the testator before and during the war by his German bankers. The testator, however, who survived the ratification of the Treaty, having put forward his claim under Article 296, received a contest disputing the claim on the ground that the money had been paid to the Treuhander and that the debtors had therefore discharged their debts. Accordingly, he notified a claim under Article 297 (*e*) for compensation, but before he had received any payment in respect thereof he died on the 26th February, 1921. Under his will it appeared that amongst the persons beneficially entitled to the residuary estate were included his sister and her children, who were German nationals. The German Government contended that in so far as concerned such German beneficiaries the claim could not succeed. The Tribunal, in contradistinction to the principles in their above-mentioned decision in Eckstein *v.* Deutsche Bank, were of opinion that the beneficiaries, though under English law they were not entitled to claim in lieu of the executor or beside him, were nevertheless the persons on whom devolved the substance of the property rights and interests of which the deceased had disposed by his will, and who were, as such, contemplated by Article 297 (*e*). The benefit of that article was expressly limited to nationals of the Allied and Associated Powers. The Tribunal, though they recognized the capacity of the executor to claim, did not consider themselves as empowered by the Treaty to go in their award further than was necessary to ensure the compensation due to the English beneficiaries. They therefore declared that their award was not to exceed the sum necessary—considering all the assets of which the executors could dispose—for the discharge of their task, in order to enable them to carry out such task completely, save with regard to what was provided by the will in favour of the German national or her children.

In view of the fact that the decision had been pronounced exclusively on the provisions of Article 297 (*e*), although in the course of the case an argument had been submitted by the British Government Agent as to the application of Article 297 (*h*) (1), upon an application by that Agent further written arguments were by direction of the Tribunal submitted by both Agents, and it was contended by the British Agent that under Article 297 (*h*) the obligation to credit proceeds of liquidation and the cash assets of enemies to the Power of which the owner was a national through the Clearing Offices established under Section III, Part X, matured on the day upon which the Treaty came into force, and that there was thus conferred upon the Government whose national the owner was an indefeasible right as on the 10th January, 1920, to receive the proceeds of liquidation, or the cash assets referred to. Anything affecting the individual which happened after the 10th January, 1920, was a matter which concerned the claimant's Government and no one else.

In the course of a lengthy judgment in which they referred to the provisions contained in (*e*), (*f*), (*g*), and (*h*) of Article 297, the Tribunal expressed their opinion that the provisions of paragraph (*h*) were merely machinery for providing that the proceeds of liquidation and cash assets were to be handed over to the owner, and they held in substance that, notwithstanding the express provisions of (*h*), the right to a credit of proceeds of liquidation, as well as the right to compensation, was a right personal to the individual and merely ancillary to the personal right of compensation; in other words, the intention would seem to be to determine how the national who had suffered damage was to be satisfied where restitution in specie had not taken place.

The clause following the paragraph numbered 4 in Article 296 was merely machinery under which the proceeds of liquidation were to be accounted for through the Clearing Offices. On the contrary assumption, and if the proceeds of liquidation were to be credited to the British Clearing Office, the amount so credited, less any appropriate charges, would in the present case have to be handed over to the executors to be applied according to the provisions of the will, under which part of the funds would go to benefit German nationals. This result the Tribunal (First Division) held to be inconsistent with the meaning of the Treaty. They accordingly stated that it was for the British executors to ascertain how far the assets of the testator, other than those taken by the German Government, were sufficient to pay the debts and other expenses, and how far such assets would go towards satisfying the legacies and benefits under the will other than those due to German nationals.

The last-mentioned decision has undoubtedly caused considerable surprise in the legal profession, and is difficult to reconcile with the principles on which Courts of justice in this country are in the habit of acting. Mr. Lederer, the testator, had a clear undisputed right against the German Government on the date of ratification of the Treaty, and the fact that he did not receive prior to his death the payment due to him was merely due to the delay on the part of the German Clearing Office in effecting the credit which under the Treaty they were bound to make without delay: but for this he would have received the amount of his claim and have been entitled to dispose of it as he thought fit, whether to German nationals or otherwise. It is therefore not easy to understand why the mere delay in getting a good claim recognized, whether arising from default on the part of the German Clearing Office or the difficulty in getting the case heard at an early date by the Tribunal, should affect the amount to which the claimant, or his legal personal representatives, may be entitled, and British nationals who have claims under Article 297 (*e*) pending before the Tribunal will be well advised to see that in any testamentary disposition made by them sums to the benefit of which they are entitled are left solely to British nationals, otherwise the right to an award may disappear if the principles in the case of the executors of Lederer are followed in other decisions.

(3.) *Decisions regarding Life Insurance Policies.*

In more than one case which has come before the Tribunal the rights and liabilities under contracts of life insurance have been discussed, and attempts have been made to contend that the provisions as to insurance contained in the Annex to Section V, Part X, of the Treaty were intended to be read independently of the other clauses, so that sums due to ex-enemy nationals under the provisions of that Annex are payable direct, and were not intended to be regarded as debts through the Clearing Office under Article 296.

It may be mentioned that a similar contention had been put forward before the High Court in this country by an American insurance company which had a branch in London, and claimed that any sums which had become due during the war to German nationals were not subject to the charge. The Court of Appeal, however, decisively rejected this contention, and held that the sums in question were subject to the charge. See New York Life Insurance Co. Ltd. *v.* Public Trustee (1924, 2 Ch. 101).

A similar argument was put forward to the Tribunal by the Austrian Government Agent in the case of Max Byng *v.* Anker Gesellschaft fur Lebens, &c. (No. 1923/A36), to the effect that the debt which had fallen due was payable direct, and was outside the provisions of Section III, Part X, of the Treaty of St. Germain, but this contention was rejected by the Tribunal.

In the case of F. W. Ficke *v.* Scottish Widows' Fund (No. 1914) it was argued by the insurance company that, having regard to the provisions of the policy and the ordinary practice, no sum could become due under the policy upon which interest could be claimed until the death of the insured had been strictly proved to the company with all usual formalities. The Tribunal, however, without giving reasons for their judgment, their attention having been directed to the second sentence of paragraph 11 of the Annex, providing that any sum becoming due upon a contract deemed not to have been dissolved under the preceding provisions shall be recoverable after the war with the addition of 5 per cent. interest per annum from the date of its becoming due up to the date of payment, refused to uphold the debtors' contention that, as the claim had not been strictly proved in accordance with the policy during the war, the due date was postponed until after the ratification of the Treaty. It was accordingly held by the Anglo-German Tribunal (Second Division) that the debtors were liable under Article 296 for the sum due under the policy, with interest at 5 per cent. from the date of the death of the assured. In that case, however, the circumstances were such that the insurance company might have been regarded as having waived the necessity of strict proof of the debt during the war.

The third clause of paragraph 11 of this Annex, which in certain circumstances gives the assured or his representatives the right within twelve months of the coming into force of the Treaty to claim from the insurer the surrender