

within its territory" (with certain specified exceptions) belonging to Italy, Roumania, or their nationals, and to apply such property or the proceeds thereof for purposes so widely and vaguely defined as to provoke strong protests from the ex-enemy Governments. In the Finnish treaty the opposite course was adopted of protecting Finnish property rights in foreign countries; in the Bulgarian and Hungarian treaties there were alternative drafts, the United States, United Kingdom, and France proposing to follow the precedent of Italy, the U.S.S.R., that of Finland.

The United States, the United Kingdom, and France indicated their intention to use the rights thus conferred with moderation, but the alacrity with which several States, in stating or renouncing their reparation claims against Italy, reserved their rights under this agreed clause suggested that the Italian apprehensions were not entirely without foundation, and that the wholesale confiscation of foreign assets might seriously damage the prospects for attaining a satisfactory balance of payments position, and amount in effect to an additional disguised reparation burden of unknown magnitude. The Australian delegation in particular expressed its concern at the potential far-reaching effects of this clause in the Italian treaty, and eventually proposed to add literary and artistic property rights to the list of exemptions, an amendment which was accepted by 14 votes to 6, New Zealand voting with the majority. Similar amendments were also carried in the Balkans Economic Commission.

When the general issue of the disposition of ex-enemy property arose in connection with Bulgaria, where there was no agreed text, the U.S.S.R. argued that Bulgaria had not in fact been in a position to inflict damage on any Allied or Associated Power other than Yugoslavia or Greece, that the disappearance of her foreign assets would greatly increase the difficulties of re-establishing effective links between Bulgaria and the outside world, and that the rights of debtors against Bulgaria or Bulgarian nationals--the necessity for protecting which had been advanced as a major justification for the United States and United Kingdom proposals under this heading--were given adequate protection elsewhere in the treaty. The United Kingdom maintained, on the other hand, that it was a matter of principle that all ex-enemy States should be treated alike, and subsequently explained that the special treatment already agreed for Finland was justified by the exceptionally good financial record of that country, which made it unnecessary to take special precautions to ensure the payment of Finnish debts to United Kingdom nationals. As the merits of the case appeared doubtful, the New Zealand delegation abstained from voting on this issue in Commission as well as on the parallel proposal in the Hungarian treaty, but, in the light of further information, subsequently in the Plenary Session voted in both instances with the United Kingdom.