

of an incorporated company whose head office is in Germany as being debts of the head office in Germany. Provided, therefore, that they are "debts" as defined in Article 296 of the Treaty, and the British creditor is resident in a part of the Empire to which the Clearing Office system applies (*i.e.*, in the United Kingdom, in any of the self-governing dominions except the Union of South Africa, in India, or in any of the colonies not possessing responsible Government, or protectorates), it is open to him to put forward a claim in respect of debts not paid in the liquidation of the branch against the head office of the company in Germany, through the Clearing Office in the country where he resides.

The same considerations hold good where the local firm was the branch of an unincorporated firm with headquarters in Germany, provided that the owner or partner was resident in Germany on the 10th January, 1920.

The question has also been raised whether a similar procedure can be adopted in cases where the capital sum claimed has been paid in liquidation, but a claim for interest on the sum has been rejected. It is not considered that any claim can be put forward through the Clearing Office for interest if the whole debt had been liquidated prior to the 10th January, 1920; but where, by contract, law, or custom, interest was payable on the capital sum a claim may be put forward through the Clearing Office in respect of the interest (provided that the other conditions mentioned in the preceding paragraphs are fulfilled), notwithstanding the fact that a claim for interest has been rejected in the liquidation.

ATTITUDE OF THE UNITED STATES GOVERNMENT WITH REGARD TO ENEMY PROPERTY SEIZED  
BY THE CUSTODIAN.

16. Despatch dated 30th September, 1920, enclosed—(1) Copy of an Act (Public No. 252, 66 Congress, H.R. 14208) passed by the United States of America, providing for the release of certain property in the United States, or the proceeds of property which were held by the Alien Property Custodian or by the Treasurer of the United States under the Trading with the Enemy Act; (2) copies of forms and instructions for making application for the release of such enemy property; (3) copy of a letter forwarded to His Majesty's Ambassador at Washington by the United States Government, asking to be informed of the attitude of His Majesty's Government and of the Dominion Governments with regard to enemy property held by the Custodian of Enemy Property in the United Kingdom and the British dominions.

The provisions of the United States Act have been summarized as follows:—

On production of satisfactory evidence, property belonging to the following persons, firms, companies, or Governments will be released by the Alien Property Custodian:—

- (a.) A subject of any nation, State, or free city, other than Germany or Austria-Hungary;
- (b.) A woman who at the time of her marriage was a subject or citizen of a nation which has remained neutral in the war, or of a nation which was associated with the United States in the prosecution of the war, and who prior to the 6th April, 1917, intermarried with a subject or citizen of Germany or Austria-Hungary, and that the money or other property concerned was not acquired by such woman either directly or indirectly from any subject or citizen of Germany or Austria-Hungary: Provided that, in respect of a nation associated with the United States in the prosecution of the war, such nation, in like case, extends reciprocal rights to the citizens the United States;
- (c.) An American-born woman who prior to the 6th April, 1917, intermarried with a subject of Germany or Austria-Hungary, and that the money or other property concerned was not acquired by such woman either directly or indirectly from any subject or citizen of Germany or Austria-Hungary;
- (d.) A member of the diplomatic or consular service of Germany or Austria-Hungary;
- (e.) A subject of Germany or Austria-Hungary who was interned but who has been released, and is at the time of the return of the property living within the United States;
- (f.) A partnership or other incorporated body consisting of subjects of any country except Germany or Austria-Hungary;
- (g.) The Government of Bulgaria or Turkey, or any political or municipal subdivision thereof;
- (h.) The Government of Germany or Austria-Hungary, provided that the money or other property concerned was the diplomatic or consular property of such Government.

It is further provided that no person shall be deemed a subject of Germany or Austria-Hungary for the purpose of this section if he has become, or shall become *ipso facto* through exercise of option, a subject of any nation, or State, or free city, other than Germany or Austria-Hungary, under the terms of such Treaties of Peace as have been or may be concluded subsequent to the 11th November, 1918, between Germany or Austria and certain other countries (these will include the Treaties of Versailles and St. Germain).

The information supplied in response to the inquiry from the United States Government as to the attitude of the New Zealand Government with regard to enemy property seized by the Custodian is incorporated in the foregoing report.

PROPERTY OF GERMAN CONSULAR OFFICERS.

17. Despatch dated 1st October, 1920, enclosed a copy of the following note to the German Chargé d'Affaires, embodying the decisions which have been taken with regard to the property in the United Kingdom of German consular officers. Similar provisions have been adopted in the case of property belonging to consular officers of other enemy and ex-enemy States.