

and the original replies thereto and hand the same to the Administrator on demand at any time.

Any direct communication outside the scope of this licence is an offence punishable by fine and/or imprisonment.

Dated this 15th day of October, 1920.

*E. S. Grey,*  
Administrator of Austrian Property.  
Cornwall House,  
Stamford Street,  
London, S.E. 1.

*Board of Trade,*  
*Great George Street,*  
*London, S.W. 1.*  
13th October, 1920.

As a result of discussions which took place in London between the Board of Trade and the Austrian Minister of Finance, the attached memorandum was communicated to the Austrian Government by His Majesty's Representative at Vienna, on the 27th August.

In reply, a note dated the 2nd October has been received by His Majesty's Representative from the Austrian Secretary of State for Foreign Affairs, of which a translation is given below.

"By a note dated August 27th, 1920, His Britannic Majesty's Government made known the conditions subject to which Section 3 and the annex thereto of Part X of the Treaty of St. Germain between the United Kingdom and the British Colonies and Protectorates, with the exception of Egypt on the one hand, and the Austrian Republic on the other, would be applied."

"The Government of the Austrian Republic would accept those conditions with an expression of thanks, and declares it will take the necessary steps to ensure their observance and execution by the Austrian Republic and its citizens in so far as the United Kingdom and India and New Zealand, which have notified their adhesion within the time appointed, are concerned. The Austrian Government, however, takes this opportunity of expressing the hope that still further facilities will be granted to it and to its citizens as regards the settlement of private pre-war debts."

His Britannic Majesty's Government having given notice that they adopt Section 3 and the annex thereto of Part X of the Treaty of St. Germain as between Austria on the one hand and the United Kingdom and the British Colonies and Protectorates, with the exception of Egypt, on the other hand, and being desirous of affording all opportunity to the Austrian Government for the full execution of their obligations thereunder, are prepared to agree that the said Section and annex shall be subject in their application to the provisions set out below.

H.M. Government expect that the Austrian Government will agree to accept notice of the adoption of the said Section and annex as between Austria and any of the British Dominions or India if given at any time within a period of one month from the present date.

(1) Notwithstanding the provisions of Article 248 (a) of the Treaty of St. Germain, direct communication may be permitted with the consent of the two Clearing Offices between the interested parties with regard to the settle-

ment of debts due by Austrian nationals to British nationals. Such settlements may be permitted with the sanction of the Clearing Offices in each case.

The British Clearing Office will be prepared to consider applications made before 31st March, 1921, for the release of property, rights and interests chargeable under paragraph 4 of the annex to Article 249 of the Treaty with a view to the settlement of debts by amicable arrangement, provided that the proportion of the assets so to be released to the amount of the debts removed by the arrangement from the operation of the Clearing Offices is not such as, in the opinion of the British Clearing Office, will have the effect of reducing the dividend payable from Austrian property subject to the charge to British creditors generally.

(2) The proceeds of liquidation of Austrian property, rights and interests and cash assets of Austrians, within the territories of the British Empire in respect of which notice has been given of the adoption of the Clearing Office system, will be credited to the Austrian Government in the account referred to in paragraph 11 of the annex to Article 248.

Similarly, the proceeds of liquidation of British property, rights and interests, and cash assets of British nationals, for which the Austrian Government is liable to account in accordance with the provisions of Section IV of Part X of the Treaty of St. Germain, shall be credited to the British Government in this account. Compensation awarded by the Mixed Arbitral Tribunal under paragraph (e) of Article 249 shall also be credited in the same account.

(3) H.M. Government expect that the Austrian Government will use its best endeavours to collect the debts due through the Clearing Offices from its nationals to British nationals as promptly as possible. This requirement applies, in the case of debts originally payable in kronen, only to the original amount in kronen of such debts with interest thereon at the rate provided by Section III of Part X of the Treaty.

His Britannic Majesty's Government will not require payment of the balances referred to in paragraph 1 of the annex to Article 248 within the periods therein prescribed. In return the Austrian Clearing Office shall pay to the British Clearing Office not later than the 31st March and the 30th September in each year beginning with the year 1921 the sterling value of the amounts collected from Austrian nationals during the previous six months, the sum to be paid in each half-year being not less than 250,000 pounds sterling or the sterling equivalent of 140,000,000 kronen, whichever of the two is the greater. Each of the first eight minimum payments to be made may, however, be reduced to the extent of 100,000 pounds or the sterling equivalent of 56 million kronen by the amounts previously paid in cash, direct by Austrian debtors to British creditors in accordance with arrangements sanctioned by the Clearing Offices, and provided out of funds which are not chargeable under the Treaty.

Such payments shall continue until the balance against Austria in the account above referred to, with simple interest at 5 per cent., shall have been fully met.

The payment to be made by 31st March, 1921, shall include the sterling value at the current rate of exchange of the proceeds of