



Treaty Series No. 5 (1928)

AGREEMENTS BETWEEN  
HIS MAJESTY'S GOVERNMENT IN  
GREAT BRITAIN AND  
THE AUSTRIAN GOVERNMENT  
*respecting the*  
**Settlement of Enemy Debts**

Referred to in Section III of Part X of the Treaty  
of Saint-Germain of September 10, 1919

*Signed at Vienna:*

- I.—August 27/October 2, 1920
- II.—August 11/September 11, 1924
- III.—September 19, 1927

Presented by the Secretary of State for Foreign Affairs  
to Parliament by Command of His Majesty

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**Agreements between His Majesty's Government in Great Britain and the Austrian Government respecting the Settlement of Enemy Debts referred to in Section III of Part X of the Treaty of Saint-Germain of September 10, 1919.**

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*Signed at Vienna—*

- I. *August 27/October 2, 1920;*
  - II. *August 11/September 11, 1924;*
  - III. *September 19, 1927.*
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No. I (i).

*Mr. Bridgeman to Dr. Renner.*

Mr. Secretary of State, *Vienna, August 27, 1920.*

WITH reference to Mr. Lindley's letter to you of the 13th August regarding the adoption of the Clearing Office scheme as between the United Kingdom and Austria, I have the honour to inform you that the negotiations which took place in London between Dr. Reisch and the President of the Board of Trade have resulted in agreement upon the provisions which are set forth in the enclosed memorandum and which have been accepted by Dr. Reisch, as is shown in the correspondence between himself and the President of the Board of Trade, copy of which is also enclosed herein.\*

Dr. Reisch desired that the arrangement reached should not be concluded in the form of an agreement, having regard to the fact that it did not include any concessions on the part of the Austrian Government, and that the concessions made in it by His Majesty's Government were in certain respects less favourable than those in the agreement which he had concluded in France.

The President of the Board of Trade has expressed his willingness to agree to the method of procedure indicated in the correspondence, and I have received instructions from His Majesty's Principal Secretary of State for Foreign Affairs to communicate the memorandum above mentioned to the Austrian Government and to furnish by telegraph the text of the latter's reply.

I have therefore the honour to request that you will be so good as to acquaint me with the views of the Austrian Government on the subject at your earliest convenience.

The arrangement and the reply of the Austrian Government could then be published simultaneously in England and in Austria.

I have, &c.

R. BRIDGEMAN.

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\* Not printed.

## Enclosure in No. I (i).

His Britannic Majesty's Government having given notice that they adopt Section III and the Annex thereto of Part X of the Treaty of Saint-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.

His Majesty's 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 Saint-Germain, direct communication may be permitted with the consent of the two Clearing Offices between the interested parties with regard to the settlement 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 the 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 Office 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 Saint-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. His Majesty's Government expect that the Austrian Government will use its best endeavours to collect the debts due through the

\* Such notice was given on behalf of the Governments of India and New Zealand.

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 11 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 not being less than £250,000 sterling, the sterling equivalent of 140 million 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 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 the 31st March, 1921, shall include the sterling value, at the current rate of exchange, of the proceeds of liquidation and cash assets of British nationals referred to in article 249 (h) (1) of the Treaty of Peace.

4. His Majesty's Government propose that the detailed arrangements for the restitution of British property in Austria should form the subject of a further agreement to be arrived at at the earliest possible date.

5. Subject to the right of the British authorities to refuse permission in any particular case and to the laws for the time being in force, Austrian nationals will be permitted, upon request notified to the appropriate British authority, to bid at any sale by auction of their property in the United Kingdom.

6. It is to be understood that none of the above provisions affect the liability of the Austrian Government under the Treaty of Peace in respect of the currency and rate of exchange at which monies shall be accredited through the Clearing Offices.

No. I (ii).

*Dr. Renner to Mr. Bridgeman.*

*Österreichisches Staatsamt für  
Äusseres.*

Herr Geschäftsträger,

Die königlich grossbritannische Regierung hat mit Note vom 27. August 1920\* die Bedingungen bekanntgegeben, unter denen

\* No. I (i).

der dritte Abschnitt des X. Teiles des Staatsvertrages von Saint-Germain samt Anhang im Verhältnis zwischen dem Vereinigten Königreiche, den britischen Kolonien und Protektoraten, mit Ausschluss von Ägypten, einerseits und der Republik Österreich andererseits, angewendet werden solle. Die Regierung der Republik Österreich nimmt diese Bedingungen mit dem Ausdrucke des Dankes an und erklärt alle Veranlassungen zu treffen, damit diese Bedingungen seitens der Republik Österreich und seitens ihrer Bürger hinsichtlich des Vereinigten Königreiches sowie Indien und Neuseeland, welche in der festgesetzten Frist ihren Beitritt erklärt haben, gehalten und vollzogen werden. Die österreichische Regierung gibt aber bei dieser Gelegenheit der Hoffnung Ausdruck, dass ihr und ihren Bürgern im Zuge der Abwicklung der privaten Vorkriegs-Schuldverhältnisse noch weitere Erleichterungen zugebilligt werden.

Genehmigen, &c:  
Der Staatssekretär,  
RENNER.

Wien, am 2. Oktober 1920.

(Translation.)

*Austrian State Department for  
Foreign Affairs.*

M. le Chargé d'Affaires,

By a note dated the 27th August, 1920, His Britannic Majesty's Government made known the conditions subject to which Section III and the Annex thereto of Part X of the Treaty of Saint-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 hand, would be applied. The Government of the Austrian Republic accepts these conditions with an expression of thanks and declares that 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 the 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.

Accept, &c.  
The Secretary of State,  
RENNER.

Vienna, October 2, 1920.

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## No. II (i).

*British Legation to Austrian Department of Foreign Affairs.*

WITH reference to the *note verbale* from the Federal Chancellery, Department for Foreign Affairs, of the 2nd July last, His Britannic Majesty's Legation has the honour to transmit herewith a Memorandum of Agreement concerning the settlement of arrears in indebtedness under the existing Anglo-Austrian Clearing Office Agreement, which has been drawn up as a result of discussions between the Administrator of Austrian Property on the one hand and Dr. Schenk, on behalf of the Austrian Government, on the other hand.

His Majesty's Legation have the honour to notify the Austrian Government of the formal approval of His Majesty's Government of this Agreement, and at the same time to invite them to notify the Legation of their acceptance of it.

*British Legation, Vienna,  
August 11, 1924.*

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Enclosure in No. II (i).

*Memorandum of Agreement.*

THE Austrian Government in discharge of its obligations under the British note of the 27th August, 1920, will, on the 31st December in each year commencing the 31st December, 1924, hand to the British Clearing Office two bills of the Austrian Treasury of £250,000 each, payable in London, falling due, the first on the 31st March and the second on the 30th September of the following year, to meet the half-yearly payments of £250,000 due on those dates. Such bills shall not be transferable by the British Clearing Office except for the purpose of collection.

2. In the event of the Austrian Clearing Office in any future year during the period between the payment of the bill maturing in September and the 31st December next following satisfying the British Clearing Office by adducing reliable figures that the final balance of the account between the two Clearing Offices will not be against Austria or will be less than the sum of £500,000, the delivery of further bills and making of further payments will not be required or will be reduced under the following proviso unless and until fresh circumstances should arise to modify the estimate of the British Clearing Office. Provided always that if the British Clearing Office shall be satisfied that the final balance against Austria will amount to a less sum than £500,000 the amount of the bills to be issued and payments to be made shall be reduced accordingly, such reduction up to £250,000 to be made in the amount of the bill maturing on the 30th September.

Should the final account between the two Clearing Offices show that the payments effected by the Austrian Government under the British note and the present Agreement are in excess of the balance

of its indebtedness, then the overpayment will be refunded, together with interest at the rates ruling on three-months British Treasury bills over the period during which such excess payments shall have been in the hands of the British Clearing Office.

3. By way of reduction of the sum in arrear under the said British note, which amounts to £793,000 or thereabouts, the Austrian Government will pay to the British Clearing Office on or before the 30th September, 1924, the sum of £100,000, and in consideration of such payment being duly made, the balance of such amount shall not be regarded as in arrear.

4. Without prejudice to the contention of the Austrian Clearing Office, which is not admitted by the British Clearing Office, that nationality and ownership should be established at and from the 12th August, 1914, the Austrian Clearing Office agrees that it will admit the British claims under article 248 of the Treaty of Saint-Germain in respect of the bonded debt for which the Austrian Government is liable without requiring any further evidence as to the claimants' nationality or ownership, except in particular cases where it may show special grounds for doubt upon these points. Even in such cases it will not require further evidence as to nationality and ownership if the British Clearing Office certify to the Austrian Clearing Office that it has satisfied itself that there is no ground for questioning the correctness of the claim in these respects. Except in particular cases in which the nationality or ownership may be questioned, the whole of the claims now outstanding in which the relative bonds and coupons have been or shall be delivered to the Austrian Clearing Office before the 30th September next, will be dealt with by the Austrian Clearing Office before the 31st December, 1924, and in respect of any claims not so dealt with penal interest shall run from that date under paragraph 10 of the annex to article 248 of the Treaty of Saint-Germain.

5. This Agreement shall come into force as from the date of the signature thereof upon notification through the usual diplomatic channels of its approval by the two Governments.

Signed in London on this the 24th day of July, 1924.

SCHENK.

E. S. GREY.

No. II (ii).

*Austrian Department of Foreign Affairs to British Legation.  
Bundeskanzleramt, Auswärtige Angelegenheiten.*

*Verbalnote.*

BEZUGNEHMEND auf die geschätzte Verbalnote vom 11. August,\* beehrt sich das Bundeskanzleramt, Auswärtige Angelegenheiten, bekanntzugeben, dass die österreichische Bundesregierung das am 24. Juli laufendes Jahres in London zwischen dem Präsidenten des

\* No. II (i).

österreichischen Abrechnungsamtes und dem Administrator of Austrian Property abgeschlossene Übereinkommen, betreffend die Regelung rückständiger Clearingzahlungen, genehmigt hat.

Wien, am 11. September 1924.

(Translation.)

*Federal Chancellery, Department for Foreign Affairs.*

*Note verbale.*

WITH reference to the esteemed *note verbale* of the 11th August, the Federal Chancellery, Department for Foreign Affairs, has the honour to state that the Austrian Federal Government has approved the Agreement concerning the settlement of arrears of Clearing Office payments concluded in London on the 24th July, 1924, between the President of the Austrian Clearing Office and the Administrator of Austrian Property.

Vienna, September 11, 1924.

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No. III (i).

*Memorandum of Agreement.*

HAVING regard to the Agreement between the two Clearing Offices signed in London on the 24th July, 1924, it is hereby agreed on behalf of the Governments concerned :—

- (1.) That the British Clearing Office shall make a repayment to the Austrian Government of the sum of £341,670 4s. 11d.
- (2.) That the British Clearing Office shall deduct and retain from the above-mentioned sum of £341,670 4s. 11d. :—

- (a.) The amount of £35,401 in full and final discharge of the claim of the British Government (including the claims of the Government of India, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, and also Southern Rhodesia, but not including the claim of the Dominion of Canada) for the costs of repatriation of Austrian prisoners of war and civilians.
- (b.) The amount of £9,955 10s. 3d. in full and final payment of the British costs of all Boundary Commissions including the Czechoslovak Boundary Commission, Austria-Hungary-Yugoslavia Commission, Austria-Italy Commission and Sopron Plebiscite Commission.
- (c.) The amount of £46,313 14s. 8d. as security for the costs of the British section of the Inter-Allied Commissions of Control, namely, Military Commission, Aeronautical

Commission and Naval Commission, it being understood that this sum and the use thereof shall be at the disposal of the British Government until such time as payment is agreed upon and made, but that in the event of the Reparation Commission finally deciding that such payment, in whole or in part, is not to be made, the sum in question shall in so far be refunded by the British Clearing Office.

(3.) That the amount of £250,000, resulting after a deduction of the amounts mentioned under (a), (b) and (c) above, shall be remitted by the British Clearing Office to the Österreichische Nationalbank in favour of the Austrian Federal Ministry of Finance within fourteen days after coming into force of this Agreement.

Together with the sum above mentioned of £250,000, interest on the sum of £341,670 4s. 11d. shall also be paid by the British Clearing Office, calculated according to paragraph (2) of the Agreement of the 24th July, 1924, namely, at the rates ruling on three months' British Treasury Bills. Such interest shall be calculated as to the amount of £250,000 from the 30th September, 1925, to the date of payment, and, as to the amount of £91,670 4s. 11d., from the 31st March, 1925, to the date of payment.

Should any further refunds be made of the instalment monies paid by the Abrechnungsamt under the provisions of the Anglo-Austrian note of the 27th August, 1920, the interest to be paid by the British Clearing Office in accordance with the Agreement of the 24th July, 1924, shall be calculated month by month as follows: that is to say, upon the balance to Austria's credit on the first of each month, to an amount not greater than the balance of the instalments after deducting any refund of those instalments already made, and not greater than the amount of the refund then about to be made.

(4.) That, in connexion with future repayments under the Agreement of the 24th July, 1924, the British Clearing Office will not seek to deduct or retain any sums except:—

- (a.) Sums due to the British Clearing Office under the Clearing Office procedure;
- (b.) Sums arising from any debt of the Austrian Government to the British Government which may have fallen due at or before the moment of such repayment.

(5.) That in the event of the Dominion of Canada signifying its assent to the payment by the Austrian Government of the agreed quota together with interest, namely, the sum of £1,211, as full and final settlement of its claim for the costs of repatriation of Austrian prisoners of war and civilians, the sum of £341,670 4s. 11d. mentioned in paragraphs (1), (2) and (3) and the sum of £35,401 mentioned in paragraph (2) (a) and the sum of £91,670 4s. 11d. mentioned in paragraph (3) shall be increased to the sums of £342,881 4s. 11d., £36,612 and £92,881 4s. 11d. respectively.

The interest on the amount of £1,211 shall in that case be paid by the British Clearing Office within fourteen days of the notification by the Dominion of Canada to the British Government that the Dominion accepts the Agreement, but not before the payments provided for in paragraphs (1), (2) and (3) are to be made.

(6.) That this Agreement shall come into force upon notification through the usual diplomatic channels of its approval by the two Governments.

Signed in Vienna on this the 11th day of August, 1927.

Deputy Controller of Finance, For the Austrian Federal Ministry of Finance,  
His Britannic Majesty's Treasury,  
F. W. LEITH ROSS. GRIMM.

Controller of the British Clearing Office, For the Austrian Clearing Office,  
J. B. KNIGHT. GIANNELIA.

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No. III (ii).

*Viscount Chilston to Dr. Seipel.*

Mr. Federal Chancellor, Vienna, September 19, 1927.

I HAVE the honour, by instruction of His Britannic Majesty's Principal Secretary of State for Foreign Affairs, to notify your Excellency that the Agreement\* concluded between the Austrian Federal Ministry of Finance and Clearing Office on the one part and His Majesty's Treasury and the British Clearing Office on the other part, which I had the honour to communicate to you on the 27th August, has been formally approved by His Majesty's Government in Great Britain.

I avail, &c.  
CHILSTON.

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No. III (iii).

*Dr. Seipel to Viscount Chilston.*

Bundeskanzleramt, Auswärtige Angelegenheiten,  
Herr Gesandter, Wien, am 19. September 1927.

Ich beehre mich, Euer Exzellenz bekanntzugeben, dass die österreichische Bundesregierung das mit der geschätzten Verbalnote vom 27. August laufendes Jahres, übermittelte, zwischen dem Bundesministerium für Finanzen und dem Abrechnungsamte einerseits und dem britischen Schatzamte und dem Clearing Office andererseits

\* No. III (i).

am 11. August 1927 in Wien abgeschlossene Übereinkommen,\*  
betreffend die Rückzahlung von Clearingzahlungen, genehmigt  
hat.

Genehmigen, &c.  
SEIPEL.

(Translation.)

*Federal Chancellery,  
Department for Foreign Affairs,  
Vienna, September 19, 1927.*

M. le Ministre,

I HAVE the honour to inform your Excellency that the Austrian Federal Government has approved the Agreement concerning the reimbursement of Clearing Office payments, transmitted with the esteemed *note verbale* of the 27th August last, concluded in Vienna on the 11th August, 1927, between the Federal Ministry for Finance and the Clearing Office of the one part and the British Treasury and Clearing Office of the other part.

I have, &c.  
SEIPEL.

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\* No. III (i).