement of such obligations. As used in this paragraph, the term "persons" includes juridical persons.

9[§]. The property in Ceded Territory of the United Nations and their nationals, if not already freed from Italian measures of sequestration or control and returned to its owner, shall be returned in the condition in which it now exists.

10. French proposal supported by U.K. and U.S. subject to drafting
A new agreement shall be negotiated between the Danube-Sava-Adriatic Railway Company, the Governments concerned, and the Committee of Bondholders of the Company, in order to determine the method of applying the provisions of the Rome Agreement of March 29, 1923, laying down the Company's Articles of Association, and the modifications required to adapt them to the changes which have followed on the redistribution of the lines over the territories of various States. This Agreement shall contain all the provisions necessary to ensure satisfactory servicing of the bonds and payments of amounts in arrears.

The *U.S.S.R.* Delegation considers that there is no reason for the inclusion in the Peace Treaty of the French Delegation's proposal, because a Peace Treaty should not contain provisions dealing with particular private Companies.

11.|| The provisions of this Annex shall not apply to the former Italian Colonies.

NOTE.—*Pending agreement on the Statute of the Free Territory of Trieste, the U.S. Delegation does not consider that this Annex applies to the Free Territory of Trieste and is of the opinion that special provisions may be required.*

§ It is agreed that the question of compensation by Italy in case restoration of property is impossible should be studied in relation to other appropriate provisions of the Treaty. [Footnote in source text.]

|| When a decision is reached on Italian colonies, the question has to be reconsidered. [Footnote in source text.]

ANNEX 4

(See Article 47)

The names in this Annex are those which were used in the Italian Navy on June 1, 1946.

Part A. List of Ships To Be Left to Italy

MAJOR WAR VESSELS

Battleships	<i>Doria.</i>	Torpedo-Boats . .	<i>Sirio.</i>
	<i>Duilio.</i>	Corvettes	<i>Ape.</i>
Cruisers	<i>Abruzzi.</i>		<i>Baionetta.</i>
	<i>Garibaldi.</i>		<i>Chimera.</i>
	<i>Montecuccoli.</i>		<i>Cormorano.</i>
	<i>Cadorna.</i>		<i>Danaide.</i>
Destroyers	<i>Carabiniere.</i>		<i>Driade.</i>
	<i>Granatiere.</i>		<i>Fenice.</i>
	<i>Grecale.</i>		<i>Flora.</i>
	<i>Do Recco.</i>		<i>Folaga.</i>
Torpedo-Boats . .	<i>Abba.</i>		<i>Gabbiano.</i>
	<i>Aretusa.</i>		<i>Gru.</i>
	<i>Calliope.</i>		<i>Ibis.</i>
	<i>Carini.</i>		<i>Minerva.</i>
	<i>Cassiopea.</i>		<i>Pellicano.</i>
	<i>Clio.</i>		<i>Pomona.</i>
	<i>Fabrizi.</i>		<i>Scimittara.</i>
	<i>Giovannini.</i>		<i>Sfinge.</i>
	<i>Libra.</i>		<i>Sibilla.</i>
	<i>Monzambano.</i>		<i>Urania.</i>
	<i>Mosto.</i>		Plus one vessel
	<i>Orione.</i>		to be salvaged,
	<i>Orsa.</i>		completed or
	<i>Pilo.</i>		constructed.
	<i>Sagittario.</i>		

MINOR WAR VESSELS

Minesweepers . . .	<i>R.D. Nos. 20, 32, 34, 38, 40, 41, 102, 103, 104, 105, 113, 114, 129, 131, 132, 133, 134, 148, 149.</i>
Vedettes	<i>Nos. 201, 204, 211, 218, 222, 224, 233, 235.</i>

AUXILIARY NAVAL VESSELS

Fleets Tankers . .	<i>Nettuno.</i> <i>Lete.</i>	Tugs (Large) . . .	<i>San Vito.</i> <i>Ventimiglia.</i>
Water Carriers . .	<i>Arno.</i> <i>Frigido.</i> <i>Mincio.</i> <i>Ofanto.</i> <i>Oristano.</i> <i>Pescara.</i> <i>Po.</i> <i>Sesia.</i> <i>Simeto.</i> <i>Stura.</i> <i>Tronto.</i> <i>Vipacco.</i>	Tugs (Small) . . .	<i>Argentario.</i> <i>Astico.</i> <i>Cordevole.</i> <i>Generale Pozzi.</i> <i>Irene.</i> <i>Passero.</i> <i>L. 10.</i> <i>N. 1.</i> <i>N. 4.</i> <i>N. 5.</i> <i>N. 9.</i> <i>N. 22.</i> <i>N. 26.</i> <i>N. 27.</i> <i>N. 32.</i> <i>N. 47.</i> <i>Porto Rosso.</i> <i>Porto Vecchio.</i> <i>San Bartolomco.</i> <i>San Benedetto.</i> <i>Tagliamento.</i> <i>N. 52.</i> <i>N. 53.</i> <i>N. 78.</i> <i>N. 96.</i> <i>N. 104.</i> <i>RLN. 1.</i> <i>RLN. 3.</i> <i>RLN. 9.</i> <i>RLN. 10.</i>
Tugs (Large) . . .	<i>Abbazia.</i> <i>Asinara.</i> <i>Atlante.</i> <i>Capraia.</i> <i>Chioggia.</i> <i>Emilio.</i> <i>Gagliardo.</i> <i>Gorgona.</i> <i>Licosa.</i> <i>Lilibeo.</i> <i>Iainosa.</i> <i>Mestra.</i> <i>Piombino.</i> <i>Porto Empedocle.</i> <i>Porto Fossone.</i> <i>Porto Pisano.</i> <i>Porto Rose.</i> <i>Porto Recanati.</i> <i>San Pietro.</i>		
Training Ship . . .	<i>Vespucci.</i>		
Transports	<i>Amalia Messina.</i> <i>Montegrappa.</i> <i>Tarantola.</i>		
Supply Ship	<i>Miraglia.</i>		
Repair Ship	<i>Paolinotti</i> (after conversion from S/H Depot Ship).		
Surveying Ships . .	<i>Azio</i> (after conversion from minelayer). <i>Cherso.</i>		
Lighthouse- service vessel.	<i>Buffoluto.</i>		
Cable Ship	<i>Rampino.</i>		

*Part B. List of Ships To Be Placed at the Disposal of the Governments
of the U.S.S.R., U.K., U.S.A. and France*

MAJOR WAR VESSELS

Battleships	<i>Cesare.</i>	Destroyers	<i>Velite.</i>
	<i>Italia.</i>	Torpedo-Boats . .	<i>Aliseo.</i>
	<i>Vittorio Veneto.</i>		<i>Animoso.</i>
Cruisers	<i>Aosta.</i>		<i>Ardimentoso.</i>
	<i>Pompeo.</i>		<i>Ariete.</i>
	<i>Regolo.</i>		<i>Fortunale.</i>
	<i>Savoia.</i>		<i>Indomito.</i>
	<i>Scipione.</i>	Submarines	<i>Alagi.</i>
Sloop	<i>Eritrea.</i>		<i>Atropo.</i>
Destroyers	<i>Artigliere.</i>		<i>Dandolo.</i>
	<i>Fuciliere.</i>		<i>Giada.</i>
	<i>Legionario.</i>		<i>Marea.</i>
	<i>Mitragliere.</i>		<i>Nichelio.</i>
	<i>Oriani.</i>		<i>Platino.</i>
	<i>Riboty.</i>		<i>Vortice.</i>

MINOR WAR VESSELS

M. T. B.	<i>M.S. Nos. 11, 24, 31, 35, 52, 53, 54, 55, 56, 61, 64, 65, 72, 73, 74, 75.</i>
	<i>MAS. Nos. 433, 434, 510, 514, 516, 519, 520, 521, 523, 538, 540, 543, 545, 547, 562.</i>
	<i>M.E. Nos. 38, 39, 40, 41.</i>
Minesweepers . . .	<i>RD Nos. 6, 16, 21, 25, 27, 28, 29.</i>
Gunboat	<i>Illyria (ex Albania).</i>
Vedettes	<i>Nos. 237, 240, 241, 245, 246, 248.</i>
Landing Craft . .	<i>Nos. 713, 717, 722, 726, 728, 729, 737, 744, 758, 776, 778, 780, 781, 784, 800, 831.</i>

AUXILIARY NAVAL VESSELS

Tankers	<i>Prometeo.</i> <i>Stige.</i> <i>Tarvisio.</i> <i>Urano.</i>	Tugs (Large) . . .	<i>Porto Torres.</i> <i>Porto Tricare.</i> <i>Procida.</i> <i>Promontore.</i> <i>Rapallo.</i> <i>Salvore.</i> <i>San Angelo.</i> <i>San Antioco.</i> <i>San Remo.</i> <i>Talamone.</i> <i>Taormina.</i> <i>Toulado.</i> <i>Tifeo.</i> <i>Vado.</i> <i>Vigorouso.</i>
Water Carriers . .	<i>Anapo.</i> <i>Aterno.</i> <i>Basento.</i> <i>Bisagno.</i> <i>Dalmazia.</i> <i>Idria.</i> <i>Isarco.</i> <i>Istria.</i> <i>Liri.</i> <i>Metauro.</i> <i>Polcevera.</i> <i>Sprugola.</i> <i>Timavo.</i> <i>Tirso.</i> <i>Vas 226.</i>	Tugs (Small) . . .	<i>Generale Valfre.</i> <i>Licata.</i> <i>Noli.</i> <i>Velosca.</i> <i>N. 2.</i> <i>N. 3.</i> <i>N. 23.</i> <i>N. 24.</i> <i>N. 28.</i> <i>N. 35.</i> <i>N. 36.</i> <i>N. 37.</i> <i>N. 80.</i> <i>N. 94.</i>
Tugs (Large) . . .	<i>Arsachena.</i> <i>Basiluzzo.</i> <i>Capo d'Istria.</i> <i>Carbonara.</i> <i>Cefalu.</i> <i>Ercole.</i> <i>Gaeta.</i> <i>Lampedusa.</i> <i>Lipari.</i> <i>Liscanera.</i> <i>Marechiaro.</i> <i>Mesco.</i> <i>Molara.</i> <i>Nereo.</i> <i>Porto Conte.</i> <i>Porto Adriano.</i> <i>Porto Quieto.</i>	Depot Ship	<i>Anteo.</i>
		Training Ship . . .	<i>Colombo.</i>
		Auxiliary-Mine-layer.	<i>Fasana.</i>
		Transports	<i>Giuseppe Messina.</i> <i>Montecucco.</i> <i>Panigaglia.</i>

ANNEX 5(A)

Naval Definitions

STANDARD DISPLACEMENT

The standard displacement of a surface vessel is the displacement of the vessel, complete, fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed water on board.

The standard displacement is expressed in tons of 2240 lb. (1,016 kgs.).

WAR VESSEL

A war vessel, whatever its displacement, is:

- a.* A vessel specifically built or adapted as a fighting unit for naval, amphibious or naval air warfare;
- b.* Or a vessel which has one of the following characteristics:
 1. Mount a gun with a calibre exceeding 4.7 inches (120 mm.);
 2. Mount more than four guns with a calibre exceeding 3 inches (76 mm.);
 3. Is designed or fitted to launch torpedoes or to lay mines;
 4. Is designed or fitted to launch self-propelled or guided missiles;
 5. Is designed for protection by armour plating exceeding 1 inch (25 mm.);
 6. Is designed or adapted primarily for operating aircraft at sea;
 7. Mount more than two aircraft launching apparatus;
 8. Is designed for a speed greater than twenty knots if fitted with a gun of a calibre exceeding 3 inches (76 mm.).

A war vessel belonging to sub-category *a* is no longer to be considered as such after the twentieth year since completion if all weapons are removed.

BATTLESHIP

A battleship is a war vessel, other than an aircraft carrier, the standard displacement of which exceeds 10,000 tons, or which carries a gun with a calibre exceeding 8 inches (203 mm.).

AIRCRAFT CARRIER

An aircraft carrier is a war vessel whatever her displacement, designed or adapted primarily for the purpose of carrying and operating aircraft.

SUBMARINE

A submarine is a vessel designed to operate below the surface of the sea.

SPECIALISED TYPES OF ASSAULT CRAFT

- a.* All types of craft specially designed or adapted for amphibious operations.
- b.* All types of small craft specially designed or adapted to carry an explosive or incendiary charge for attacks on ships or harbours.

MOTOR TORPEDO BOAT

A vessel of a displacement less than 200 tons, capable of a speed of over 25 knots and of operating torpedoes.

ANNEX 5(B)

Definitions of Military, Air and Naval Training

Military training is defined as: the study of and practice in the use of war material specially designed or adapted for army purposes, and training devices relative thereto; the study and carrying out of all drill or movements which teach or practice evolutions performed by fighting forces in battle; and the organised study of tactics, strategy and staff work.

Military air training is defined as: the study of and practice in the use of war material specially designed or adapted for air force purposes, and training devices relative thereto; the study and practice of all specialised evolutions, including formation flying, performed by aircraft in the accomplishment, of an air force mission, and the organised study of air tactics, strategy and staff work.

Naval training is defined as: the study, administration or practice in the use of warships or naval establishments as well as the study or employment of all apparatus and training devices relative thereto, which are used in the prosecution of naval warfare except for those which are also normally used for civilian purposes; also the teaching, practice or organised study of naval tactics, strategy and staff work including the execution of all operations and manœuvres not required in the peaceful employment of ships.

ANNEX 5(C)

Definition and List of War Material

The term "War Material" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below:

The Signatory Powers reserve the right to amend, by modification or addition, the list, periodically, in the light of subsequent scientific development.

Category I.

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use;

2. Machine-guns, military automatic or autoloading rifles, and machine pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine-gun mounts.

3. Guns, howitzers, mortars, cannon special to aircraft; breechless or recoilless guns and flame-throwers; barrels and other spare parts not readily adaptable for civilian use, carriages and mountings for the foregoing.

4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles; mountings for same.

5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in 1-4 inclusive above and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6. Grenades, bombs, torpedoes, mines, depth charges and incendiary materials or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7. Bayonets.

Category II.

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in 1. above.

3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III.

1. Aiming computing devices, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; calibration equipment for the calibration of guns and fire control instruments.

2. Assault bridging, assault boats and storm boats.

3. Deceptive warfare, dazzle and decoy devices.

4. Personal war equipment of a specialised nature not readily adaptable to civilian use.

Category IV.

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material, machines, and installations not used in peace time on ships other than warships.

2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instrument or device whether manned or unmanned, guided or uncontrolled.

3. Submersible or semi-submersible ships, craft, weapons, devices or apparatus of any kind, including specially designed harbour defence booms, except as required by salvage, rescue or other civilian uses, as well as all equipment, accessories, spare parts, experimental or training aids, instruments or installations as may be especially designed for the construction, testing, maintenance or housing of the same.

Category V.

1. Aircraft, assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine-guns, rockets, projectors, or artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of design or construction are prepared for, any of the appliances referred to in paragraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.

3. Equipment specially designed for and used solely by airborne troops.

4. Catapults or launching apparatus for ship-borne, land or sea-based aircraft; apparatus for launching aircraft weapons.

5. Barrage balloons.

Category VI.

Asphyxiating, lethal, toxic, incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII.

Propellants, explosives, pyrotechnics, liquefied gases destined for the propulsion, explosion, charging, filling of, or use in connection with the war material in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII.

Factory and tool equipment specially designed for the production and maintenance of the products enumerated above and not technically reconvertible to civilian uses.

ANNEX 6

Special Provisions Relating to Certain Kinds of Property

A. INDUSTRIAL, LITERARY AND ARTISTIC PROPERTY

1. *a.* A period of one year from the coming into force of the present Treaty shall be accorded to the Allied and Associated Powers or their nationals without extension fees or other penalty of any sort in order to enable such persons to accomplish all necessary acts for the obtaining or preserving in Italy of rights in industrial, literary and artistic property which were not capable of accomplishment owing to the existence of a state of war.

b. Allied and Associated Powers or their nationals who had duly applied in any Allied or Associated Power for a patent or registration of a utility model not earlier than 12 months before the outbreak of the war with Italy or during the war, or for the registration of an industrial design or model or trade mark not earlier than 6 months before the outbreak of the war with Italy or during the war, shall be entitled within 12 months after the coming into force of the present Treaty to apply for corresponding rights in Italy with a right of priority based upon the previous filing of the application in that Allied and Associated Power.

c. Each of the Allied and Associated Powers or its nationals shall be accorded a period of one year from the coming into force of the present Treaty during which they may institute proceedings against those persons who are alleged illegally to have infringed their rights in industrial, literary or artistic property between the date of the outbreak of the war and the coming into force of the Present Treaty.

2. A period from the outbreak of the war until a date 18 months after the coming into force of the present Treaty shall be excluded in considering the time within which a patent should be worked or a design or trade mark used.

3. The period from the outbreak of the war until the coming into force of the present Treaty shall be excluded from the normal term of rights in industrial, literary and artistic property which were in force in Italy at the outbreak of the war or which are recognised or established under this Annex and belonging to any of the Allied and Associated Powers, or their nationals. Consequently, the normal duration of such rights shall be deemed automatically extended in Italy for a further term corresponding to the period so excluded.

4. The foregoing provisions concerning the rights of the Allied and Associated Powers or their nationals shall apply equally to Italy and its nationals, *but nothing in these provisions shall operate so as to*

give to Italy or any of its nationals greater rights than are accorded in like cases by any of the Allied or Associated Powers to any other of the United Nations.

The U.S.S.R. Delegation considers it unnecessary to include the passage in italics.

The U.S. Delegation would not agree to this Annex unless paragraph 4 were included in its entirety.

5. Third parties in the territories of any the Allied and Associated Powers or Italy who before the coming into force of the present Treaty have bona fide acquired industrial property rights conflicting with rights restored under this Article or with rights obtained with priority claimed thereunder, or have bona fide manufactured, used or sold the subject-matter of such rights, shall be permitted, without any liability for infringement, to continue to exercise such rights and to continue or to resume such manufacture, use or sale which had been bona fide acquired or commenced. In Italy, such permission shall take the form of a non-exclusive license granted on terms and conditions to be mutually agreed by the parties thereto or in default of agreement to be fixed by the Conciliation Commission established under Article 72 of the present Treaty. In the territories of the Allied and Associated Powers, however, bona fide third parties shall receive such protection as is accorded under similar circumstances to bona fide third parties whose rights are in conflict with those of the nationals of other Allied and Associated Powers.

6. Nothing in this Annex shall be construed to entitle Italy or its nationals to any patent or utility model rights in the territory of any of the Allied and Associated Powers with respect to inventions relating to any article listed by name in the definition of war material contained in Annex 5 of present Treaty made or upon which applications were filed by Italy or any of its nationals in Italy or in the territory of any other of the Axis Powers or in any territory occupied by the Axis forces, during the time when the place in question was under the control of enemy forces or authorities.

7. *Italy shall extend the benefits of this Article to any United Nation other than an Allied or Associated Power which undertakes to extend to Italy the benefits accorded to Italy under this Article.*

The U.S.S.R. Delegation does not see the reason for inclusion of paragraph 7 of the present Treaty.

8. Nothing in this Annex shall be understood to conflict with Articles 68, 69 and 70 of the present Treaty.

B. INSURANCE

U.K. proposal:

1. *United Nations insurers shall be granted full facilities by the Italian Government to recover their former portfolios of business in Italy and they shall not be required to conform to any legislative enactments more onerous than those which were applicable to them before the outbreak of war.*

2. *Insofar as the guarantee deposits and reserves of United Nations insurers have been reduced by reason of the payment of insurance claims arising out of the war, they shall be entitled to compensation from the Italian Government by way of the reinstatement of such deposits or reserves to the amount of the claims.*

3. *The Italian Government undertakes that if any United Nations insurer desires to resume business in Italy and it is found that the value of any guarantee depositor reserves required to be held as a condition of carrying on business in Italy have been diminished by reason of disappearance or depreciation of the securities in which they were constituted, Italy shall either:*

a. *itself reconstitute the deposits or reserves except in so far as the diminution or disappearance was caused by payment of losses already compensated for under paragraph 2 above; or*

b. *accept the securities at the value at the outbreak of war for the purpose of compliance with the legal requirements relating to such deposits and reserves.*

The U.S.S.R. Delegation considers that this subject is also covered by Article 68 on United Nations property in Italy and sees no reason to include any special provisions relating to insurance.

The U.S. Delegation is not opposed in principle to treaty provisions on special problems relating to insurance but is unable to accept the draft as a whole.

ANNEX 7

*Contracts, Prescriptions and Negotiable Instruments*U.K. proposals:

I. CONTRACTS

1. *Any contract concluded between enemies shall be deemed to have been dissolved as from the time when any of the parties became an enemy, except in respect of any debt accrued or money paid or other pecuniary obligation arising out of any act done thereunder, and subject to the exceptions set out in the following paragraph. The provisions of this paragraph shall be without prejudice to contracts of*

insurance and reinsurance, which shall be subject to a separate agreement. (Alternatively a special annex can be included.)

2. The following classes of contracts notwithstanding the provisions of paragraph 1 are excepted from dissolution and without prejudice to the rights contained in Article 69, remain in force subject to the application of municipal laws, orders or regulations made since the outbreak of war by any member of the United Nations and subject to the proper law and terms of the contracts:

a. Contracts for the transfer of estates or of movable or immovable property where the property therein has passed or delivery been made before the parties became enemies;

b. Leases or agreements for leases of land, houses or parts thereof;

c. Contracts of mortgages or lien;

d. Concessions of mines, quarries or deposits;

e. Contracts between individuals or associations and states, municipalities or other similar juridical persons charged with administrative functions, and concessions granted by states, municipalities or other similar juridical persons charged with administrative functions.

f. Any contract of which the execution shall be required in the general interest within six months from the date of the coming into force of the present treaty by a government of one of the United Nations of which one of the parties to such a contract is a national; when the execution of the contract thus kept alive would, owing to the alteration of particular conditions, cause one of the parties substantial prejudice, the Conciliation Commission established under Article 72 shall be empowered to award fair compensation to the prejudiced parties.

3. If a contract is dissolved in part under paragraph 1, the remaining provisions of that contract shall, subject to the same application of municipal laws as is provided for in paragraph 2, continue in force if they are severable, but where they are not severable the contract shall be deemed to have been dissolved in its entirety.

4. Nothing in the present Annex shall be deemed to invalidate the transactions lawfully carried out in accordance with a contract between enemies if it has been carried out with the authority of the Government of one of the United Nations.

5. For the purposes of Parts I, II and III of the present Annex the parties to a contract shall be regarded as enemies when trading between them shall have been prohibited by or otherwise become unlawful under laws, orders or regulations to which one of these parties or the contract was subject. They shall be deemed to have become enemies from the date when such trading was prohibited or otherwise become unlawful.

II. PERIODS OF PRESCRIPTION

1. *All periods of prescription, or limitation of right of action, whether they began to run before or after the outbreak of war, shall be treated in the territory of the High Contracting Parties, as far as regards relations between enemies, as having been suspended for the duration of the war. They shall begin to run again at earliest three months after the coming into force of the present Treaty. This provision shall apply to the period prescribed for the presentation of interest or dividend coupons or for the presentation for repayment of securities drawn for repayment or repayable on any other ground.*

2. *Where, on account of failure to perform any act or comply with any formality during the war, measures of execution have been taken in Italian territory to the prejudice of a national of one of the United Nations, the claim of such national shall, if the matter does not fall within the competence of the Courts of one of the United Nations, be heard by the Conciliation Commission established under Article 72.*

3. *Upon the application of any interested person who is a national of one of the United Nations the Conciliation Commission shall order the restoration of the rights which have been prejudiced by the measures of execution referred to in paragraph 2 wherever such restoration is equitable and possible. If such restoration is inequitable or impossible the Conciliation Commission may award compensation to the prejudiced party to be paid by the Italian Government.*

4. *Where a contract between enemies has been dissolved by reason either of failure on the part of either party to carry out its provisions or of the exercise of a right stipulated in the contract itself the party prejudiced may apply to the Conciliation Commission for relief. The Commission will have the powers provided for in paragraph 3.*

5. *The provisions of the preceding paragraphs of this Article shall apply to United Nations nationals who have been prejudiced by reason of measures referred to above taken by Italy on invaded or occupied territory, if they have not been otherwise satisfactorily compensated.*

6. *Italy shall compensate any third party who may be prejudiced by any restitution or restoration ordered by the Conciliation Commission under the provisions of the preceding paragraphs of this Part.*

7. *As regards negotiable instruments, the period of three months provided under paragraph 1 shall commence as from the date on which any exceptional regulations applied in the territories of the interested Power with regard to negotiable instruments shall have definitely ceased to have force.*

III. NEGOTIABLE INSTRUMENTS

1. *As between enemies no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment or to give notice of non-acceptance or non-payment to drawers or endorsers or to protest the instrument, nor by reason of failure to complete any formality during the war.*

2. *Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or endorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment, has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment or protest may be made.*

3. *If a person has either before or during the war become liable upon a negotiable instrument in accordance with an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of his liability notwithstanding the outbreak of war.*

IV. MISCELLANEOUS

1. *Stock Exchange and Commercial Exchange Contracts.*

a. *Rules made during the war by any recognised Exchange or Commercial Association providing for the closure of contracts entered into before the war by an enemy are confirmed by the High Contracting Parties, as also any action taken thereunder, provided:*

i. *That the contract was expressed to be made subject to the rules of the Exchange or Association in question;*

ii. *That the rules applied to all persons concerned;*

iii. *That the conditions attaching to the closure were fair and reasonable.*

b. *The preceding paragraph shall not apply to rules made during the occupation by Exchanges or Commercial Associations in the districts occupied by the enemy.*

2. *Security.*

The sale of a security held for an unpaid debt owing by an enemy shall be deemed to have been valid irrespective of notice to the owner if the creditor acted in good faith and with reasonable care and prudence, and no claim by the debtor on the ground of such sale shall be admitted.

This stipulation shall not apply to any sale of securities effected by an enemy during the occupation in regions invaded or occupied by the enemy.

In view of the constitutional position of the Federal Government, the U.S. Delegation would be unable to accept any obligations on the matters covered by this Annex. The U.S. would not object to the inclusion of provisions on these subjects in the treaty but would wish to have a clause included making them inapplicable as between the United States and Italy.

The U.S.S.R. Delegation sees no reason for inclusion in the Peace Treaty of the matters covered by this Annex.

The French Delegation supports the U.K. proposal with regard to Prescriptions and Negotiable Instruments.

ANNEX 8

Prize Courts and Judgments

A. PRIZE COURTS

Each of the Allied and Associated Powers reserves the right to examine, according to a procedure to be established by it, all decisions and orders of the Italian Prize Courts involving ownership rights of its nationals, and to recommend to the Italian Government that revision shall be undertaken of these decisions or orders which may not be in conformity with international law.

Italy undertakes to supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued, and to accept all recommendations made, subsequent to the examination of the said cases, and to give effect to such recommendations.

B. JUDGMENTS

U.S. proposal supported by U.S.S.R.:

The Italian Government shall take the necessary measures to enable nationals of any of the United Nations at any time within one year after the coming into force of the present Treaty to submit to the appropriate Italian authorities for review any judgment given by an Italian Court between June 10, 1940, and the coming into force of the present Treaty in any proceeding in which the United Nations national was unable to make adequate presentation of his case as plaintiff or defendant. The Italian Government shall provide that, where the United Nations national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was

before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances. The term "United Nations nationals" includes corporations or associations organised or constituted under the laws of any of the United Nations.

French proposal:

The Italian Government undertakes to adopt appropriate measures in order that nationals of any of the United Nations may obtain during a period of one year from the coming into force of the present Treaty, revision of the judgments rendered by the Italian courts and tribunals between June 10, 1940, and the date of coming into force of the present Treaty, either in the absence of such nationals, or on account of their inability as a result of circumstances to have defended their cause satisfactorily.

The Italian Government shall indemnify nationals of the United Nations for the prejudice caused through the initial judgment and shall award compensation, if revision of such judgment did not conclude by re-establishing them de facto in the situation where they were when the procedure was instituted.

Should dispute arise either as regards the ability of nationals of any of the United Nations to have defended their cause satisfactorily, or the adequacy of the compensation to be awarded by the Italian Government, the said dispute shall be submitted to the Conciliation Commission established under Article 72 of the present Treaty.

U.K. proposal:

1. Judgments given by the Courts of a member of the United Nations in all cases which, under the present Treaty, they are competent to decide, shall be recognised in Italy as final, and shall be enforced without it being necessary to have them declared executory.

2. If a judgment in respect of any dispute which may have arisen has been given during the war by an Italian Court against a United Nations national in a case in which he was not able adequately to present his case whether as plaintiff or defendant, the United Nations national who has suffered prejudice thereby shall be entitled to recover, compensation to be fixed by the Conciliation Commission under the procedure laid down in Article 72 for settlement of disputes.

3. At the instance of United Nations nationals and where it is possible the Conciliation Commission may in lieu of compensation by order replace the parties in the situation which they occupied before the judgment was given by the Italian Court.

4. Such compensation or replacement may likewise be obtained before the Conciliation Commission by the United Nations nationals who have suffered prejudice by judicial measures taken in invaded or occupied territories if they have not been otherwise compensated.

ANNEX 9

(See Article 16)

Free Territory of Trieste

U.S. proposals: (Not yet discussed by the Council of Foreign Ministers).

A. Water supply for Gorizia and vicinity.

Under a permanent concession from the Government of Yugoslavia the commune of Gorizia shall continue to own and operate the springs and water supply installations at Fonte Fredda and Moncorona and the conduits carrying the water to the consuming area. The commune of Gorizia shall operate these springs, installations and conduits in such manner that the water systems shall continue to satisfy the needs for water of the area which has been customarily supplied by these water systems, including those communities which, upon the coming into force of the present treaty, will lie within the territory of Yugoslavia. The communities lying in Yugoslavia shall be supplied with such quantities of water, at such rates of flow and at such reasonable rate of payment by the communities to the commune of Gorizia, as shall be agreed between the commune of Gorizia and the communities in Yugoslavia. Unless otherwise agreed, the water supplies shall be allocated between the users in Italy and in Yugoslavia in approximately the same proportions as have been customary.

The above-mentioned water system shall be operated by the commune of Gorizia without interference by Yugoslavia and the latter shall not require the payment of taxes or charges of any kind in respect of the water systems. The commune of Gorizia shall be permitted freely to make the necessary repairs or additions to the water systems to maintain a water supply adequate to satisfy the requirements of the commune of Gorizia and of the above-mentioned communities in Yugoslavia.

B. Water supply to Northwestern Istria, within the Free Territory of Trieste.

Yugoslavia shall continue to supply water to the region of Northwestern Istria within the boundaries of the Free Territory of Trieste from the spring of San Giovanni de Pinquente through the Quieto water supply system (and from the spring of Santa Maria del Risano through the Risano system). The water so supplied shall be in such amounts, not substantially exceeding those amounts which have been customarily supplied to the region, and at such rates of flow, as the

Free Territory of Trieste may request, but within limits imposed by natural conditions. Yugoslavia shall maintain the water conduits, reservoirs, pumps, purifying systems and such other works within Yugoslav territory as may be required to fulfill this obligation. Temporary allowance must be made in respect of the foregoing obligations on Yugoslavia for necessary repair of war damage to water supply installations. The Free Territory of Trieste shall pay a reasonable price for the water thus supplied, which price shall represent a proportionate share, based on the quantity of water consumed within the Free Territory, of the total cost of operation and maintenance of the Quieto (and the Risano) water supply system(s). Should in the future, additional supplies of water be required by the Free Territory of Trieste, Yugoslavia undertakes to examine the matter jointly with the authorities of the Free Territory and by agreement to take such measures as are reasonable to meet these requirements.

C. Electricity supplies under the new Italian-Yugoslav-Free Territory of Trieste frontiers.

1. Yugoslavia and Italy shall maintain the existing supply of electricity to the Free Territory of Trieste, furnishing to the Free Territory such quantities of electricity at such rates of output as the latter may require. The quantities furnished need not at first substantially exceed those which have been customarily supplied to the area comprised in the Free Territory, but Italy and Yugoslavia shall, on request of the Free Territory, furnish increasing amounts as the requirements of the Free Territory grow.

2. The price to be charged by Yugoslavia or by Italy and to be paid by the Free Territory of Trieste for the electricity furnished to it shall be no higher than the price charged in Yugoslavia or in Italy for the supply of similar quantities of hydro-electricity from the same sources in Yugoslavia or Italian territory.

3. Yugoslavia, Italy and the Free Territory of Trieste shall exchange information continuously concerning the flow and storage of water and the output of electricity in respect of stations supplying the former Italian compartimento of Venezia Giulia so that each of the three parties will be in a position to determine its requirements.

4. Yugoslavia, Italy, and the Free Territory of Trieste shall maintain in good and substantial condition all of the electrical plants, transmission lines, sub-stations and other installations which are required for the continued supply of electricity to the former Italian compartimento of Venezia Giulia.

5. Yugoslavia shall ensure that the existing and any future power installations on the Isonzo are operated so as to provide that such sup-

plies of water as Italy may from time to time request may be diverted from the Isonzo for irrigation in the region from Gorizia southward to the Adriatic. Yugoslavia shall be obliged to provide Italy only with such amounts of water for this purpose as do not substantially exceed past requirements.

6. Yugoslavia, Italy, and the Free Territory of Trieste shall, through joint negotiation, adopt a mutually agreeable convention in conformity with the foregoing provisions for the continuing operation of the electricity system which serves the former Italian *compartimento* of Venezia Giulia. This convention shall be so drawn as to allow for the possible expansion of the aforesaid electricity system by further hydro-electric developments in the Upper Isonzo, by the furnishing of additional supplies of electricity from Northern Italy, or by other means.

7. Under the aforesaid convention, a Commission, or such other instrumentality as may be jointly agreed, shall be established, with headquarters in Trieste and with equal representation for Yugoslavia, Italy and the Free Territory of Trieste. The Commission shall facilitate the execution of the provisions in paragraphs 1 to 5 above and shall supervise and coordinate the operation and future development of the electricity system.

D. Provisions to facilitate local trade between the Free Territory of Trieste and Yugoslavia and between the Free Territory of Trieste and Italy.

Yugoslavia and the Free Territory of Trieste, and Italy and the Free Territory of Trieste, shall, within one month of the coming into force of the present treaty, undertake negotiations to provide arrangements which shall facilitate the movement across the frontiers between the Free Territory of Trieste and the adjacent areas of Yugoslavia and Italy of foodstuffs and other categories of commodities which have customarily moved between those areas in local trade. This movement may be facilitated by appropriate measures, including the exemption of such commodities, up to agreed quantities or values, from tariffs, customs charges, and export or import taxes of any kind when such commodities are moving in local trade.

**DRAFT PEACE TREATY WITH RUMANIA, PREPARED BY THE COUNCIL
OF FOREIGN MINISTERS, PALAIS DU LUXEMBOURG, PARIS, JULY 18,
1946**

CFM Files

*Draft Peace Treaty With Rumania*⁹

PREAMBLE

The Union of Soviet Socialist Republics, the United Kingdom, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, the Ukrainian Soviet Socialist Republic, and the Union of South Africa, as the States which are at war with Roumania and actively waged war against the European enemy states with substantial military force, hereinafter called the Allied and Associated Powers, of the one part, and Roumania, of the other part;

Whereas Roumania, having become an ally of Hitlerite Germany and participating on her side in the war against the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and other United Nations, bears her share of responsibility for this war;

Whereas, however, Roumania, on August 24, 1944, entirely ceased military operations against the U.S.S.R., withdrew from the war against the United Nations, broke off relations with Germany and her satellites, and having concluded on September 12, 1944, an Armistice with the Governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America,¹⁰ acting in the interests of all the United Nations, took an active part in the war against Germany, and

Whereas the Allied and Associated Powers and Roumania are respectively desirous of concluding a treaty of peace which will form the basis of friendly relations between them and settle questions still outstanding as a result of the events hereinbefore recited, thereby enabling the Allied and Associated Powers to support Roumania's application to become a member of the United Nations and also to adhere to any convention concluded under the auspices of the United Nations;

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Peace Treaty, and have accordingly appointed as their Plenipotentiaries

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who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

⁹ The table of contents and the list of annexes in the source text are not printed here.

¹⁰ Department of State, Executive Agreement Series 490.

^{10a} Marks of ellipsis throughout this document occur in the source text.

PART I. FRONTIERS

ARTICLE 1

The frontiers of Roumania, shown on the map annexed to the present Treaty (Annex 1) shall be those which existed on January 1, 1941, with the exception of the Roumanian-Hungarian frontier, which is defined in Article 2 of the present Treaty.

The Soviet-Roumanian frontier is thus fixed in accordance with the Soviet-Roumanian Agreement of June 28, 1940, and the Soviet-Czechoslovak Agreement of June 29, 1945.

ARTICLE 2

The decision of the Vienna Award of August 30, 1940, is declared null and void. The frontier between Roumania and Hungary existing on January 1, 1938, is hereby restored.

PART II. POLITICAL CLAUSES

SECTION I

ARTICLE 3

Roumania shall take all measures necessary to secure to all persons under Roumanian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

ARTICLE 4

Roumania, which in accordance with the Armistice Agreement has taken measures to set free, irrespective of citizenship and nationality, all persons held in confinement on account of their activities in favour of the United Nations or because of their sympathies with the United Nations, or because of their racial origin, and to repeal discriminatory legislation and restrictions imposed hereunder, undertakes to complete these measures and in future not to take any measures or enact any laws which would be incompatible with the objects and purposes mentioned in this Article.

ARTICLE 5

Roumania, which in accordance with the Armistice Agreement has taken measures for dissolving all organizations of a Fascist type on Roumanian territory, whether political, military or paramilitary, as well as other organizations conducting propaganda hostile to the

Soviet Union or to any of the other United Nations, undertakes not to permit in future the existence and activities of organizations of that nature which have as their aim denial to the people of their democratic rights.

ARTICLE 6

1. Roumania shall take the necessary steps to ensure the apprehension and surrender for trial of:

a. Persons accused of having committed, ordered or abetted war crimes and crimes against peace or humanity;

b. Nationals of the Allied and Associated Powers accused of having violated their national law by treason or collaboration with the enemy during the war.

2. At the request of the United Nations Government concerned, Roumania will likewise make available as witnesses persons within its jurisdiction, whose evidence is required for the trial of the persons referred to in paragraph 1 of this Article.

3. Any disagreement concerning the application of the provisions of paragraphs 1 and 2 shall be referred by any of the Governments concerned to the Heads of the Diplomatic Missions in Bucharest of the U.S.S.R., U.K. and U.S.A. who will reach agreement with regard to the difficulty.

SECTION II

ARTICLE 7

Roumania undertakes to recognize the full force of the Peace Treaties concluded with Italy, Hungary, Bulgaria and Finland, and the agreements or arrangements which have been or will be reached by the Allied and Associated Powers in relation to Austria, Germany and Japan for the restoration of Peace.

ARTICLE 8

The state of war between Roumania and Hungary will terminate upon the coming into force both of the present Treaty of Peace and the Treaty of Peace between U.S.S.R., U.K., U.S.A., Australia, Byelorussian S.S.R., Canada, Czechoslovakia, India, New Zealand, Ukrainian S.S.R., Union of South Africa and Yugoslavia, of the one part and Hungary of the other part.

ARTICLE 9

Roumania undertakes to accept any arrangements which have been or may be agreed for the liquidation of the League of Nations and the Permanent Court of International Justice.

Roumania also undertakes to accept any arrangements which have been or may be agreed for the liquidation of the International Institute of Agriculture at Rome.

ARTICLE 10

1. Each Allied or Associated Power will notify Roumania, within a period of six months of the coming into force of the present Treaty, which pre-war bilateral treaties it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall however be deleted from the above-mentioned Treaties.

2. All treaties so notified will be registered with the Secretariat of the United Nations in accordance with Article 102 of the United Nations Charter.

3. All treaties not so notified are to be regarded as abrogated.

PART III. NAVAL, MILITARY AND AIR CLAUSES

ARTICLE 11

The maintenance of land, sea and air armaments and fortifications will be closely restricted to meeting tasks of an internal character and local defence of frontiers. In accordance with the foregoing, Roumania is authorised to have armed forces consisting of not more than:

a. A land Army, including frontier troops, with a total strength of 120,000 personnel.

b. Anti-aircraft artillery with a strength of 5,000 personnel.

c. A Navy with a personnel strength of 5,000 and a total tonnage of 15,000 tons.

d. An airforce, including any naval air arm, of 150 aircraft, including reserves, of which not more than 100 may be combat types of aircraft, with a total personnel strength of 8,000. Roumania shall not possess or acquire aircraft designed primarily as bombers with internal bomb-carrying facilities.

These strengths will in each case include combat, service and overhead personnel.

ARTICLE 12

The Roumanian Army, Air Force and Navy in excess of the above strength shall be disbanded within six months from the date of the coming into force of the present Treaty.

ARTICLE 13

Personnel not included in the Roumanian Army, Air Force and Navy respectively, will not receive any form of military training, military air training or naval training as defined in Annex 2.

ARTICLE 14

Roumania shall not possess, construct or experiment with any self-propelled or guided missiles or apparatus connected with their discharge, sea-mines of non-contact types actuated by influence mechanisms, torpedoes capable of being manned, submarines or other submersible craft or specialised types of assault craft.

ARTICLE 15

Roumania shall not retain, produce, otherwise acquire, or maintain facilities for the manufacture of war material in excess of that required for the maintenance of the armed forces permitted under Article 11 of the present Treaty.

ARTICLE 16

1. Excess war material of Allied origin shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions given by that Power. Excess Roumanian war material will be placed at the disposal of the Government of the U.S.S.R., U.K. and U.S.A. Roumania will renounce all rights to this material.

2. War material of German origin or design in excess of that required for the armed forces permitted under the present Treaty will be placed at the disposal of the Governments of the U.S.S.R., U.K. and U.S.A. Roumania will not acquire or manufacture any war material of German origin or design, or employ or train any technicians, including military and civil aviation personnel, who are or have been nationals of Germany.

3. Excess war material mentioned in paragraphs 1 and 2, will be handed over or destroyed within one year from the coming into force of the Present Treaty.

4. A definition and list of war material for the purposes of the present Treaty are set out in Annex 3.

ARTICLE 17

Roumania undertakes to co-operate fully with the United Nations in order to ensure that Germany may not be able to take any action outside German territory in the direction of rearmament.

ARTICLE 18

Roumania undertakes not to acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

ARTICLE 19

Each of the military, naval and air clauses of the present Treaty will remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Roumania, or after Roumania becomes a member of the United Nations, by agreement between the Security Council and Roumania.

ARTICLE 20

1. Roumanian prisoners of war will be repatriated as soon as possible in accordance with arrangements to be agreed upon with Roumania by the individual powers detaining them.

2. All costs, including maintenance costs, incurred in moving Roumanian prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned to the point of entry into Roumanian territory shall be borne by the Roumanian Government.

War Graves

NOTE.—The U.S. Delegation wishes to reserve its position with respect to an Article covering War Graves until the Peace Conference. The U.S.S.R. Delegation considers such an article unnecessary.

PART IV. WITHDRAWAL OF ALLIED TROOPS FROM ROUMANIA

ARTICLE 21

Upon the coming into force of the present Treaty, all Allied Forces will, within a period of 90 days, be withdrawn from Roumania, subject to the right of the Soviet Union to keep on Roumanian territory such armed forces as it may need for the maintenance of the lines of communication of the Red Army with the Soviet zone of occupation in Austria. All unused Roumanian currency and all Roumanian goods in possession of the Allied forces in Roumania, acquired pursuant to Article 10 of the Armistice, will be returned to the Roumanian Government within the same period of 90 days. Roumania, however, undertakes to make available such maintenance and facilities as may specifically be required for the maintenance of the lines of communication with the Soviet zone of occupation in Austria, for which due compensation will be made to the Roumanian Government.

PART V. REPARATION AND RESTITUTION

ARTICLE 22

Losses caused to the Soviet Union by military operations and by the occupation by Roumania of Soviet territory will be made good by Roumania to the Soviet Union, but taking into consideration that Roumania has not only withdrawn from the war against the United Nations, but has declared and, in fact, waged war against Germany it is agreed that compensation for the above losses will be made by Roumania not in full but only in part, namely to the amount of 300 million United States dollars payable over 8 years from September 12, 1944, in commodities (oil-products, grain, timber, seagoing and river craft, sundry machinery, etc.).

The basis for calculating the settlement provided for in this Article will be the United States dollar at its gold parity on the day of the signing of the Armistice Agreement, i. e. 35 dollars for one ounce of gold.

ARTICLE 23

1. Roumania accepts the principles of the United Nations Declaration of January 5, 1943,¹¹ and will return property removed from United Nations territories.

2. The obligation to make restitution applies to all identifiable property at present in Roumania which was removed by force or duress by any of the Axis Powers from the territory of any of the United Nations, irrespective of any subsequent transactions by which the present holder of any such property has secured possession.

3. The Roumanian Government and the Government entitled to restitution may conclude agreements which will replace the provisions of the present Article.

4. The Roumanian Government undertakes to return the property referred to in the present Article in good order and, in this connexion, to bear all costs in Roumania relating to labour, materials and transport.

5. The Roumanian Government will co-operate with the United Nations in and will provide at its own expense all necessary facilities for, the search for and restitution of property liable to restitution under the present Article.

6. The Roumanian Government shall take the necessary measures to effect the return of property covered by this Article held in any third country by persons subject to Roumanian jurisdiction.

¹¹ *Foreign Relations*, 1943, vol. I, p. 443.

7. *Claims for the restitution of property shall be presented to the Roumanian Government by the Government of the country from whose territory the property was removed, it being understood that rolling stock shall be regarded as having been removed from the territory to which it originally belonged. The period during which such claims may be presented shall be six months from the date of coming into force of the present Treaty.

8. The burden of identifying the property and of proving ownership shall rest on the claimant government, and the burden of proving that the property was not removed by force or duress shall rest on the Roumanian Government.

PART VI. ECONOMIC CLAUSES

ARTICLE 24

1. Insofar as Roumania has not already done so, Roumania shall restore all the legal rights and interests in Roumania of the United Nations and their nationals as they existed on June 22, 1941, and shall return all property in Roumania including ships** of the United Nations and their nationals as it now exists.

2. The Roumanian Government undertakes that all property, rights and interests passing under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war and without the imposition of any charges by the Roumanian Government in connection with its return. The Roumanian Government will nullify all measures, including seizures, sequestration or control, taken by it against United Nations' property between June 22, 1941 and the coming into force of the present Treaty. In cases where the property has not been returned within 6 months of the coming into force of the Treaty, application shall be made to the Roumanian authorities not later than 12 months from the coming into force of the Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Roumanian Government undertakes to invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force or duress exerted by Axis Governments or their agencies during the war.

*The U.K. Delegation agrees to paragraph 7 on the understanding that the question of restitution of shipping is covered in Article 24. [Footnote in source text.]

**The Agreement of the U.K. Delegation to this paragraph is subject to a definition of the ships deemed to be covered thereby. See also Annex 4 Part C. [Footnote in source text.]

4. U.S. proposal:

a. Where, as a result of the war, the property cannot be returned or the United Nations national has suffered a loss because of injury to the property, the Roumanian Government shall compensate the owner by the payment of a sum in lei sufficient at the date of payment to enable the recipient to purchase similar property or to make good the loss or damage suffered.

b. Sums in lei paid by the Roumanian Government under this Article shall be freely usable in Roumania but shall be subject to the foreign exchange control regulations which may be in force in Roumania from time to time. The Roumanian Government agrees to accord to United Nations nationals fair and equitable treatment with respect to the allocation of materials, and of foreign exchange required for the importation of materials, for the repair or rehabilitation of their properties in Roumania, and in no event to discriminate in these respects against nationals of the United Nations as compared with Roumanian nationals.

c. In cases where a corporation or association of any nationality other than that of one of the United Nations has suffered a loss of its property in Roumania as a result of the war, compensation in lei shall be paid by the Roumanian Government to United Nations nationals who have directly, or indirectly through intermediate corporations or associations of any nationality other than that of one of the United Nations, an ownership interest in the corporation or association which has suffered the loss. This compensation shall be that fractional part of the amount which would be required to enable the corporation or association to make good the loss or damage suffered, which the interest of the United Nations nationals constitutes of the totality of ownership interests in the corporation. Such compensation, however, shall not be required in case the Roumanian Government shall provide to the corporation or the association itself such full compensation or restoration as would be due under this Article if it were a corporation or association of one of the United Nations. In cases where the corporation or association receives from the Roumanian Government partial compensation for the damage or loss sustained, the United Nations nationals shall be paid by the Roumanian Government compensation in lei in an amount equal to their respective proportionate shares of the loss or damage for which the corporation or association does not itself receive compensation from the Roumanian Government. For purposes of this paragraph the extent of interest of a United Nations national shall be determined as of June 22, 1941, or the outbreak of war between the United Nation concerned and

Roumania, as may be the more favorable to the United Nations national.

d. As used in this Article, the phrase "as a result of the war" included the consequences of any action taken by the Roumanian Government, any action taken by any of the belligerents, any action taken under the Armistice of September 12, 1944, and any action or failure to act caused by the existence of a state of war.

U.S.S.R. proposal:

Roumania recognizes the necessity for compensation for the property of the United Nations and their nationals in Roumania lost or damaged during the war. In view of the fact, however, that Roumania has not only withdrawn from the war against the United Nations, but declared war on, and effectively waged war against Germany, and in consideration of the losses sustained by Roumania in the course of military operations against Germany on Roumanian territory, it is agreed that such compensation will be made in part to the extent of one-third of the losses and will be paid in Roumanian lei.

The U.K. and French Delegations approved the U.S. proposal subject to reservation as to the drafting.

5. All reasonable expenses incurred in Roumania in establishing claims, including the assessment of loss or damage, shall be borne by the Roumanian Government.

6. United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts, imposed on their capital assets in Roumania by the Roumanian Government, or any Roumanian authority between the date of the Armistice and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces or of reparations payable to any of the United Nations. Any sums which have been so paid shall be refunded.

7. The owner of the property concerned and the Roumanian Government may agree upon arrangements in lieu of the provisions of this Article.

8. As used in this Article:

a. "United Nations nationals" means individuals who are nationals of any of the United Nations or corporations or associations organised under the laws of any of the United Nations at the date of the coming into force of the present Treaty, provided that they also had this status at the date of the Armistice with Roumania.

The term "United Nations nationals" also includes all individuals, corporations or associations which under the laws in force in Roumania during the war, have been treated as enemy.

b. "Owner" means the United Nations national, as defined in subparagraph *a* above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nations national as defined in subparagraph *a*. If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law.

c. "Property" means all movable and immovable property, whether tangible, or intangible including industrial, literary and artistic property, as well as all rights, estates or interests in property of any kind.

ARTICLE 25

Roumania recognises that the Soviet Union is entitled to all German assets in Roumania transferred to the Soviet Union by the Control Council for Germany and undertakes to take all necessary measures for facilitating such transfers.

ARTICLE 26

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests within its territory which on the date of coming into force of the present Treaty belong to Roumania or to Roumanian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Roumania or its nationals, including debts other than claims fully satisfied under other Articles of the present Treaty. All Roumanian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Roumanian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Roumanian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Roumanian Government undertakes to compensate Roumanian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial, literary or artistic property to the Roumanian Government or Roumanian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations,

conditions and restrictions on rights or interests with respect to industrial, literary and artistic property acquired prior to the coming into force of the present Treaty in the Territory of that Allied or Associated Power by the Government or nationals of Roumania, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Roumanian property which has been subject to control by reason of a state of war existing between Roumania and the Allied or Associated Power having jurisdiction over the property, but shall not include:

a. Property of the Roumanian Government used for consular or diplomatic purposes.

b. Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes.

c. Property of natural persons who are Roumanian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations' territory, other than Roumanian property which at any time during the war was subjected to measures not generally applicable to the property of Roumanian nationals resident in the same territory.

d. Property rights arising since the resumption of trade and financial relations between Roumania and the Allied and Associated Powers, or arising out of transactions between Roumania and the Governments of any Allied or Associated Power since September 12, 1944.

ARTICLE 27

U.S.S.R. proposal:

1. *Limitations imposed in respect of Roumanian property on the territory of Germany and on the territory of other countries which took part in the war on the side of Germany shall be withdrawn after the coming into force of the present treaty. The rights of Roumanian owners with respect to the disposal of the property in question shall be restored.*

2. *Roumania shall have the right to restitution of identifiable property which was compulsorily or forcibly removed from Roumania after August 24, 1944, and is at present in Germany.*

The restitution of Roumanian property situated in the territory of Germany will be effected in accordance with the instructions of the military authorities of the Powers in occupation of Germany.

U.K., U.S. and French proposal:

Roumania hereby renounces on its own behalf and on behalf of Roumanian nationals all claims, including debts, against Germany

and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before September 1, 1939. This renunciation shall be deemed to include not only all inter-governmental claims in respect of arrangements entered into in the course of the war, but also all claims for loss or damage arising during the war. This renunciation shall be without prejudice to any dispositions in favour of Roumania or Roumanian nationals made by the Powers in occupation of Germany.

ARTICLE 28

1. The Contracting Parties agree that the existence of the state of war shall not, in itself, be regarded as affecting the obligations to pay pecuniary debts arising out of obligations and contracts which existed, and rights acquired, before the existence of a state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Roumania to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the government or nationals of Roumania.

2. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of pre-war contracts concluded either by the Government or nationals of Roumania.

ARTICLE 29

1. Roumania waives all claims of any description against the Allied and Associated Powers on behalf of the Roumanian Government or Roumanian nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Roumania at the time, including the following:

a. Claims for losses or damages sustained as a consequence of acts of forces or authorities of the Allied or Associated Powers;

b. Claims arising from the presence, operations or actions of forces or authorities of the Allied or Associated Powers in Roumanian territory;

c. Claims with respect to the decrees and orders of Prize Courts of the Allied or Associated Powers, Roumania agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after September 1, 1939, concerning Roumanian ships or Roumanian goods or the payment of costs;

d. Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article will bar, completely and finally, all claims of the nature referred to herein, which will henceforward be extinguished, whoever may be the parties in interest. The Roumanian Government agrees to make equitable compensation in lei to persons who furnished supplies or services on requisition to the forces of the Allied and Associated Powers in Roumanian territory and in satisfaction of non-combat damage claims against the forces of the Allied and Associated Powers arising in Roumanian territory.

3. Roumania likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Roumanian Government or Roumanian nationals against any of the United Nations which severed diplomatic relations with Roumania and took action in co-operation with the Allied and Associated Powers.

4. The Roumanian Government will assume full responsibility for Allied military currency issued in Roumania by the Allied military authorities, including all such currency in circulation on the date of the coming into force of this Treaty.

5. The waiver of claims by Roumania under this Article includes any claims arising out of actions taken by any of the Allied and Associated Powers with respect to Roumanian ships between September 1, 1939, and the date of the coming into force of the present Treaty, as well as any claims and debts arising out of Conventions on prisoners of war now in force.

ARTICLE 30

1. Pending the conclusion of commercial treaties or agreements between Roumania and the United Nations, the Roumanian Government shall during the 18 months following the coming into force of the present Treaty grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Roumania:

a. In all that concerns duties and charges on importation or exportation the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment.

b. In all other respects, Roumania shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for any other territory of the United Nations or of any other foreign country;

c. Natural and legal persons who are nationals of any of the United Nations shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Roumania . . .

The U.S.S.R. Delegation proposes the following text as an integral part of the paragraph:

. . . excluding certain branches where, in accordance with the internal legislation of the country, private enterprise does not take place.

The U.K., U.S. and French Delegations propose the following alternative to the U.S.S.R. proposal:

This paragraph shall not be deemed to confer on the United Nations, or their nationals, rights to engage in any branch of commerce, industry, shipping or other form of business activity which under Roumanian law is a monopoly of the Roumanian State. Nevertheless, the most-favoured-nation principle shall be observed in any such cases in which foreign participation is allowed.

Proposed further addition to this paragraph by the U.S. Delegation supported by U.K.

It is further understood that this paragraph shall not apply to civil aviation, but that Roumania will grant no exclusive or discriminatory right to any country with regard to the operation of civil aircraft in international traffic and will afford all the United Nations equality of opportunity for obtaining international commercial aviation rights in Roumanian territory.

The U.S.S.R. Delegation sees no reason for inclusion of this addition in the Treaty.

2. U.S.S.R. proposal:

The foregoing undertakings by Roumania shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Roumania before the war which relate to relations with neighbouring countries applied to them; and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that Power.

French, U.K. and U.S. proposal:

The foregoing undertakings by Roumania shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Roumania before the war, and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that Power.

ARTICLE 31

U.K. proposal:

Any disputes which may arise in connexion with Articles 23 and 24 and Annexes 4, 5 and 6 of the present Treaty shall be referred to a Conciliation Commission composed of an equal number of representatives of the United Nations Government concerned and of the Rouma-

nian Government. If agreement has not been reached within three months of the dispute having been referred to the Conciliation Commission, either Government may require the addition of a third member to the Commission, and failing agreement between the two Governments on the selection of this member, the President of the International Court of Justice shall be requested to make the appointment. The decisions of the Commission, as so constituted, shall be taken by the same procedure as is provided for decisions of the International Court itself in Articles 48 and 55-57 of the Statute of the Court and shall be final and binding on all parties.

U.S.S.R. proposal:

Any disputes which may arise in giving effect to the present Articles 23 and 24 of the present Treaty shall be referred to a Conciliation Commission consisting of an equal number of Representatives of the Government of the United Nations concerned and the Government of Roumania, appointed on an equal footing. If within 3 months after the dispute has been referred to the Conciliation Commission no agreement has been reached, either Government may ask for the addition to the Commission of a third member selected by mutual agreement of the two Governments from nationals of third countries. Should the two Governments fail to agree on the selection of a third member of the Commission, the Governments shall apply to the three Heads of the Diplomatic Missions in Bucharest of the U.S.S.R., U.K. and U.S., who will appoint the third member of the Commission.

The U.S. Delegation can accept either the U.K. proposal or the U.S.S.R. proposal provided the following sentence is added at the end of the latter.

If the three Heads of Mission are unable to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations shall be requested by either party to make the appointment.

The French Delegation has the same proposition as the U.S. Delegation provided Annexes 4, 5 and 6 are covered by the Article.

ARTICLE 32

Articles 23, 24 and 30 and Annex 6 of this Treaty shall apply to the Allied and Associated Powers and France and to those of the United Nations which have broken off diplomatic relations with Roumania.

ARTICLE 33

The provisions of Annexes 4, 5 and 6 shall, as in the case of the other Annexes, have force and effect as integral parts of the present Treaty.

PART VII. CLAUSES RELATING TO THE DANUBE

ARTICLE 34

U.K. and U.S. proposal:

1. *Navigation on the Danube River, its navigable tributaries and connecting canals shall be free and open on terms of entire equality to the nationals, vessels of commerce and goods of all states.*

2. *Sanitary, police and other laws and regulations applicable to the Danube River system shall be administered by Roumania in a non-discriminatory manner and shall not unreasonably impede commercial navigation.*

3. *No obstacles or impediments to navigation shall be placed in the main channels of the Danube River system or along the shores thereof. Roumania undertakes to remove any existing obstacle or impediment in the main channels lying within its jurisdiction or to permit such removals by any international authority which may be established for the Danube River system.*

4. *No tolls, dues or other charges shall be levied by Roumania except for the purpose of defraying the cost of development and maintenance of the waterway in a commercially navigable condition; and no tolls, dues or other charges shall be levied with respect to navigation of any naturally navigable portion of the waterway. All tolls, dues and other charges shall be levied in such a manner as not to discriminate against nationals, vessels of commerce or goods of any state. The schedule of these charges shall be open for public inspection and shall be publicly displayed in appropriate places.*

5. *In the establishment, administration and operation of any interim or permanent international regime for the Danube River system, Roumania shall enjoy a status equal to that of the other member states.*

6. *Any dispute between the parties [to] the present Treaty with respect to the application or interpretation of this Article relating to the regime and conditions of navigation on the Danube River system, which cannot be resolved by negotiation, shall be submitted to a chamber of three or more judges formed by the International Court of Justice under Article 26 of its Statute.*

U.K. Delegation propose to add:

A conference of all interested states, including Roumania will be convened within a period of six months of the coming into force of the present treaty to establish the new permanent international regime for the Danube.

U.S.S.R. proposal:

The question of the Danube cannot be solved by the Peace Treaties with Roumania, Bulgaria and Hungary since it has to be settled with

the participation of the Danubian States which include Allied States such as Czechoslovakia and Yugoslavia. The Delegation of the U.S.S.R., therefore, proposes not [to] have the provisions relating to the Danube included in the Peace Treaties with Roumania, Bulgaria and Hungary.

PART VIII. FINAL CLAUSES

ARTICLE 35

For a period not to exceed 18 months from the coming into force of the present Treaty, the Heads of the Diplomatic Missions in Bucharest of the U.S.S.R., the U.K. and U.S. acting in concert, will represent the Allied and Associated Powers in dealing with the Roumanian Government in all matters concerning the execution and interpretation of the present Treaty.

The three Heads of Mission will give the Roumanian Government such guidance, technical advice and clarification as may be necessary to ensure rapid and efficient compliance with the spirit and terms of the present Treaty.

The Roumanian Government undertake to afford the said three Heads of Mission all necessary information and any assistance they may require in the fulfilment of the tasks devolving on them under the present Treaty.

ARTICLE 36

U.K. and U.S. proposal:

Except where any other procedure is specifically provided under any Article of the present Treaty, disputes concerning the interpretation or execution of the Treaty shall be referred to the three Heads of Mission acting as provided under Article 35 and, if not resolved by them within a period of two months, shall, at the request of any party to any dispute, be referred to the International Court of Justice. Any dispute still pending at, or arising after, the date when the Heads of Mission terminate their functions under Article 35, and which is not settled by direct diplomatic negotiations, shall equally, at the request of any party to the dispute, be referred to the International Court of Justice.

U.S.S.R. proposal:

Save where any other procedure is specifically provided under any Article of the present Treaty, disputes concerning the interpretation or execution of the Treaty shall be settled by direct diplomatic negotiations and, in case the disputes are not settled in this way, they shall be referred to the three Heads of Mission acting as provided under Article 35, except that in this case the Heads of Mission will not be restricted by the time-limit provided in that Article.

ARTICLE 37

Any other member of the United Nations not a signatory to the present Treaty which is at war with Roumania, may accede to the Treaty and upon accession will be deemed to be an Associated Power for the purposes of the Treaty.

Instruments of accession will be deposited with the Government of the U.S.S.R. and shall take effect upon deposit.

ARTICLE 38

The present Treaty, of which the Russian and English texts are authentic, shall be ratified by the Allied and Associated Powers. It shall also be ratified by Roumania. It will come into force immediately [upon] deposit of ratifications by the U.S.S.R., U.K. and U.S.A. The instruments of ratification will, in the shortest time possible, be deposited with the Government of the U.S.S.R.

With respect to each Allied and Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty will be deposited in the archives of the Government of the U.S.S.R., which shall furnish certified copies to each of the signatory States.

Done in the city of in the Russian, English and Roumanian languages.

ANNEX 1

(See Article 1)

*Map of the Roumanian Frontiers*¹²

ANNEX 2

(See Article 13)

Definition of Naval, Military and Air Training

Military training is defined as: the study of and practice in the use of war material specially designed or adapted for army purposes, and training devices relative thereto; the study and carrying out of all drill or movements which teach or practice evolutions performed by fighting forces in battle; and the organised study of tactics, strategy and staff work.

Military air training is defined as: the study of and practice in the use of war material specially designed or adapted for air force purposes, and training devices relative thereto; the study and practice of

¹² No map accompanied the English text of the Draft Treaty.

all specialised evolutions, including formation flying, performed by aircraft in the accomplishment of an air force mission, and the organised study of air tactics, strategy and staff work.

Naval training is defined as: the study, administration or practice in the use of warships or naval establishments as well as the study or employment of all apparatus and training devices relative thereto, which are used in the prosecution of naval warfare except for those which are also normally used for civilian purposes; also the teaching, practice or organised study of naval tactics, strategy and staff work including the execution of all operations and manœuvres not required in the peaceful employment of ships.

ANNEX 3

(See Article 15)

Definition and List of War Material

Definition of War Material:

The term: "war material" as used in this Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend by modification or addition, the list, periodically, in the light of subsequent scientific development.

Category I.

1) Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.

2) Machine guns, military automatic or autoloading rifles, and machine pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.

3) Guns, howitzers, mortars, cannon special to aircraft; breechless or recoilless guns and flame-throwers, barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.

4) Rocket projectors; launching and control mechanisms for self-propelling and guided missiles; mountings for same.

5) Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in 1-4 inclusive above and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6) Grenades, bombs, torpedoes, mines, depth charges and incendiary

material or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7) Bayonets.

Category II.

1) Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2) Mechanical and self propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in 1 above.

3) Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III.

1) Aiming and computing devices, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters, calibration equipment for the calibration of guns and fire control instruments.

2) Assault bridging, assault boats and storm boats.

3) Deceptive warfare, dazzle and decoy devices.

4) Personal war equipment of a specialised nature not readily adaptable to civilian use.

Category IV.

1) Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material machines and installations not used in peace time on ships other than warships.

2) Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instrument or device whether manned or unmanned, guided or uncontrolled.

3) Submersible or semi-submersible ships, craft, weapons, devices or apparatus of any kind, including specially designed harbour defence booms, except as required by salvage, rescue or other civilian uses, as well as all equipment, accessories, spare parts experimental or training aids, instruments or installations as may be especially designed for the construction, testing maintenance or housing of the same.

Category V.

1) Aircraft, assembled or unassembled, both heavier and lighter than air which are designed or adapted for aerial combat by the use

of machine guns, rocket projectors, or artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of design or construction are prepared for, any of the appliances referred to in paragraph 2 below.

2) Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.

3) Equipment specially designed for and used solely by airborne troops.

4) Catapults or launching apparatus for ship-borne, land or sea-based aircraft; apparatus for launching aircraft weapons.

5) Barrage balloons.

Category VI.

Asphyxiating, lethal, toxic, incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII.

Propellants, explosives, pyrotechnics, liquefied gases destined for the propulsion, explosion, charging, filling of, or use in connection with the war material in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII.

Factory and total equipment specially designed for the production and maintenance of the products enumerated above and not technically reconvertible to civilian use.

ANNEX 4

Special Provisions Relating to Certain Kinds of Property

A. INDUSTRIAL, LITERARY AND ARTISTIC PROPERTY

1. *a.* A period of one year from the coming into force of the present Treaty shall be accorded to the Allied and Associated Powers or their nationals without extension fees or other penalty of any sort in order to enable such persons to accomplish all necessary acts for the obtaining or preserving in Roumania of rights in industrial, literary and artistic property which were not capable of accomplishment owing to the existence of a state of war.

b. Allied and Associated Powers or their nationals who had duly applied in any Allied or Associated Power for a patent or registration of a utility model not earlier than 12 months before the outbreak of the war with Roumania or during the war, or for the registration of an industrial design or model or trade mark not earlier than 6 months before the outbreak of the war with Roumania or during the war, shall

be entitled within 12 months after the coming into force of the present Treaty to apply for corresponding rights in Roumania with a right of priority based upon the previous filing of the application in that Allied and Associated Power.

c. Each of the Allied and Associated Powers or its nationals shall be accorded a period of one year from the coming into force of the present Treaty during which they may institute proceedings against those persons who are alleged illegally to have infringed their rights in industrial, literary or artistic property between the date of the outbreak of the war and the coming into force of the present Treaty.

2. A period from the outbreak of the war until a date 18 months after the coming into force of the present Treaty shall be excluded in considering the time within which a patent should be worked or a design or trade mark used.

3. The period from the outbreak of the war until the coming into force of the present Treaty shall be excluded from the normal term of rights in industrial, literary and artistic property which were in force in Roumania at the outbreak of the war or which are recognised or established under this Annex and belonging to any of the Allied and Associated Powers, or their nationals. Consequently, the normal duration of such rights shall be deemed automatically extended in Roumania for a further term corresponding to the period so excluded.

4. The foregoing provisions concerning the rights of the Allied and Associated Powers or their nationals shall apply equally to Roumania and its nationals.

But nothing in these provisions shall operate so as to give to Roumania or any of its nationals greater rights than are accorded in like cases by any of the Allied or Associated Powers to any other of the United Nations.

The U.S.S.R. Delegation considers it unnecessary to include the passage in italics.

The U.S. Delegation would not agree to this Annex unless paragraph 4 were included in its entirety.

5. Third parties in the territories of any of the Allied and Associated Powers or Roumania who before the coming into force of the present Treaty have bona fide acquired industrial property rights conflicting with rights restored under this Article or with rights obtained with priority claimed thereunder, or have bona fide manufactured, used or sold the subject-matter of such rights, shall be permitted without any liability for infringement, to continue to exercise such rights and to continue or to resume such manufacture, use or sale which had been bona fide acquired or commenced. In Roumania, such permission shall take the form of a non-exclusive license granted

on terms and conditions to be mutually agreed by the parties thereto or in default of agreement to be fixed by the Conciliation Commission established under Article 31 of the Treaty. In the territories of the Allied and Associated Powers, however, bona fide third parties shall receive such protection as is accorded under similar circumstances to bona fide third parties whose rights are in conflict with those of the nationals of other Allied and Associated Powers.

6. Nothing in this Annex shall be construed to entitle Roumania or its nationals to any patent or utility model rights in the territory of any of the Allied and Associated Powers with respect to inventions relating to any article listed by name in the definition of war material contained in Annex 3 of the present Treaty made or upon which applications were filed by Roumania or any of its nationals in Roumania or in the territory of any other of the Axis Powers or in any territory occupied by the Axis forces, during the time when the place in question was under the control of enemy forces or authorities.

7. *Roumania shall extend the benefits of this Article to any United Nation other than an Allied or Associated Power which undertakes to extend to Roumania the benefits accorded to Roumania under this Article.*

The U.S.S.R. Delegation does not see the reason for inclusion of paragraph 7 in the present Treaty.

8. Nothing in this Annex shall be understood to conflict with Articles 24, 26 and 28 of the present Treaty.

B. INSURANCE

U.K. proposal:

1. *United Nations Insurers shall be granted full facilities by the Roumanian Government to recover their former portfolios of business in Roumania and they shall not be required to conform to any legislative enactments more onerous than those which were applicable to them before the outbreak of war.*

2. *In so far as the guarantee deposits and reserves of United Nations insurers have been reduced by reason of the payment of insurance claims arising out of the war they shall be entitled to compensation from the Roumanian Government by way of the reinstatement of such deposits or reserves to the amount of the claims.*

3. *The Roumanian Government undertakes that if any United Nations' Insurer desires to resume business in Roumania and it is found that the value of any guarantee deposit or reserves required to be held as a condition of carrying on business in Roumania have been diminished by reason of disappearance or depreciation of the securities in which they are constituted, Roumania shall either*

a. Itself reconstitute the deposits or reserves except in so far as the diminution or disappearance was caused by payment of losses already compensated for under paragraph 2 above; or

b. Accept the securities at the value at the outbreak of war for the purpose of compliance with the legal requirements relating to such deposits and reserves.

The U.S.S.R. Delegation considers that this subject is also covered by Article 24 on United Nations property in Roumania and sees no reason to include any special provisions relating to Insurance.

The U.S. Delegation is not opposed in principle to treaty provisions on special problems relating to insurance but is unable to accept the draft as a whole.

C. SHIPPING

U.K. proposal:

1. The expression "property" includes all vessels of the United Nations, with full inventory, equipment and cargoes which were in the waters of Roumania or Roumanian territorial waters of the Danube on June 22, 1941.

Vessels falling into the following categories are regarded as belonging to a United Nation or United Nations national:

(i) If on June 22, 1941 (at the time they fell under Roumanian control), they were registered in the territory of a United Nation.

(ii) If on June 22, 1941 (at the time they fell under Roumanian control), they had the right to fly the flag of a United Nation whether or not formally registered in the territory of that Nation.

(iii) If, after June 22, 1941, they were built in Roumania by, or for, or acquired by, any national of a United Nation, and registered in its territory (if liable to registration).

2. The Roumanian Government is responsible for handing over in Roumanian territorial waters the vessels of the United Nations in complete good order as they existed on June 22, 1941, within a period of one month from the coming into force of this Treaty, and to pay fair compensation for the loss of use and loss of profits from June 22, 1941 up to the date of the handing over of the vessels. In the event of the Roumanian Government failing to hand over within the time limit laid down the Roumanian Government shall pay further compensation in the currency of the United Nation concerned for such further loss of use and profits up to the date of handing over of the vessels.

3. The Roumanian Government undertakes to restore the vessels in good navigable condition including the carrying out of repairs shown to be necessary by an expert survey. ‡ Up to the time of handing over all damages or defects found in the vessels are the sole responsibility of the Roumanian Government.

‡ Repairs to be done in Roumania or if outside Roumania the cost to be to the charge of the Roumanian Government who must provide the necessary foreign exchange. [Footnote in source text.]

The Roumanian Government accepts that the return of such vessels is without prejudice to any rights or remedies provided in any other Articles of the present Treaty relating to the payment of compensation in respect of any acts or omission of the Roumanian Government or its nationals.

4. Where United Nations' vessels have been lost these are to be valued at replacement cost and vessels of a similar category delivered to the same value; if the Roumanian Government should be unable to deliver from existing vessels, the required vessels are to be constructed either in Roumanian shipyards or elsewhere, the responsibility for payment resting with the Roumanian Government.

The U.S. and French Delegations consider it desirable that the Peace Conference include in the treaty a definition of the ships to which the Article on United Nations Property will apply but believe the other provisions proposed on this subject are unnecessary.

The U.S.S.R. Delegation considers that this subject is also covered by Article 24 on United Nations property in Roumania and sees no reason to include any special provisions relating to shipping.

D. PETROLEUM

U.K. proposal:

1. The complete restoration and replacement of damaged or destroyed property belonging to United Nations nationals engaged in the petroleum industry in Roumania shall receive priority over the restoration or replacement of other property in the petroleum industry of Roumania, and failing the complete restoration or replacement of damaged or destroyed property of United Nations nationals within a period of one year from the date of the coming into force of this Treaty, the Roumanian Government undertakes to pay to such United Nations nationals convertible currency equivalent to the assessed value of the property which the Roumanian Government failed to restore or replace.

2. The Roumanian Government accepts to compensate United Nations nationals engaged in the petroleum industry in Roumania for all reasonable expenses incurred in preparation for and in execution of provisional repairs and replacements to the damaged property of United Nations nationals, during the war and since the signing of the Armistice and until such time as complete restoration or replacement of damaged or destroyed property has been effected.

3. The Roumanian Government undertakes to repeal the Petroleum Law of July 1942 and to re-enact the Mining Law of 1937 pending the coming into force of a new petroleum law.

4. United Nations nationals engaged in the petroleum industry of Roumania reserve the right to demand the revocation of any acts, deeds, or titles deriving from the Petroleum Law of 1942 which they

consider prejudicial to their interests and the Roumanian Government will implement such revocations free of cost and free of encumbrances to the United Nations nationals.

5. The Roumanian Government shall compensate Roumanian nationals who may suffer damage through the implementation of the revocations mentioned in paragraph 4.

6. All "rights acquired" by United Nations nationals under each and every mining law and petroleum law in Roumania shall be maintained at the request of the United Nations nationals concerned.

7. All expenses incurred by United Nations nationals engaged in the petroleum industry of Roumania such as bank charges and interests on loans raised to facilitate on behalf of the Roumanian Government deliveries of petroleum products to the Axis Powers during the war shall be borne by the Roumanian Government.

8. In order to facilitate the rehabilitation and maintenance of the property of United Nations nationals, engaged in the petroleum industry of Roumania, the Roumanian Government undertakes to make the necessary alterations in the labour law to allow all employees selected by such United Nations nationals to enter Roumania and to exercise their respective professions in the petroleum industry of Roumania without hindrance.

The U.S. Delegation considers that the problems sought to be dealt with in the draft Annex on Petroleum would, in general, be covered by the general provisions agreed on United Nations property, if these provisions made adequate provision for compensation.

The U.S.S.R. Delegation considers that this subject is also covered by Article 24 on United Nations property in Roumania and sees no reason to include any special provisions relating to Petroleum.

ANNEX 5

Contracts, Prescriptions and Negotiable Instruments **

U.K. proposal:

I. CONTRACTS

1. Any contract concluded between enemies shall be deemed to have been dissolved as from the time when any of the parties became an enemy, except in respect of any debt accrued or money paid or other pecuniary obligation arising out of any act done thereunder, and sub-

**In view of the constitutional position of the Federal Government, the U.S. Delegation would be unable to accept any obligations on the matters covered by this Annex. The United States would not object to the inclusions of provisions on these subjects in the Treaty but would wish to have a clause included making them inapplicable as between the United States and Roumania.

The U.S.S.R. Delegation sees no reason for inclusion in the Peace Treaty of the matters covered by this Annex.

The French Delegation supports the U.K. proposal with regard to prescriptions and negotiable instruments. [Footnote in source text.]

ject to the exceptions set out in the following paragraph. The provisions of this paragraph shall be without prejudice to contracts of insurance and reinsurance, which shall be subject to a separate agreement.

(Alternatively a special annex can be included.)

2. The following classes of contracts notwithstanding the provisions of paragraph 1 are excepted from dissolution and without prejudice to the rights contained in Article 26, remain in force subject to the application of municipal laws, orders or regulations made since the outbreak of war by any member of the United Nations and subject to the proper law and terms of the contracts:

a. Contracts for the transfer of estates or of movable or immovable property where the property therein has passed or delivery been made before the parties became enemies;

b. Leases or agreements for leases of land, houses or parts thereof;

c. Contracts of mortgages or lien;

d. Concessions of mines, quarries or deposits;

e. Contracts between individuals or associations and states, municipalities or other similar juridical persons charged with administrative functions and concessions granted by states, municipalities or other similar juridical persons charged with administrative functions;

f. Any contract of which the execution shall be required in the general interest within six months from the date of the coming into force of the present treaty by a government of one of the United Nations of which one of the parties to such a contract is a national; when the execution of the contract thus kept alive would, owing to the alteration of particular conditions, cause one of the parties substantial prejudice, the Conciliation Commission established under article 31 shall be empowered to award fair compensation to the prejudiced parties.

3. If a contract is dissolved in part under paragraph 1, the remaining provisions of that contract shall, subject to the same application of municipal laws as is provided for in paragraph 2, continue in force if they are severable, but where they are not severable the contract shall be deemed to have been dissolved in its entirety.

4. Nothing in the present Annex shall be deemed to invalidate the transactions lawfully carried out in accordance with a contract between enemies if it has been carried out with the authority of the Government of one of the United Nations.

5. For the purposes of Parts I, II and III of the present Annex the parties to a contract shall be regarded as enemies when trading between them shall have been prohibited by or otherwise become unlawful under laws, orders or regulations to which one of these parties

or the contract was subject. They shall be deemed to have become enemies from the date when such trading was prohibited or otherwise become unlawful.

II. PERIODS OF PRESCRIPTION

1. All periods of prescription, or limitation of right of action, whether they began to run before or after the outbreak of war, shall be treated in the territory of the High Contracting Parties, as far as regards relations between enemies, as having been suspended for the duration of the war. They shall begin to run again at the earliest, three months after the coming into force of the present Treaty. This provision shall apply to the period prescribed for the presentation of interest or divided coupons or for the presentation for repayment of securities drawn for repayment or repayable on any other ground.

2. Where, on account of failure to perform any act or comply with any formality during the war, measures of execution have been taken in Roumanian territory to the prejudice of a national of one of the United Nations, the claim of such national shall, if the matter does not fall within the competence of the Courts of one of the United Nations be heard by the Conciliation Commission established under article 31.

3. Upon the application of any interested person who is a national of one of the United Nations, the Conciliation Commission shall order the restoration of the rights which have been prejudiced by the measures of execution referred to in paragraph 2 wherever such restoration is equitable and possible. If such restoration is inequitable or impossible, the Conciliation Commission may award compensation to the prejudiced party to be paid by the Roumanian Government.

4. Where a contract between enemies has been dissolved by reason either of failure on the part of either party to carry out its provisions or of the exercise of a right stipulated in the contract itself the party prejudiced may apply to the Conciliation Commission for relief. The Commission will have the powers provided for in paragraph 3.

5. The provisions of the preceding paragraphs of this Article shall apply to the United Nations nationals who have been prejudiced by reason of measures referred to above taken by Roumania on invaded or occupied territory, if they have not been otherwise satisfactorily compensated.

6. Roumania shall compensate any third party who may be prejudiced by any restitution or restoration ordered by the Conciliation Commission under the provisions of the preceding paragraphs of this Part.

7. *As regards negotiable instruments, the period of three months provided under paragraph 1 shall commence as from the date on which any exceptional regulations applied in the territories of the interested Power with regard to negotiable instruments shall have definitely ceased to have force.*

III. NEGOTIABLE INSTRUMENTS

1. *As between enemies no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment or to give notice of non-acceptance or non-payment to drawers or endorsers or to protest the instrument, nor by reason of failure to complete any formality during the war.*

2. *Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or endorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment, has failed to do so during the war, a period of not less than three months from the coming force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment or protest may be made.*

3. *If a person has either before or during the war become liable upon a negotiable instrument in accordance with an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of his liability notwithstanding the outbreak of war.*

IV. MISCELLANEOUS

1. *Stock Exchange and Commercial Exchange Contracts.*

a. *Rules made during the war by any recognised Exchange or Commercial Association providing for the closure of contracts entered into before the war by an enemy are confirmed by the High Contracting Parties, as also any action taken thereunder, provided:*

1. *That the contract was expressed to be made subject to the rules of the Exchange of [or] Association in question;*

2. *That the rules applied to all persons concerned;*

3. *That the conditions attaching to the closure were fair and reasonable.*

b. *The preceding paragraph shall not apply to rules made during the occupation by Exchanges or Commercial Associations in the districts occupied by the enemy.*

2. Security.

The sale of a security held for an unpaid debt owing by an enemy shall be deemed to have been valid irrespective of notice to the owner if the creditor acted in good faith and with reasonable care and prudence, and no claim by the debtor on the ground of such sale shall be admitted.

This stipulation shall not apply to any sale of securities effected by an enemy during the occupation in regions invaded or occupied by the enemy.

ANNEX 6

Prize Courts and Judgments

A. PRIZE COURTS

Each of the Allied and Associated Powers reserves the right to examine, according to a procedure to be established by it, all decisions and orders of the Roumanian Prize Courts involving ownership rights of its nationals, and to recommend to the Roumanian Government that revision shall be undertaken of these decisions or orders which may not be in conformity with international law.

Roumania undertakes to supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued, and to accept all recommendations made, subsequent to the examination of the said cases, and to give effect to such recommendations.

B. JUDGMENTS

U.S. proposal supported by U.S.S.R.:

The Roumanian Government shall take the necessary measures to enable nationals of any of the United Nations at any time within one year after the coming into force of this Treaty to submit to the appropriate Roumanian authorities for review any judgment given by a Roumanian Court between June 22, 1941, and the coming into force of the present Treaty in any proceeding in which the United Nations national was unable to make adequate presentation of his case as plaintiff or defendant. The Roumanian Government shall provide that, where the United Nations national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances. The term "United Nations nationals" includes corporations or associations organised or constituted under the laws of any of the United Nations.

French proposal:

The Roumanian Government undertake to adopt appropriate measures in order that nationals of any of the United Nations may obtain during a period of one year from the coming into force of the present Treaty, revision of the judgments rendered by the Roumanian Courts and Tribunals between June 22, 1941, and the date of coming into force of the present Treaty, either in absence of such nationals, or on account of their inability as a result of circumstances to have defended their cause satisfactorily.

The Roumanian Government shall indemnify nationals of the United Nations for the prejudice caused through the initial judgment and shall award compensation, if revision of such judgment did not conclude by re-establishing them de facto in the situation where they were when the procedure was instituted.

Should dispute arise either as regards the ability of nationals of any of the United Nations to have defended their cause satisfactorily, or the adequacy of the compensation to be awarded by the Roumanian Government, the said dispute shall be submitted to the Conciliation Commission established under Article 31 of the present Treaty.

U.K. proposal:

1. Judgments given by the Courts of a member of the United Nations in all cases which, under the present Treaty, they are competent to decide, shall be recognised in Roumania as final and shall be enforced without it being necessary to have them declared executory.

2. If a judgment in respect of any dispute which may have arisen has been given during the war by a Roumanian Court against a United Nations national in a case in which he was not able adequately to present his case whether as plaintiff or defendant, the United Nations national who has suffered prejudice thereby shall be entitled to recover compensation, to be fixed by the Conciliation Commission under the procedure laid down in Article 31 for settlement of disputes.

3. At the instance of the United Nations national and where it is possible the Conciliation Commission may in lieu of compensation by order replace the parties in the situation which they occupied before the judgment was given by the Roumanian Court.

4. Such compensation or replacement may likewise be obtained before the Conciliation Commission by United Nations nationals who have suffered prejudice by judicial measures taken in invaded or occupied territories if they have not been otherwise compensated.

DRAFT PEACE TREATY WITH BULGARIA, PREPARED BY THE COUNCIL
OF FOREIGN MINISTERS, PALAIS DU LUXEMBOURG, PARIS, JULY 18,
1946

CFM Files

*Draft Peace Treaty With Bulgaria*¹³

PREAMBLE

The Union of Soviet Socialist Republics, the United Kingdom, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Czechoslovakia, Greece, India, New Zealand, the Ukrainian Soviet Socialist Republic, the Union of South Africa and Yugoslavia, as the States which are at war with Bulgaria and actively waged war against the European enemy states with substantial military force, hereinafter called the Allied and Associated Powers of the one part,

and Bulgaria, of the other part;

Whereas Bulgaria, having become an ally of Hitlerite Germany and participating on her side in the war against the Union of Soviet Socialist Republics, the United Kingdom, the United States of America and other United Nations, bears her share of responsibility for this war;

Whereas, however, Bulgaria having ceased military operations against the United Nations, broke off relations with Germany, and, having concluded on October 28, 1944, an Armistice with the Governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America,¹⁴ acting on behalf of all the United Nations at war with Bulgaria, took an active part in the war against Germany; and

Whereas the Allied and Associated Powers and Bulgaria are respectively desirous of concluding a treaty of peace which will form the basis of friendly relations between them and settle questions still outstanding between them as a result of the events hereinbefore recited; thereby enabling the Allied and Associated Powers to support Bulgaria's application to become a member of the United Nations and also to adhere to any convention concluded under the auspices of the United Nations;

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Peace Treaty, and have appointed as their Plenipotentiaries^{14a} who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

¹³ The table of contents and list of annexes of the source text are not printed here.

¹⁴ Department of State Executive Agreement Series 437.

^{14a} Ellipsis occurs in the source text.

PART I. FRONTIERS OF BULGARIA

ARTICLE 1

The frontiers of Bulgaria, as shown on the map annexed to the present Treaty (Annex 1) shall be those which existed on January 1, 1941.

NOTE.—This text should be considered as tentative, in respect of the Greek-Bulgarian frontier, until the Governments of Greece and Bulgaria have had an opportunity to present to the Peace Conference or to the Council of Foreign Ministers their respective views on this subject.

PART II. POLITICAL CLAUSES

SECTION I

ARTICLE 2

[Identical, *mutatis mutandis*, to Article 3 of the Draft Rumanian Treaty.]

ARTICLE 3

[Identical, *mutatis mutandis*, to Article 4 of the Draft Rumanian Treaty.]

ARTICLE 4

[Identical, *mutatis mutandis*, to Article 5 of the Draft Rumanian Treaty.]

ARTICLE 5

[Identical, *mutatis mutandis*, to Article 6 of the Draft Rumanian Treaty.]

SECTION II

ARTICLE 6

[Identical, *mutatis mutandis*, to Article 7 of the Draft Rumanian Treaty.]

ARTICLE 7

[Identical, *mutatis mutandis*, to Article 9 of the Draft Rumanian Treaty.]

ARTICLE 8

[Identical, *mutatis mutandis*, to Article 10 of the Draft Rumanian Treaty.]

PART III. MILITARY CLAUSES

SECTION I

ARTICLE 9

The maintenance of land, sea and air armaments and fortifications will be closely restricted to meeting tasks of an internal character and local defence of frontiers. In accordance with the foregoing, Bulgaria is authorised to have armed forces consisting of not more than:

a. A land army, including frontier troops, with a total strength of 55,000 personnel;

b. Anti-aircraft artillery with a strength of 1,800 personnel;

c. A navy with a personnel strength of 3,500 and a total tonnage of 7,250;

d. An air force, including any naval air arm, of 90 aircraft, including reserves, of which not more than 70 may be combat types of aircraft, with a total personnel strength of 5,200. Bulgaria shall not possess or acquire aircraft designed primarily as bombers with inter-
nal bomb-carrying facilities.

These strengths will in each case include combat, service and overhead personnel.

ARTICLE 10

[Virtually identical, *mutatis mutandis*, to Article 12 of the Draft Rumanian Treaty.]

ARTICLE 11

[Identical, *mutatis mutandis*, to Article 13 of the Draft Rumanian Treaty.]

ARTICLE 12

[Identical, *mutatis mutandis*, to Article 14 of the Draft Rumanian Treaty.]

ARTICLE 13

[Virtually identical, *mutatis mutandis*, to Article 15 of the Draft Rumanian Treaty.]

ARTICLE 14

[Identical, *mutatis mutandis*, to Article 16 of the Draft Rumanian Treaty.]

ARTICLE 15

[Identical, *mutatis mutandis*, to Article 17 of the Draft Rumanian Treaty.]

ARTICLE 16

[Identical, *mutatis mutandis*, to Article 18 of the Draft Rumanian Treaty.]

ARTICLE 17

[Identical, *mutatis mutandis*, to Article 19 of the Draft Rumanian Treaty and Article 39 of the Draft Italian Treaty.]

SECTION II

ARTICLE 18

[Identical, *mutatis mutandis*, to Article 20 of the Draft Rumanian Treaty.]

War Graves

[Identical to the unnumbered proposal following Article 20 of the Draft Rumanian Treaty.]

PART IV. WITHDRAWAL OF ALLIED FORCES

ARTICLE 19

All armed forces of the Allied and Associated Powers shall be withdrawn from Bulgaria as soon as possible and in any case not later than 90 days from the coming into force of the present Treaty.

All unused Bulgarian currency and all unused Bulgarian goods in the possession of the Allied forces in Bulgaria, received in accordance with Article 15 of the Armistice agreement of October 28, 1944, concluded between the Governments of the U.S.S.R., U.K. and U.S.A. and the Bulgarian Government, will be returned to the latter within the same period of 90 days.

Bulgaria, however, undertakes to provide, during the period between the coming into force of the present Treaty and the final withdrawal of Allied forces, all such supplies and facilities as may be specifically required for the forces of the Allied and Associated Powers which are being withdrawn, and due compensation shall be paid to the Bulgarian Government for such supplies and facilities.

PART V. REPARATION AND RESTITUTION

ARTICLE 20

Losses caused to Yugoslavia and Greece by military operations and by the occupation by Bulgaria of the territory of those States will be indemnified by Bulgaria to Yugoslavia and Greece, but, taking into

consideration that Bulgaria has not only withdrawn from the war against the United Nations, but has declared and in fact, waged war against Germany, the Parties agree that compensation for the above losses will be made by Bulgaria not in full but only in part, namely to the amount of—United States dollars payable over—years.*

ARTICLE 21

[Identical, *mutatis mutandis*, to Article 65 of the Draft Italian Treaty with the exception that paragraph 8 of the latter text is not included.]

PART VI. ECONOMIC CLAUSES

ARTICLE 22

[Identical, *mutatis mutandis*, to Article 68 of the Draft Italian Treaty. The date of April 24, 1941, is used here instead of the date of June 10, 1940, appearing in the article in the Draft Italian Treaty.]

ARTICLE 23

[Identical, *mutatis mutandis*, to Article 25 of the Draft Rumanian Treaty.]

ARTICLE 24

U.S., U.K. and French proposal:

[The proposal included here in italics is identical, *mutatis mutandis*, to Article 26 of the Draft Rumanian Treaty.]

U.S.S.R. proposal:

The rights of the Bulgarian Government and of Bulgarian physical and juridical persons with regard to Bulgarian property and other Bulgarian assets on the territory of Allied and Associated Powers, insofar as such rights were limited in consequence of the participation of Bulgaria in the war on the side of Germany, shall be restored after the coming into force of the present Treaty.

ARTICLE 25

U.S.S.R. proposal:

1. Any restrictions imposed in respect of any Bulgarian property in Germany, and in other countries which participated in the war on Germany's side shall be removed after the coming into force of the present Treaty. The rights of any Bulgarian owners with regard to the disposal of any such property shall also be restored.

*NOTE.—The Council of Foreign Ministers decided to postpone consideration of this Article until the question could be discussed with the Governments of Yugoslavia and Greece. [Footnote in the source text.]

2. Bulgaria shall be entitled to the restitution of any identifiable property removed by force or under duress from Bulgaria after September 6, 1944, and now located in Germany.

The restitution of any Bulgarian property now located in Germany shall be carried out under the direction of the military authorities of the Powers in occupation of Germany.

U.K., U.S. and French proposal:

[Identical, *mutatis mutandis*, to the U.K., U.S. and French proposal to Article 27 of the Draft Rumanian Treaty.]

ARTICLE 26

[Identical, *mutatis mutandis*, to Article 28 of the Draft Rumanian Treaty and Article 70 of the Draft Italian Treaty.]

ARTICLE 27

[Identical, *mutatis mutandis*, to Article 29 of the Draft Rumanian Treaty with the following exception: paragraph 4 of the Rumanian article is not included.]

ARTICLE 28

[Identical, *mutatis mutandis*, to Article 30 of the Draft Rumanian Treaty.]

ARTICLE 29

[Identical, *mutatis mutandis*, to Article 31 of the Draft Rumanian Treaty and Article 72 of the Draft Italian Treaty.]

ARTICLES 30 AND 31

[Identical, *mutatis mutandis*, to Articles 32 and 33 of the Draft Rumanian Treaty and Articles 73 and 74 of the Draft Italian Treaty.]

PART VII. CLAUSES RELATING TO THE DANUBE

ARTICLE 32

[Identical, *mutatis mutandis*, to Article 34 of the Draft Rumanian Treaty.]

PART VIII. FINAL CLAUSES

ARTICLES 33, 34, 35, AND 36

[Identical, *mutatis mutandis*, to Articles 35, 36, 37, and 38 of the Draft Rumanian Treaty and Articles 75, 76, 77, and 78 of the Draft Italian Treaty.]

ANNEX 1

(See Article 1)

*Map of the Bulgarian Frontiers*¹⁵

ANNEX 2

(See Article 11)

Definition of Military, Air and Naval Training

[Identical to Annex 2 of the Rumanian Draft Treaty and Annex 5 B of the Draft Italian Treaty.]

ANNEX 3

(See Article 14)

Definition and List of War Material

[Identical to Annex 3 of the Draft Rumanian Treaty and Annex 5 C of the Draft Italian Treaty.]

ANNEX 4

Special Provisions Relating to Certain Kinds of Property

[Identical, *mutatis mutandis*, to Annex 6 of the Draft Italian Treaty and Annexes 4 A and 4 B of the Draft Rumanian Treaty.]

ANNEX 5

Contracts, Prescriptions and Negotiable Instruments

[The proposals set forth here are identical, *mutatis mutandis*, to those in Annex 5 of the Draft Rumanian Treaty.]

ANNEX 6

Judgments

[The proposals set forth in this Annex are identical, *mutatis mutandis*, to the proposals set forth in Annex 6 B of the Draft Rumanian Treaty and Annex 8 B of the Draft Italian Treaty.]

¹⁵ No map accompanied the English and French texts of the Draft Treaty.

**DRAFT PEACE TREATY WITH HUNGARY, PREPARED BY THE COUNCIL
OF FOREIGN MINISTERS, PALAIS DU LUXEMBOURG, PARIS, JULY 18,
1946**

CFM Files

*Draft Peace Treaty With Hungary*¹⁶

PREAMBLE

The Union of Soviet Socialist Republics, the United Kingdom, the United States of America, Australia, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, the Ukrainian Soviet Socialist Republic, the Union of South Africa, and Yugoslavia, as the States which are at war with Hungary and actively waged war against the European enemy states with substantial military force, hereinafter called the Allied and Associated Powers, of the one part, and Hungary, of the other part;

Whereas Hungary, having become an ally of Hitlerite Germany and participating on her side in the war against the Union of Soviet Socialist Republics, the United Kingdom, the United States of America and other United Nations, bears her share of responsibility for this war;

Whereas, however, Hungary on December 28, 1944, broke off relations with Germany, declared war on Germany and on January 20, 1945, concluded an Armistice with the Governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America,¹⁷ acting on behalf of all the United Nations which were at war with Hungary; and

Whereas the Allied and Associated Powers and Hungary are respectively desirous of concluding a treaty of peace, which will form the basis of friendly relations between them and settle questions still outstanding as a result of the events hereinbefore recited, thereby enabling the Allied and Associated Powers to support Hungary's application to become a member of the United Nations and also to adhere to any Convention concluded under the auspices of the United Nations.

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Peace Treaty, and have appointed as their Plenipotentiaries

.^{17a}
who, after presentation of their full powers, found in good and due form, have agreed on the following provisions.

¹⁶ The table of contents and the list of annexes in the source text are not printed here.

¹⁷ Department of State Executive Agreement Series 456.

^{17a} Marks of ellipsis throughout this document occur in the source text.

PART I. FRONTIERS OF HUNGARY

ARTICLE 1

1. The frontiers of Hungary with Austria and with Yugoslavia shall remain those which existed on January 1, 1938.

2. The decisions of the Vienna Award of August 30, 1940 are declared null and void. The frontier between Hungary and Roumania existing on January 1, 1938, is hereby restored.

3. The frontier between Hungary and the Union of Soviet Socialist Republics, from the point common to the frontier of those two States and Roumania to the point common to the frontier of those two States and Czechoslovakia, is fixed along the former frontier between Hungary and Czechoslovakia as it existed on January 1, 1938.

4.* The decisions of the Vienna Award of November 2, 1938, are declared null and void. The frontier between Hungary and Czechoslovakia, from the point common to the frontier of those two States and Austria to the point common to the frontier of those two States and the Union of Soviet Socialist Republics, is hereby restored as it existed on January 1, 1938.

5. The frontiers described above are shown on the map annexed to the present Treaty (Annex 1).

PART II. POLITICAL CLAUSES

SECTION I

ARTICLE 2

[Identical, *mutatis mutandis*, to Article 3 of the Draft Rumanian Treaty and Article 14 of the Draft Italian Treaty.]

ARTICLE 3

[Identical, *mutatis mutandis*, to Article 4 of the Draft Rumanian Treaty.]

ARTICLE 4

[Identical, *mutatis mutandis*, to Article 5 of the Draft Rumanian Treaty.]

ARTICLE 5

[Identical, *mutatis mutandis*, to Article 6 of the Draft Rumanian Treaty and Article 38 of the Draft Italian Treaty.]

*NOTE.—This text should be considered as tentative until the Governments of Czechoslovakia and Hungary have had an opportunity to present to the Peace Conference or to the Council of Foreign Ministers their respective views on this subject. [Note in source text.]

SECTION II

ARTICLE 6

[Identical, *mutatis mutandis*, to Article 7 of the Draft Rumanian Treaty and Article 15 of the Draft Italian Treaty.]

ARTICLE 7

[Identical, *mutatis mutandis*, to Article 8 of the Draft Rumanian Treaty.]

ARTICLE 8

[Identical, *mutatis mutandis*, to Article 9 of the Draft Rumanian Treaty and Article 32 of the Draft Italian Treaty.]

ARTICLE 9

[Identical, *mutatis mutandis*, to Article 10 of the Draft Rumanian Treaty and Article 37 of the Draft Italian Treaty.]

PART III. MILITARY CLAUSES

SECTION I

ARTICLE 10

The maintenance of land and air armaments and fortifications will be closely restricted to meeting tasks of an internal character and local defence of frontiers. In accordance with the foregoing, Hungary is authorized to have armed forces consisting of not more than :

a. A land army, including frontier troops, anti-aircraft and river flotilla personnel, with a total strength of 65,000 personnel;

b. An air force, of 90 aircraft, including reserves, of which not more than 70 may be combat types of aircraft, with a total personnel strength of 5,000. Hungary shall not possess or acquire aircraft designed primarily as bombers with internal bomb-carrying facilities.

These strengths will in each case include combat, service and overhead personnel.

ARTICLE 11

[Virtually identical, *mutatis mutandis*, to Article 12 of the Draft Rumanian Treaty with the exception of the omission of the word "Navy".]

ARTICLE 12

[Identical, *mutatis mutandis*, to Article 13 of the Draft Rumanian Treaty with the exception of the omission of the words "Naval" and "naval training".]

ARTICLE 13

[Identical, *mutatis mutandis*, to Article 14 of the Draft Rumanian Treaty.]

ARTICLE 14

[Identical, *mutatis mutandis*, to Article 15 of the Draft Rumanian Treaty.]

ARTICLE 15

[Identical, *mutatis mutandis*, to Article 16 of the Draft Rumanian Treaty.]

ARTICLE 16

[Identical, *mutatis mutandis*, to Article 17 of the Draft Rumanian Treaty.]

ARTICLE 17

[Identical, *mutatis mutandis*, to Article 18 of the Draft Rumanian Treaty.]

ARTICLE 18

[Identical, *mutatis mutandis*, to Article 19 of the Draft Roumanian Treaty with the exception of the omission of the word "naval".]

SECTION II

ARTICLE 19

[Identical, *mutatis mutandis*, to Article 20 of the Draft Rumanian Treaty.]

War Graves

[Identical to the unnumbered provision following Article 20 of the Draft Rumanian Treaty.]

PART IV. WITHDRAWAL OF ALLIED FORCES

ARTICLE 20

[Identical, *mutatis mutandis*, to Article 21 of the Draft Rumanian Treaty.]

PART V. REPARATION AND RESTITUTION

ARTICLE 21 [†]

Losses caused to the Soviet Union, Czechoslovakia and Yugoslavia by military operations and by the occupation by Hungary of the ter-

[†] The U.S. Delegation reserves the right to reopen this question at the Peace Conference. [Footnote in source text.]

ritories of these States will be indemnified by Hungary to the Soviet Union, Czechoslovakia and Yugoslavia but taking into consideration that Hungary has not only withdrawn from the war against the United Nations but has also declared war on Germany, the Parties agree that compensation for the above losses will be made by Hungary not in full but only in part, namely to the amount of 300 million United States dollars payable over 8 years from January 20, 1945 in commodities (machine equipment, river craft, grain, etc. . . .), the sum to be paid to the Soviet Union to amount to 200 million United States dollars, and the sum to be paid to Czechoslovakia and Yugoslavia to amount to 100 million United States dollars.

The basis for calculating the settlement provided for in this Article will be the American dollar at its gold parity on the day of the signing of the Armistice Agreement, i.e. 35 dollars for one ounce of gold.

ARTICLE 22

[Identical, *mutatis mutandis*, to Article 65 of the Draft Italian Treaty with the exception that paragraph 8 of the latter text is not included.]

PART VI. ECONOMIC CLAUSES

ARTICLE 23

[Paragraphs 1 through 8 of this article are identical, *mutatis mutandis*, to Article 68 of the Draft Italian Treaty. The date of April 10, 1941 is used here in place of June 10, 1940 appearing in the Italian Treaty article.]

9. French proposal supported by U.K. and U.S. subject to drafting:

A new agreement shall be negotiated between the Danube-Sava-Adriatica Railway Company, the Governments concerned, and the Committee of Bondholders of the Company, in order to determine the method of applying the provisions of the Rome Agreement of March 29, 1923, laying down the Company's Articles of Association, and the modifications required to adapt them to the changes which have followed on the redistribution of the lines over the territories of various States. This Agreement shall contain all the provisions necessary to ensure satisfactory servicing of the bonds and payments of amounts in arrears.

The U.S.S.R. Delegation considers that there is no reason for the inclusion in the Peace Treaty of the French Delegation's proposal, because a Peace Treaty should not contain provisions dealing with particular private Companies.

ARTICLE 24

Hungary recognizes that the Soviet Union is entitled to all German assets in Hungary transferred to the Soviet Union by the Control

Council for Germany and undertakes to take all necessary measures for facilitating such transfers.

ARTICLE 25

U.S.S.R. proposal:

The rights of the Hungarian Government and of Hungarian physical and juridical persons with regard to Hungarian property and other Hungarian assets on the territory of Allied and Associated Powers, insofar as such rights were limited in consequence of the participation of Hungary in the war on the side of Germany, shall be restored after the coming into force of the present Treaty.

U.S., U.K., and French proposal:

[The proposal included here in italics is identical, *mutatis mutandis*, to Article 26 of the Draft Rumanian Treaty.]

ARTICLE 26

U.S.S.R. proposal:

1. *Any restrictions imposed in respect of any Hungarian property in Germany, and in other countries which participated in the war on Germany's side, shall be removed after the coming into force of the present Treaty. The rights of any Hungarian owners with regard to the disposal of any such property shall also be restored.*

2. *Hungary shall be entitled to the restitution of any identifiable property removed by force or under duress from Hungary after January 20, 1945, and now located in Germany.*

The restitution of any Hungarian property now located in Germany shall be carried out under the direction of the military authorities of the Powers in occupation of Germany.

U.K., U.S. and French proposal:

[Identical, *mutatis mutandis*, to the U.K., U.S. and French proposal to Article 27 of the Draft Rumanian Treaty.]

ARTICLE 27

[Identical, *mutatis mutandis*, to Article 28 of the Draft Rumanian Treaty and Article 70 of the Draft Italian Treaty.]

ARTICLE 28

[Identical, *mutatis mutandis*, to Article 29 of the Draft Rumanian Treaty.]

ARTICLE 29

[Identical, *mutatis mutandis*, to Article 30 of the Draft Rumanian Treaty.]

ARTICLES 30, 31, AND 32

[Identical, *mutatis mutandis*, to Articles 31, 32, and 33, respectively, of the Draft Rumanian Treaty and Articles 72, 73, and 74, respectively, of the Draft Italian Treaty.]

PART VII. CLAUSES RELATING TO THE DANUBE

ARTICLE 33

[Identical, *mutatis mutandis*, to Article 34 of the Draft Rumanian Treaty.]

PART VIII. FINAL CLAUSES

ARTICLES 34, 35, 36, AND 37

[Identical, *mutatis mutandis*, to Articles 35, 36, 37, and 38, respectively, of the Draft Rumanian Treaty and Articles 75, 76, 77, and 78, respectively, of the Draft Italian Treaty.]

ANNEX 1

(See Article 1)

*Map of the Hungarian Frontiers*¹⁸

ANNEX 2

(See Article 12)

Definition of Military and Air Training

[Identical to the first two paragraphs of Annex 2 of the Draft Rumanian Treaty and Annex 5 B of the Draft Italian Treaty.]

ANNEX 3

(See Article 14)

Definition and List of War Material

[Identical to Annex 3 of the Draft Rumanian Treaty and Annex 5 C of the Draft Italian Treaty.]

ANNEX 4

Special Provisions Relating to Certain Kinds of Property

[Identical, *mutatis mutandis*, to Annex 6 of the Draft Italian Treaty and Annexes 4 A and 4 B of the Draft Rumanian Treaty.]

¹⁸ No map accompanied the English and French language versions of the Draft Treaty.

ANNEX 5

Contracts, Prescriptions and Negotiable Instruments

[Identical, *mutatis mutandis*, to Annex 5 of the Draft Rumanian Treaty.]

ANNEX 6

Judgments

[The proposals set forth in this Annex are identical, *mutatis mutandis*, to the proposals set forth in Annex 6 B of the Draft Rumanian Treaty and Annex 8 B of the Draft Italian Treaty.]

DRAFT PEACE TREATY WITH FINLAND, PREPARED BY THE COUNCIL
OF FOREIGN MINISTERS, PALAIS DU LUXEMBOURG, PARIS, JULY 18,
1946

CFM Files

*Draft Peace Treaty With Finland*¹⁹

PREAMBLE

The Union of Soviet Socialist Republics, the United Kingdom, Australia, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, India, New Zealand, the Ukrainian Soviet Socialist Republic, and the Union of South Africa, as the States which are at war with Finland and actively waged war against the European enemy states with substantial military force, hereinafter called the Allied and Associated Powers, of the one part, and Finland, of the other part;

Whereas Finland, having become an ally of Hitlerite Germany and participating on her side in the war against the Union of Soviet Socialist Republics, the United Kingdom and other United Nations, bears her share of responsibility for this war;

Whereas, however, Finland on September 4, 1944, entirely ceased military operation against the U.S.S.R., withdrew from the war against the United Nations, broke off relations with Germany and her satellites, and, having concluded on September 19, 1944, an Armistice with the Governments of the Union of Soviet Socialist Republics and the United Kingdom,²⁰ acting on behalf of the United Nations at war with Finland, loyally carried out the Armistice terms; and

¹⁹ The table of contents and the list of annexes in the source text are not printed here.

²⁰ For text, see *British and Foreign State Papers*, vol. CXLV, p. 513.

Whereas the Allied and Associated Powers and Finland are respectively desirous of concluding a treaty of peace which will form the basis of friendly relations between them and settle questions still outstanding as a result of the events hereinbefore recited; thereby enabling the Allied and Associated Powers to support Finland's application to become a member of the United Nations and also to adhere to any convention concluded under the auspices of the United Nations.

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Peace Treaty and have appointed as their Plenipotentiaries.....

who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

PART I. TERRITORIAL CLAUSES

ARTICLE 1

The frontiers of Finland, as shown on the map annexed to this Treaty (Annex 1), shall be those existing on January 1, 1941, except as provided in the following Article.

ARTICLE 2

In accordance with the Armistice Agreement of September 19, 1944, Finland confirms the return to the Soviet Union of the province of Petsamo (Pechenga) voluntarily ceded to Finland by the Soviet State under the Peace Treaties of October 14, 1920, and March 12, 1940.²¹ The frontiers of the province of Petsamo (Pechenga) are shown on the map annexed to the present Treaty (Annex 1).

PART II. POLITICAL CLAUSES

SECTION I

ARTICLE 3

In accordance with the Armistice Agreement, the effect of the Peace Treaty between the Soviet Union and Finland concluded in Moscow on March 12, 1940, is restored, subject to the replacement of Articles 4, 5 and 6 of that Treaty by Articles 2 and 4 of the present Treaty.

^{20a} Ellipsis occurs in the source text.

²¹ For text of the Treaty of October 14, 1920, see League of Nations Treaty Series, vol. III, pp. 5-79. For text of the Treaty of March 12, 1940, see the Department of State *Bulletin*, April 27, 1940, pp. 453-456.

ARTICLE 4

1. In accordance with the Armistice Agreement the Soviet Union confirms the renunciation of its right to the lease of the Peninsula of Hangö, accorded to it by the Soviet-Finnish Peace Treaty of March 12, 1940, and Finland for her part confirms having granted to the Soviet Union on the basis of a 50 years lease at an annual rent payable by the Soviet Union of 5 million Finnish marks the use and administration of territory and waters for the establishment of a Soviet naval base in the area of Porkkala-Udd as shown on the map annexed to this Treaty (Annex 1).

2. Finland confirms having secured to the Soviet Union in accordance with the Armistice Agreement, the use of the railways, waterways, roads and air routes necessary for the transport of personnel and freight despatched from the Soviet Union to the naval base at Porkkala-Udd, and also confirms having granted to the Soviet Union the right of unimpeded use of all forms of communication between the U.S.S.R. and the territory leased in the area of Porkkala-Udd.

ARTICLE 5

The Aaland Islands shall remain demilitarized in accordance with the situation as at present existing.

ARTICLES 6, 7, 8, 9, 10, 11, AND 12

[Identical, *mutatis mutandis*, to Articles 3, 4, 5, 6, 7, 9, and 10, respectively, of the Draft Rumanian Treaty.]

PART III. MILITARY, AIR AND NAVAL CLAUSES

ARTICLE 13

1. The maintenance of land, sea and air armaments and fortifications shall be closely restricted to those required for meeting tasks of an internal character and local defence of frontiers. In accordance with this principle, Finland is authorised to have armed forces consisting of not more than :

a. A land army, including frontier troops and anti-aircraft artillery, with a total strength of 34,400 personnel ;

b. A Navy with a personnel strength of 4,500 and a total tonnage of 10,000 tons ;

c. An airforce, including any naval air arm, of 60 aircraft, including reserves, with a total personnel strength of 3,000. Finland shall not possess or acquire aircraft designed primarily as bombers with internal bomb-carrying facilities.

2. These strengths will in each case include combat, service and overhead personnel.

ARTICLE 14

[Virtually identical, *mutatis mutandis*, to Article 12 of the Draft Rumanian Treaty.]

ARTICLES 15, 16, AND 17

[Identical, *mutatis mutandis*, to Articles 13, 14, and 15, respectively, of the Draft Rumanian Treaty.]

ARTICLE 18

[Identical, *mutatis mutandis*, to Article 16 of the Draft Rumanian Treaty with the following exception: paragraphs 2 and 3 of the Rumanian treaty article are combined in the single paragraph 2 here and subsequent paragraphs are renumbered accordingly.]

ARTICLE 19

[Virtually identical, *mutatis mutandis*, to Article 17 of the Draft Rumanian Treaty.]

ARTICLES 20 AND 21

[Identical, *mutatis mutandis*, to Articles 18 and 19 of the Draft Rumanian Treaty.]

PART IV. REPARATION AND RESTITUTION

ARTICLE 22

Losses caused to the Soviet Union by military operations and by the occupation by Finland of Soviet territory will be made good by Finland to the Soviet Union, but taking into consideration that Finland has not only withdrawn from the war against the United Nations but has declared war on Germany and assisted with her forces in driving German troops out of Finland, the parties agree that compensation for the above losses will be made by Finland not in full, but only in part, namely to the amount of 300 million United States dollars payable over 8 years as from September 19, 1944, in commodities—timber products, paper, cellulose, sea-going and river craft, sundry machinery, etc.

The basis for calculation for the payment of indemnity will be the United States dollar at its gold parity on the day of the signing of the Armistice Agreement, i. e. 35 dollars for one ounce of gold.

ARTICLE 23

Finland, in so far as she has not yet done so, undertakes within the time limits indicated by the Government of the U.S.S.R. to return to the Soviet Union in complete good order all valuables and materials removed from its territory during the war, and belonging to State, public and co-operative organisations, enterprises, institutions or individual citizens, such as: factory and works equipment, locomotives, rolling stock, tractors, motor vehicles, historic monuments, museum valuables and any other property.

PART V. ECONOMIC CLAUSES

ARTICLE 24

[Identical, *mutatis mutandis*, to Article 68 of the Draft Italian Treaty with the following exceptions: the U.S. proposal in paragraph 4 of the Italian article appears here as a U.K. proposal; the note appearing at the end of paragraph 4 of the Italian article, indicating U.K. and French approval of the U.S. proposal, is not included here. The date of June 22, 1941 is used here in place of the date of June 10, 1940 appearing in the Italian treaty article.]

ARTICLE 25

[Identical, *mutatis mutandis*, to Article 25 of the Draft Rumanian Treaty.]

ARTICLE 26

1. Insofar as any such rights were restricted on account of Finland's participation in the war on Germany's side, the rights of the Finnish Government and of any Finnish national or legal persons relating to Finnish property or other Finnish assets on Allied and Associated Powers territory shall be restored after the coming into force of the present Treaty.

2. Any restrictions imposed in respect of any Finnish property in Germany and in other countries which participated in the war on Germany's side shall be removed after the coming into force of the present Treaty. The rights of any Finnish owners with regard to the disposal of any such property shall also be restored.

3. *Finland shall be entitled to the restitution of any identifiable property removed by force or duress from Finland after September 19, 1944, and now located in Germany.*

The restitution of any Finnish property now located in Germany shall be carried out under the direction of the military authorities of the Powers in occupation of Germany.

The U.K. Delegation propose deletion of paragraph 3.

ARTICLE 27

[Identical, *mutatis mutandis*, to Article 29 of the Draft Rumanian Treaty with the following exceptions: the second sentence of paragraph 2 of the Rumanian article is not included here; paragraph 4 of the Rumanian article is not repeated here.]

ARTICLE 28

[Identical, *mutatis mutandis*, to Article 30 of the Draft Rumanian Treaty with the following exceptions: joint U.K., U.S. and French proposals to paragraph 1 *c* and paragraph 2 of the Rumanian article appear here as U.K. proposals; the further addition to paragraph 1 *c* of the Rumanian article proposed by the U.S. and supported by the U.K. is not repeated here.]

ARTICLE 29

[Identical, *mutatis mutandis*, to Article 31 of the Draft Rumanian Treaty and Article 72 of the Draft Italian Treaty with the following exception: the U.S. and French propositions at the end of the Rumanian and Italian articles are not repeated here.]

ARTICLES 30 AND 31

[Identical, *mutatis mutandis*, to Articles 32 and 33 of the Draft Rumanian Treaty and Articles 73 and 74 of the Draft Italian Treaty.]

PART VI. FINAL CLAUSES

ARTICLE 32

1. For a period not to exceed 18 months from the coming into force of the present Treaty, the Ministers in Helsinki of the U.S.S.R. and U.K. acting in concert will represent the Allied and Associated Powers in dealing with the Finnish Government in all matters concerning the execution and interpretation of the present Treaty.

2. The two Ministers will give to the Finnish Government such guidance, technical advice and clarification as may be necessary to ensure rapid and efficient compliance with the spirit and terms of the present Treaty.

3. The Finnish Government undertakes to afford the said Ministers all necessary information and any assistance they may require for the fulfilment of the tasks devolving on them under the present Treaty.

ARTICLE 33

[Identical, *mutatis mutandis*, to Article 36 of the Draft Rumanian Treaty and Article 76 of the Draft Italian Treaty with the exception that the joint U.K.-U.S. proposal of the Rumanian and Italian articles appears here as a U.K. proposal.]

ARTICLE 34

[Identical, *mutatis mutandis*, to Article 38 of the Draft Rumanian Treaty and Article 78 of the Draft Italian Treaty.]

ANNEX 1

(See Articles 1, 2 and 4)

Map of Finnish Frontiers ^{21a}

ANNEX 2

(See Article 15)

Definition of Military, Air and Naval Training

[Identical to Annex 2 of the Draft Rumanian Treaty and Annex 5 B of the Draft Italian Treaty.]

ANNEX 3

(See Article 16)

Definition and List of War Material

[Identical to Annex 3 of the Draft Rumanian Treaty and Annex 5 C of the Draft Italian Treaty.]

ANNEX 4

Special Provisions Relating to Certain Kinds of Property

[Identical, *mutatis mutandis*, to Annex 6 of the Draft Italian Treaty and Annexes 4 A and 4 B of the Draft Rumanian Treaty with the exception that the U.S. position specified at the end of A 4 of the Italian and Rumanian annexes is not repeated here.]

^{21a} Map not reproduced.

ANNEX 5

Contracts, Prescriptions and Negotiable Instruments

[Identical, *mutatis mutandis*, to Annex 5 of the Draft Rumanian Treaty with the exception that the footnote describing the position of the U.S. and French Delegations is not repeated here.]

ANNEX 6

Prize Courts and Judgments

[Identical, *mutatis mutandis*, to Annex 6 of the Draft Rumanian Treaty and Annex 8 of the Draft Italian Treaty with the following exceptions: the U.S. proposal supported by U.S.S.R. under B. Judgments of the Rumanian and Italian annexes appears here as a U.S.S.R. proposal; the French proposal under B. Judgments of the Rumanian and Italian annexes is not repeated here.]