

difficulty, and it is in the interest of the community, that it should be carried on. The appointment of a controller in such cases is considered advantageous rather than otherwise for the firms concerned.

4. The „Trading with the Enemy Amendment Act, 1914“, gives His Majesty's Government rather more stringent powers. Section 12 authorises them, in certain cases where the public interest seems to require it, to appoint a supervisor. This officer does not interfere with the firm's business activities. The sole object of appointing him is to ensure that money is not transmitted to the enemy and to prevent trade with the enemy; subject to this, His Majesty's Government have no desire to interfere in any way with the operations of firms in this country whatever their constitution.

5. His Majesty's Government have not seized and do not, as at present advised, propose to seize enemy property which was in this country at the outbreak of war. All persons who hold enemy property or are trustees for enemies are, however, required to make a return to the custodian appointed under the Trading with the Enemy Amendment Act, whilst all sums which, had a state of war not existed, would have been payable and paid by firms or companies to or for the benefit of an enemy by way of dividends, interest, or share of profits must, under the same Act, be paid to the custodian. Other enemy property may also be vested in the custodian by order of the Court. The custodian is empowered by order of the Court to pay out of these sums money owing to British creditors, but, subject to this, money in his hands remain intact (being in no sense confiscated) until the end of the war, when their final disposal will be decided upon and determined by Order in Council.

6. Copies of the Trading with the Enemy Proclamation No. 2 of the 9th September, „The Trading with the Enemy Act, 1914“, and „The Trading with the Enemy Amendment Act, 1914“, are attached hereto. (Siehe S. 77.)

Issue of Licences to carry on Business in the United Kingdom.

7. A license is required to allow of a business being carried on in the United Kingdom in any case where the proprietor or any one of the proprietors is in enemy country, unless the business is incorporated as a British company, or is a branch of an enemy firm within the meaning of paragraph 6 of the Trading with the Enemy Proclamation Nr. 2.

8. Instructions that business should be discontinued have been given in nine cases where the proprietors had left for Germany at or just before the outbreak of war, and where there was reason to suppose they were actively assisting the King's enemies; and in five cases where the business could not go on without communication with enemy country. In two other cases, where the owners had left for

Germany, the refusal of the licence to trade resulted in the closing of the business.

9. Licences have also been refused in seven cases where there was a partner (or partners) in enemy country), but in six of these cases the partner (or partners) here, has (or have) been told that no objection would be taken to his (or their) carrying on business on his (or their) own account, and in one other case, where no profits were being made, the English partner was informed that no objection would be taken to the partnership business being carried on. In one case where His Majesty's Government refused to grant a licence they appointed a controller.

Patents, Designs, and Trade-marks.

10. By the Patents, Designs and Trade-marks (Temporary Rules) Acts, the Board of Trade were given Power to make rules during the continuance of war, for the avoidance or suspension of patents, designs and trade-marks. The object of this legislation was to secure the continuance of manufacture under various important patents, and to allow of trade in this country being carried on freely, without the infringements of legal rights. It was not the object of the Act to confiscate property of alien enemies, but merely to suspend their rights under proper and reasonable conditions.

11. The rules under which this Act are administered provide that, the Board of Trade may, on the application of any person, and subject to such terms and conditions, if any, as they may think fit, order the avoidance or suspension, in whole or in part, of any patent or licence granted to a subject of any State at war with His Majesty, and the Board, before granting any such application may require to be satisfied on the following heads:

- a) That the patentee or licensee is the subject of a State at war with His Majesty;
- b) That the person applying intends to manufacture, or cause to be manufactured, the patented article, or to carry on, or cause to be carried on, the patented process;
- c) That it is in the general interests of the country or of a Section of the community, or of a trade, that such article should be manufactured or such process carried on as aforesaid.

12. The Practice in respect to these applications has been to grant to proper applicants licenses to manufacture under the patents on the condition of paying a royalty to the State until the Board otherwise order. The ultimate destination of the royalty will depend on the attitude of the enemy Governments in regard to English patents; and the licence will continue, if not otherwise revoked, until a reasonable licence is offered after the conclusion of the war by the patentee.

13. As regards trade-marks the provisions are similar, and the principles upon which the board have acted are as follows: