The following is the text of the reply, dated 5th January, 1921:—

With reference to your note of the 1st ultimo, I have the honour to inform you that His Majesty's Government is prepared to agree to the extension by three months of the period within which late Austrian subjects who have acquired Allied nationality should prove their new nationality. They consider, however, that only those who lodged their claims to such nationality with the Administrator of Austrian property within the time specified by the Treaty can be granted this extension.

DISPOSAL OF ENEMY PROPERTY.

22. In a despatch dated 30th May, 1921, the principles adopted for the disposal of German property in the United Kingdom under Article 297 of the Treaty of Versailles were set forth in response to an inquiry from the New Zealand Government for this information. Certain particulars in this despatch, which have already been included in the foregoing summaries, have been omitted in the following statement:—

(1.) It has been decided that the liquidation of German property in the United Kingdom must be proceeded with, in view of the obligations of the Clearing Office to make payment to British claimants, and the Public Trustee has been authorized to dispose of particular parcels of property as rapidly as opportunity occurs of selling it at an advantageous price. Property of German nationals who were permitted to reside in the United Kingdom is not at present being sold.

(2.) Property in the United Kingdom belonging to British-born women who had married German subjects prior to the war, and who since the 10th January, 1920, had been readmitted to British nationality either as widows or as divorces, is being released from the charge imposed under the

Treaty of Peace Order.

(3.) German nationals permitted to reside in the United Kingdom are, in suitable cases, allowed to receive the income from their property up to a reasonable amount for maintenance or business purposes, and in addition sums on account of capital up to a maximum of £1,000 may be released to them. Further, sums up to a maximum of £200, and income up to a reasonable amount, belonging to a German national residing elsewhere may be released from the charge where the case is one of extreme hardship. The Board of Trade has appointed a committee, of which Lord Justice Younger is chairman, to advise them on all applications of this nature.

(4.) Property belonging to naturalized British subjects who were residing in Germany during the war is released from the charge under the Peace Treaty on production of satisfactory evidence

that such persons did not resume German nationality since their residence in Germany.