

The Foreign Office expects that His British Majesty's Government, which so often and in so magnanimous a way had manifested its intention of endeavouring to set up again and to contribute to the economical and social reconstruction of Austria, and which did everything possible to alleviate the sufferings of the poorer working classes—in concert with the endeavours of private charity organizations—will respond to the present appeal.

Trusting that this will be the case, the Austrian Government begs to request that the modest belongings left to Austrians who had been residing in England or her colonies be released (especially in view of the ever-increasing storage fees) as soon as possible, and that the assurance above mentioned be thus realized. It would further be a great relief to the Austrian Republic, and all Austrians concerned in their hard struggle for life, if the Austrian citizens were allowed again to dispose of their small cash assets in England and her colonies.

The Austrian Foreign Office was advised in reply that His Majesty's Government were prepared to consider applications for the release from the charge under the Treaty of Peace of household furniture and effects in the United Kingdom belonging to Austrian nationals up to a reasonable amount in any case, with the exemption of articles of special value. It was added that this concession was conditional on the furniture and other property of British nationals in Austria being returned to them under the Treaty of Peace without delay.

POSITION OF NON-ENEMY SHAREHOLDERS IN GERMAN COMPANIES.

12. Despatch dated 14th August, 1920, contains the following statement with regard to the position of non-enemy shareholders in German companies with property in the colonies not possessing responsible Governments, and protectorates, or in the ex-German colonies in respect of which His Majesty's Government will receive a mandate :—

“By section 2 of the Treaty of Peace Order, 1919, the expression ‘nationals’ in relation to any State is defined as including any company or corporation incorporated therein according to the law of the State. It is therefore considered that a company incorporated in German territory must be regarded as a single German national, and that the right to liquidate its property and dispose of the proceeds in accordance with the Peace Treaty is not affected by the nationality of its shareholders. Moreover, it does not appear possible in practice (even if it were desirable as a matter of policy) to distinguish the interests of non-enemy shareholders for special treatment. In virtue of Article 297 (i) such a company would appear to have a right to claim compensation from the German Government for the benefit of all its shareholders, and it is therefore considered that any claim for compensation on the part of individual shareholders of any nationality must lie against the company and not against His Majesty's Government or the Government of the colony or protectorate concerned.

“The position with regard to debenture-holders and other persons having a charge upon the assets of a company of the kind in question is more difficult, but it is thought that a similar policy may be adopted in this case also, provided that the legal estate of the property which it is proposed to liquidate remains in the company, so that the property is subject to the charge imposed in virtue of paragraph 4 of the annex to Article 297 of the Peace Treaty.”

BRITISH SHAREHOLDERS OR DEBENTURE-HOLDERS OF GERMAN COMPANIES.

13. Despatch dated 16th August, 1920, enclosed copies of the following extract from the *London Gazette*, No. 31994, dated 27th July, 1920 :—

Board of Trade, Great George Street, London S.W. 1, 26th July, 1920.

Notification was given by His Majesty's Government to the German Government on 9th July, under Article 299 (b) of Treaty of Versailles, in the following terms :—

“The dissolution of contracts by Article 299 is not considered to affect the proprietary interests of shareholders or debenture-holders of companies, or the constitution of companies; but, in order that no doubt may exist on the point, notice is given, in accordance with Article 299 (b), that the execution of contracts conferring proprietary rights on shareholders or debenture-holders of companies, and of contracts for the constitution of companies, is required in the general interest.”

PROPERTY OF EX-ENEMY SUBJECTS IN THE UNITED KINGDOM.

14. Despatch dated 25th August, 1920, advised that it had been decided that the property in the United Kingdom of ex-enemy subjects who had been exempted from repatriation in the United Kingdom might be released up to a maximum of £1,000, provided that good and sufficient reasons for such release could be shown; and that the income from property in excess of that amount might continue to be released under the conditions at present obtaining. It was further stated that in the case of British-born wives or widows of German nationals it was the practice in the United Kingdom to allow payments under Section 1 (XVII) (a) of the Treaty of Peace Order, 1919, in respect of funds accrued since the 10th January, 1920, provided that the person concerned was resident in the United Kingdom and the circumstances of the case were such as to justify the payments. Applicants are required to give information as to their means and those of their husbands (if living). In very special cases payments to such persons residing in Germany have been authorized, but as a general rule such applicants are advised to apply to the German Government.

CLAIMS BY BRITISH SUBJECTS AGAINST GERMAN FIRMS.

15. Despatch dated 25th September, 1920, advised that the question had been raised whether any further remedy was open under the Treaty of Peace to a British subject who had a claim against a German firm whose business in one of the colonies or protectorates had been liquidated, the claim not having been paid in the liquidation either because the local assets in the colony or protectorate concerned were insufficient or for some other reason.

As stated in a previous despatch, His Majesty's Government had been advised that claims against the branch office of a company whose head office is in British territory should be regarded as claims against the head office. Similarly it is considered possible to regard the debts of the branch