

The German Government agent submitted that all sums collected after the 11th November, 1918, notwithstanding that they came within the control of the compulsory administrator, should be deducted from the amount to be credited as cash assets. This submission was based on the second part of paragraph 1 of the annex to Section IV, Part X, under which all measures taken by the German authorities since the 11th November, 1918, were void.

The Tribunal were of opinion that this provision was not to be applied to the items of a pending administration continuing after that date, and that the sums so collected were to be treated as cash assets. There were, however, to be deducted all sums which had been collected as interest on the war loans taken up, whether in the course of the compulsory administration or prior thereto.

The case of *Epstein v. German Government* (No. 283), (*Recueil*, vi, p. 19) may be cited as illustrating the principle of "once a cash asset, always a cash asset." The British claimant had his pictures and property subjected to compulsory administration, and in the course of the proceedings the Tribunal directed the German Government to furnish a report setting out the total amount of the proceeds of all the sales and the expenses connected therewith, and any charges or debts to which the claimant was personally liable and which the administrator in fact discharged out of the proceeds of the sale of the pictures.

It appeared that on the 12th December, 1918, the compulsory administration came to an end, and that the amount then standing to the credit of the claimant at the bank was thereupon released, and so, according to the German Government, must be taken to have been returned to the claimant. The British Government Agent, however, intimated his intention of contending that the sum in question, having been in the hands of the Administrator, remained a cash asset and must be dealt with as prescribed by Article 297 (*h*). The Tribunal apparently accepted this view, for they held that this amount was not to be deducted according to their interlocutory decision, and that the question to which the British Government Agent referred did not therefore arise.

(17.) *Article 297 (c) of the Treaty of Versailles.—Internment and Compulsory Administration.*

The Tribunal have adhered to their previous decisions to the effect that no claim for compensation under Article 297 (*e*) arises by reason of loss or damage suffered through internment. Where, however, internment is coupled with compulsory administration of the business of the interned different considerations may apply. In the case of *Buehring v. German Government* (No. 227), the claimant, fearing internment, in November, 1914, gave a power of attorney to his wife, and on the following day he was interned, and on the 28th January, 1915, a compulsory administrator of his business was appointed. On the 20th March, 1915, the power of attorney given to his wife was annulled. On the 1st September, 1919, the compulsory administrator handed the business back to the claimant's wife, who thereupon signed a document agreeing that the assets had been administered duly and in accordance with the books of the business, so that there was no longer any claim against the administrator. The claimant, however, repudiated the authority of his wife to sign such a document.

In the opinion of the Tribunal the claimant was entitled, notwithstanding the said release by his wife, to be compensated in so far as he had suffered damage or injury as a result of the appointment of the administrator. They therefore appointed a neutral expert to present a report as to the amount of such damage or injury, and eventually assessed the compensation to which the claimant was entitled at £1,800, together with interest by way of compensation for loss of use from the date of the conclusion of the administration—*i.e.*, 1st September, 1919.

In the case of *Whitwell v. German Government* (No. 1513), the claimant owned a laundry business in Germany. On the 6th November, 1914, he was arrested and interned, and on the 6th November, 1915, he was repatriated to England. No administration order of the business was ever made, but the landlord took possession of the premises owing to rent being in arrear, and the property became deteriorated. The claimant suggested that the refusal of facilities to him to direct his affairs, and the omission of the German Government to appoint a caretaker or custodian, were exceptional war measures. This, in the opinion of the Tribunal, was unsustainable. The loss, they held, which the claimant might have suffered as the result of his internment did not fall within their jurisdiction. They, however, decided to award him the sum of £150 by way of compensation in respect of certain moneys and articles of value left in the hands of a relative and an agent, which came into his hands again only in 1925, when the value of their contents had deteriorated. Taking into account all the circumstances, the Tribunal were of opinion that in respect of these items the claimant had suffered damage as a result of the Imperial decree against export, and they accordingly made the above award.

## MISCELLANEOUS.

### CONVERSION OF GERMAN GOVERNMENT LOANS.

20. In paragraph 29 of my last report I set out the position in regard to the conversion of securities issued by the German Government by proprietors who had been in uninterrupted ownership from prior to the 1st July, 1920. Information was later received from the German Consul that German Government bonds acquired by their present owners after that date could be presented for exchange into the loan liquidation debt on the basis of R.M. 25 (*i.e.*, gold marks) for each M.1,000 of the old loan. The period for consideration of applications is to close on the 30th June, 1927, after which date those remaining unrepresented will become valueless. Due publicity was given to this statement from the German Consul, and holders of such bonds living in New Zealand and its dependencies or in Western Samoa were advised to communicate direct with the Consul.

### ARCHIVES OF THE AUSTRIAN CONSULATE IN NEW ZEALAND.

21. The archives of the Austro-Hungarian Consulate at Auckland have now been delivered in accordance with the authority received from the Austrian Government to the Royal Swedish Vice-Consul at Auckland.

### CLAIMS AGAINST RUSSIA.

22. No further developments have occurred in regard to these claims.

### GERMAN PROPERTY IN SAMOA.

23. The proposal in regard to the revaluation of the ex-enemy-owned properties in Samoa, referred to in last year's report, has not yet been finally settled. In consequence the Samoan authorities have not yet found it possible to complete the liquidation schedules in regard to these properties. It is understood that it will be some time yet before these schedules will be available.