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HIGH COMMISSIONER
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Mr Scott, *WS* *MC*,

TURKEY.

[July 26.]

CONFIDENTIAL.

SECTION 1.

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No. 1.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received July 26.)

(No. 275. Confidential.)

Lausanne, July 24, 1923.

My Lord,

IT may be useful if I place on record in as succinct a form as possible my impression of the course of the conference which has just concluded, and of the various factors which contributed to shape the course of our proceedings. I do not pretend that this review sheds any new light on the course of our proceedings or that the considerations mentioned will not have already occurred to your Lordship.

It will be remembered that French policy was largely responsible for the suspension of the proceedings of the first phase of the conference. M. Poincaré still seemed to be under the influence of M. Franklin-Bouillon and to be ready to give way at every turn, without foreseeing the inevitable effect on the future financial and economic interests of France in Turkey. The Italians, who had no particularly vital interests at stake, were also quite ready to conclude peace almost at any price. This was sufficiently demonstrated by their unfortunate eleventh-hour intervention in connection with the declaration providing for judicial safeguards for foreigners.

During the period which elapsed between the close of the first phase and the opening of the second phase of the conference, the Turks prepared a counter-draft of a treaty. Assuming that they had nothing to fear from France and still less from Italy, they also took action which effectively roused the French Government and even the Italian Government. By giving railway and other concessions of a comprehensive character to an American citizen, they directly violated the concessions obtained in 1914 by the Périer group in consideration of which the Turkish Government of the day had received a loan of 500,000,000 fr., and thus at once antagonised the French High Commission at Constantinople and the French Government. Not content with this, the Turkish General Staff moved troops down to the Syrian frontier with the obvious intention of intimidating the French authorities in Syria. In their counter-draft of the treaty, the Turks inserted a claim for the surrender by Italy of Castellorizo.

The French therefore entered the conference smarting under the sense of injustice produced by the grant of the Chester concession, and indignant at the measures of intimidation which the Turkish Government were practising. The Italians were from the first mainly preoccupied by the question of Castellorizo and of how to get the Turks to drop their demand for an island which the Italian Government were determined not to give up.

On the reassembling of the conference, the work was divided amongst three committees entitled the Political, Financial and Economic Committees respectively. It was fairly evident from the start that the political questions raised by the Turkish counter-draft would not give much trouble and that the struggle would centre mainly on financial and economic questions. But the question of judicial safeguards for foreigners, which fell within the competence of the Political Committee, gave trouble from the outset, the Turks holding that the so-called Montagna formula had settled this matter, whilst the British delegation maintained that it was not bound by the action taken by the French and Italian delegates after the final meeting with the Turks on the 4th February. The French and Italian delegations took refuge in the argument that they had recovered their liberty of action in view of the suspension on the 4th February of the proceedings of the conference. Ismet Pasha declared that he would not consent even to consider any further draft declaration regarding judicial safeguards, and for the moment there was a deadlock over this question.

The first three or four weeks of the conference were devoted to clearing the ground and to taking new or modified articles in committee. It was soon evident that we should have difficulty with article 57 dealing with reparation to be demanded by the Allies from Turkey. The determination of His Majesty's Government not to pay into a common reparation pool 5,000,000*l.* on account of the Turkish battleships building in