Arrangement concerning the Financial Settlement of Accounts in respect of Contributions under Articles 8, 9, 10, 11 and 12 of the Rhineland Agreement, with eleven Annexes. Signed at Paris, May 5, 1925.
No. 1318. — FINANCIAL REGULATIONS FOR THE CONTRIBUTIONS UNDER ARTICLES 8-12 OF THE RHINELAND AGREEMENT. SIGNED AT PARIS, MAY 5, 1925.

French official text communicated by the German Consul-General at Geneva. The registration of this Arrangement took place October 2, 1926.

INTRODUCTION.

Pursuant to an agreement between the Conference of Ambassadors and the German Government, the present Committee was constituted to determine the classes of contributions under Articles 8-12 of the Rhineland Agreement which might be debited to the account of the Agent General for Reparation Payments and the rules to be followed in the assessment of such contributions; the Committee consisted of one delegate for each of the Allied nations represented — Belgium, France, Great Britain and Italy — and an equal number of representatives of the Reich. The Committee was asked to submit its conclusions upon the following points:

1. The classes of contributions furnished by the German Government under Articles 8-12 of the Rhineland Agreement which should be debited to the Annuities to be paid by that Government in accordance with the Dawes Plan;
2. The method of assessment of such contributions;
3. The system of supervision of the payments made in respect of these contributions.

It was understood that the conclusions reached by the Committee thus constituted would be accepted both by the Allied Governments and the German Government.

Should it prove impossible for the Allied and German Delegates to come to an understanding, they were to agree upon the nomination of a neutral Chairman whose decisions would be final.

Meetings of the Allied and German Delegates were held from November 17 to 26, 1924, whereupon in accordance with their instructions, they invited M. Patijn to act as Chairman of their subsequent meetings. The Committee continued its activities until May 5, 1925.

Agreement was reached on certain points. Other questions were decided by the arbitral award of M. Patijn. The conclusions reached by the Committee are divided hereunder to correspond with the three questions which were submitted to the Committee by the Conference of Ambassadors and the German Government.

Part I: A) List of the classes of contributions under Articles 8-12 of the Rhineland Agreement.
Part I: B) Debiting of contributions against the Dawes Annuities.
Part II: Procedure for the assessment of contributions.
Part III: Supervision of the payments made.

1 Came into force May 5, 1925.
2 Official English version communicated by His Majesty's Foreign Office.
3 The number of the arbitral awards given in the margin of Part I below are quoted from M. Patijn's letter of February 16, 1925, and from his subsequent awards. (See annexes, Nos. 2-9.)
PART I.

A. LIST OF CLASSES OF CONTRIBUTIONS UNDER ARTICLES 8-12 OF THE RHINELAND AGREEMENT.

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1 Certain anomalies which may be noticed in the numbering and arrangement of the items in the above list are due to the fact that it has been deemed essential to preserve the possibility of reference to the Minutes of the Committee and to other documents.

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Only the classes of contributions mentioned in the above list shall be chargeable.

The Committee unanimously recommends to the Conference of Ambassadors and the German Government that, should any classes of contributions other than those mentioned above be demanded, the Commission of Interpretation be empowered to determine, by analogy with the rules already laid down for the contributions enumerated above, the principles on which the charge in respect of such fresh cases shall be made.
B. DEBITING OF CONTRIBUTIONS AGAINST THE DAWES ANNUITIES.

GENERAL OBSERVATIONS.

1. In individual cases not explicitly provided for in the rules of assessment laid down by the Committee, the said rules shall as far as possible be applied by analogy.

2. Only contributions or portions of contributions furnished subsequent to August 31, 1924, shall be chargeable. A necessary condition for a charge to be made shall be that the execution of the contributions entails an actual financial burden for the Reich (expenditure or deprivation of revenue).

3. In all cases in which a contribution order is liable to involve a debit, the competent Allied and German Authorities shall, if necessary, before the expenditure is incurred, confer with a view to agreeing upon the amount of the debit. Failing such agreement, the amount of the charge shall be assessed by the Assessment Commissions.

4. In no case shall the "cost price" or "net cost" exceed the actual cost, plus any cost of transport or contingent expenses (whether for material or labour or staff directly employed) which may be involved, but without any addition in respect of overhead charges. Purchases made on behalf of the Allies shall be made on the most favourable terms obtainable.

5. Deprivation of profit shall in no circumstances whatever be taken into account in determining the amount of the charge.

6. In cases in which working plant is taken over, the sums, which in accordance with German law have to be paid once and for all to personnel as compensation for the termination of their employment, shall be debited. In this respect, a master shall be treated similarly to his men.

Furthermore, compensation paid in respect of the cancellation of contracts for supplies or other contracts not mentioned in the preceding paragraph, shall be debited. Should such contracts have been concluded prior to April 9, 1924, they shall serve as a basis for the assessment of the compensation; if not, a charge shall only be made in so far as such compensation shall be recognised as justifiable and on a reasonable scale.

7. The fact of the Allies having reserved houses already built, dwellings, ground, installations or working plant, shall be taken to be equivalent to occupation. In the case of a building under construction, it shall only be considered to be actually taken over as from the date of its completion.

8. The date of occupation shall be taken as that on which a formal written contribution order is served.

9. Buildings, ground, installations or working plant, of which the Reich had the use free of charge prior to their occupation, shall be regarded, for the purposes of the debit, as buildings belonging to the Reich.

10. Except in cases for which provision is explicitly made in the following rules, the Allies shall not be liable to any debit in respect of fire insurance costs. On the other hand, should the Reich be required to rebuild a building destroyed by fire, the work entailed must be considered as a "new building" 1.

11. The rules regarding debits shall not be affected by any changes of ownership which may take place subsequent to August 31, 1924, and during the occupation of buildings, ground, installations or working plant.

—See Section XIII, page 275.
The same provision shall apply to the use of furniture.

12. The wages debited to the Allies' account must include the employer's contributions provided for in German national insurance legislation.

13. All the rules given shall apply to contributions made to the Inter-Allied Rhineland High Commission (I. A. R. H. C.) as well as to those made to the Armies.

14. The present regulations shall enter into force on confirmation by the Allied and German Governments, with retroactive effect from September 1, 1924.

SPECIAL RULES FOR DEBITING.

I. TRANSPORT CONTRIBUTIONS AND PLACING OF MEANS OF TRANSPORT AT THE DISPOSAL OF THE ALLIES

A. CONTRIBUTIONS MADE BY THE GERMAN STATE RAILWAY COMPANY.

(DEUTSCHE REICHSBahn-GESELLSCHAFT.)

I. General Conditions.

(a) The rates given below shall be applicable to all transport carried out in accordance with the Rhineland Agreement under cover of a Movement Order 2.

(b) Unless otherwise arranged, the general conditions of the German rate book shall be applicable.

(c) The rates given below shall be altered automatically whenever changes occur in the public rates.

II. Passengers, Luggage, Corpses, Dogs.

(a) The basic price shall be as follows:
   
   First class : 2.76 Rpf. per km.
   Second » : 1.93 »
   Third » : 1.34 »

(b) Supplementary fares for express trains:

   
<table>
<thead>
<tr>
<th>Zone I</th>
<th>Zone II</th>
<th>Zone III</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 75 km.</td>
<td>76 to 150 km.</td>
<td>151 km. and over</td>
</tr>
<tr>
<td>First class</td>
<td>0.58 RM</td>
<td>1.16 RM</td>
</tr>
<tr>
<td>Second »</td>
<td>0.29 »</td>
<td>0.58 »</td>
</tr>
<tr>
<td>Third »</td>
<td>0.15 »</td>
<td>0.30 »</td>
</tr>
</tbody>
</table>

(c) Luggage:

   0.2 Rpf. par 10 kgs per kilometre (fractions of 10 kgs shall count as 10 kgs).
   Minimum charge : 20 Rpf.
   Minimum weight : 10 kgs.

---

1 The Committee places on record the agreement concluded between the Allied and German Experts regarding the settlement, by a lump sum, of contributions in respect of the period September 1, 1924, to March 31, 1925. (See Annex No. 11.)

2 The rates have been fixed according to the scales laid down at The Hague on December 19, 1924, by the Organisation Committee of the German Railways. (See Annex No. 10.)
(d) Monthly tickets:
The public tariff shall be reduced as follows:
1. Subtraction of the tax;
2. Reduction by 50%.

(e) Corpses:
The public tariff shall be reduced as follows:
1. Subtraction of the tax;
2. Reduction by two-thirds.

(f) Dogs:
The public tariff shall be reduced as follows:
1. Subtraction of the tax;
2. Reduction by two-thirds.

The total kilometrage covered by each of these consignments shall be multiplied by the appropriate basic price.

III. Goods, Animals and Stores.

(a) Smalls traffic by slow goods train:
The public tariff shall be reduced as follows:
1. Subtraction of the tax;
2. Reduction by one-third.

(b) Smalls traffic by fast goods:
The rates shall be calculated as under (a) but the weight shall be doubled.

(c) Smalls traffic by express goods:
The rates shall be calculated as under (a) but the weight shall be trebled.

(d) Wagon loads by slow goods:
The public tariff shall be applicable, less tax and with a one-third reduction.

(e) Wagon loads by fast goods:
The rates shall be calculated as under (d) but the weight shall be doubled.

(f) Animals:
The public tariff shall be reduced as follows:
1. Subtraction of the tax;
2. Reduction by one-third.

N. B. — The reduction of one-third shall not be applicable to any exceptional rates which may be fixed for classes (a) to (f).

(g) Convoyers with military traffic:
The public rates shall be applicable less tax and with a two-thirds reduction.
Rates:
1. In brake-vans or in goods wagons, 0.01 Rpf. per kilometre.
2. In passenger coaches: the fare for passengers according to class occupied.
IV. Special Trains.

(r) **Troops:** Rates calculated per head according to the following prices:

- First class: 2.76 Rpf per man-kilom.
- Second »: 1.93 »
- Third »: 1.34 »

(The same rule in regard to the reckoning of charges as is given under II shall be applicable.)

Or else, **per axle**, according to the following prices:

- Locomotives: 4.55 RM per kilom.
- Coaches and brake-vans: 0.36 RM per axle-kilom.
- Goods wagons: 0.18 RM per axle-kilom.

The rate most favourable for the Allies shall be applied.

(2) **Mixed trains (Troops, animals, stores).**

Price per axle as under (r) above.

In all cases, the minimum charges laid down in the German rate book shall apply, less tax and less 50%.

V. Saloon Coaches.

The rates shall be fixed as follows:

(r) **For one journey:**

- 18 First Class tickets (2.76 Rpf. per km.).

(2) **For permanent use:**

A daily hire rate of 15 RM;

Or an annual hire rate of 2,500 RM and payment of 18 First Class tickets (at 2.76 Rpf. per kilometre) when the saloon travels.

VI. Reserved Compartments in Ordinary and Express Trains.

(r) Those compartments which the Military Authorities have permanently reserved shall be paid for, whatever the number of seats occupied, at the rate payable for passengers and in respect of half the number of seats contained in each compartment.

In compartments reserved for postal couriers all the seats shall be paid for.

Passengers taking their seats in reserved compartments must be in possession of a voucher corresponding to the class occupied.

Postal couriers must be in possession of a duty order issued by the Army concerned and stamped by the D. R. G.

(2) If the D. R. G. for its own purposes reserves compartments for the Allied Armies, military passengers should take their seats in these compartments. In that case, seats not occupied shall not be paid for.
VII. Supplementary Rates.

Supplementary rates shall be paid in full. Nevertheless, the following rules shall be applied to demurrage of wagons:

The D. R. G. shall grant a period of 48 hours free. Excess on this period shall be charged for as follows:

For the first excess period of 48 hours or part thereof: 2 RM per wagon;
For the second excess period of 48 to 96 hours or part thereof: 4 RM per wagon;
For all periods exceeding 96 hours: 6 RM per 48 hours or part thereof and per wagon.

VIII. Entraining Drill.

Coaches and wagons used for entraining and detraining drill, shall be charged for at the rate given below, provided that such vehicles do not leave the station:

5 RM per coach or wagons per 24 hours or part thereof.

IX. Private Sidings.

The lines and loading yards of a station which are withdrawn from public service to be placed at the disposal of the Allied Armies shall be regarded as private sidings.
Private sidings shall be the subject of individual contracts, drawn up on the basis of the rules of the D. R. G.

X. Rolling Stock belonging to the Armies.

(a) Goods stock (empty): a fixed rate of 5 RM per wagon per empty trip.
(b) Coaching stock (empty): 20 Rpf per axle-kilometre.

XI. Special Shunting.

15 RM per locomotive hour shall be paid in respect of such special shunting as is demanded by the Allies and as is not included in the normal shunting incidental to traffic working.

XII. Use of Railway Telegraphs and Telephones.

All costs of telegraphic and telephonic instruments and circuits belonging to the D. R. G. and placed at the exclusive disposal of the Allies shall be charged at the rates arranged for the Postal Service.
The cost of transmitting messages and calls on proper railway business shall not be charged.

XIII. Train Stops at Control Posts.

There shall be no charge for stops provided for in the schedules, but a charge shall be made for any emergency stops ordered by the Allies.

No. 1318
XIV. Supply of Personnel.

In the case of personnel (including Deleis1), placed entirely at the disposal of the Allies at their request the normal pay with a supplement of 50% shall be debited: this shall cover the cost of all insurance benefit.

XV. Occupation of Premises.

In the case of the occupation of premises, stores, etc., the rules laid down for privately-owned buildings occupied by the Allies shall be applied.

XVI. Repairs in Workshops.

The basis for the assessment of repairs to rolling stock belonging to the Armies of Occupation (leave, hospital and other rolling stock) shall be the actual cost of labour and material with an addition for overhead charges. This addition amounts at present to 210% of the labour bill, but shall be reduced by one-third, that is to 140%.

XVII. Construction Work.

Works demanded by the Allies shall be charged in accordance with the actual cost. To this shall be added the overhead charges reduced by one-third, but the minimum overhead charge shall be 10%.

XVIII. Hire of Rolling Stock.

The rates applicable shall be those applied by the D. R. G. to private persons.

The detailed figures are given below for information:

_Hiring charges per calendar day for locomotives without crew._

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 axle tank engines</td>
<td>40</td>
</tr>
<tr>
<td>4 » » » or 3 axle locomotive and tender</td>
<td>50</td>
</tr>
<tr>
<td>5 » » » or 4 » » »</td>
<td>65</td>
</tr>
<tr>
<td>6 » » » or 5 » » »</td>
<td>85</td>
</tr>
<tr>
<td>Passenger Coach 1st and 2nd class</td>
<td>8</td>
</tr>
<tr>
<td>» » 2nd and 3rd class</td>
<td>7</td>
</tr>
<tr>
<td>» » 3rd and 4th class</td>
<td>6</td>
</tr>
<tr>
<td>Brake-van</td>
<td>6</td>
</tr>
<tr>
<td>Coal or goods wagon</td>
<td>8</td>
</tr>
<tr>
<td>Flat wagon</td>
<td>8</td>
</tr>
<tr>
<td>Ballast train wagon</td>
<td>4</td>
</tr>
</tbody>
</table>

1 Deleis is an abbreviation for the Delegation attached by the German Railway Company to the Inter-Allied Railway Commission.

No. 1318

The valuation of these services shall be made in accordance with the rules given in Section XV, page 275.

XX. Compilation of Statistics.

The net cost of preparation shall be allowed in the case of demands for statistics which cause special work in their preparation.

B. Contributions made by Railways and Tramways belonging to the States, Municipalities or Private Companies.

(1) The amount of the charge for transportation on light railways, carried out in accordance with the Rhineland Agreement under cover of a Movement Order, as well as the amount of the charge for official traffic over tramways, shall be reckoned on the basis of the normal fares, less tax (Beförderungsssteuer) and with a rebate of 20%.

The rebate of 20% shall not apply in the case of lines which are operated at a loss. In the case of such lines the normal rates (less tax) shall be applied.

The Assessment Commissions shall ascertain from a consideration of the ratio of working costs to receipts whether or not any given line is operated at a loss.

Should conventions have already been concluded in respect of transportation mentioned in the first paragraph above, the said conventions shall remain in force unless denounced by either of the parties.

(2) Should the Allies demand that the working of a line or a portion of a line on a light railway or tramway be continued after the competent authorities or the management of the operating company had decided to discontinue the service, an amount corresponding to the costs incurred as a result of the continuance of the service shall be debited, less any direct or indirect financial benefits accruing therefrom. This regulation shall only apply in cases in which it shall have been clearly established that the service would actually have been discontinued, had the Allies not prevented it.

C. Water Transport.

(1) Contributions in the form of water transport carried out in accordance with the Rhineland Agreement under cover of a Movement Order shall be governed by rules analogous to those mentioned in B (1).

(2) The charge for the use of steamers and motor boats shall be governed by the net cost, failing special conventions.

D. Miscellaneous Transport (Lorries, Light Railways belonging to the Reich, etc.).

The amount of the charge for such transport shall be based on the net cost.
II AND III. POSTAL SERVICE, TELEGRAPHS AND TELEPHONES.

I. TELEGRAPH AND TELEPHONE CIRCUITS PERMANENTLY REQUISITIONED BY THE ALLIES.

The following items shall be debited in respect of such telegraph and telephone circuits belonging to the German Postal Service as are permanently requisitioned by the Allies:

(a) The cost of maintenance carried out bi-annually on main circuits and annually on subsidiary circuits:

<table>
<thead>
<tr>
<th>Rate per kilometre per annum</th>
<th>Metallic circuit overhead</th>
<th>10 G. M.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Metallic circuit underground</td>
<td>5 »</td>
</tr>
<tr>
<td></td>
<td>Single wire (telegraph) overhead</td>
<td>5 »</td>
</tr>
<tr>
<td></td>
<td>Single wire (telegraph) underground</td>
<td>2.5 »</td>
</tr>
</tbody>
</table>

(b) The cost of clearing faults:

<table>
<thead>
<tr>
<th>Rate per kilometre per annum</th>
<th>Metallic circuit overhead</th>
<th>12 G. M.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Metallic circuit underground</td>
<td>6 »</td>
</tr>
<tr>
<td></td>
<td>Single wire (telegraph) overhead</td>
<td>6 »</td>
</tr>
<tr>
<td></td>
<td>Single wire (telegraph) underground</td>
<td>3 »</td>
</tr>
</tbody>
</table>

(c) A sinking fund of 5½% per annum on the value of each circuit to cover the annual cost of major repairs and replacements. The value of a circuit shall be calculated by taking first of all that of the wire itself, based on the cost price on September 1, 1924, to which shall be added the value of the supports, either at the flat rate of 30 gold marks per kilometre per wire or at a rate proportional to the number of supports in the different sections and the total number of wires borne by each. The value of the supports to be debited to the Allies' account shall be based on the following figures for the total value of the supports per kilometre:

- Roadside trunk circuit: 30 or more wires: 807 G.M.; less than 30 wires: 620 G.M.
- Roadside local circuit: 338 G.M.
- Circuit alongside railway: 512 G.M.

In respect of underground trunk circuits, the sinking fund of 5½% shall be calculated as for a normal overhead circuit equivalent to 3 mm. and reckoned at 390 gold marks per kilometre.

A single underground telegraph wire shall be valued as half a metallic circuit.

(d) A bonus of 10% on the amount to be debited under paragraphs (a), (b), and (c), above, as checked and agreed to by the Allies, to cover overhead charges on work done and information, plans, accounts, etc., supplied at the Allies' request for checking purposes.

All or any portion of the work or checking under paragraphs (a) and (b) may be carried out by the Allies, in which case the stores, tools and apparatus required shall be supplied to them by the German Postal Service at cost price. In such cases, a corresponding reduction shall be made in the charges mentioned in paragraphs (a) and (b).
Unless an agreement to the contrary is reached, the distribution of work between the Allies and the German Postal Service shall be fixed for periods of one year only.

(c) Compensation for the loss of telegraph and telephone charges in respect of circuits requisitioned by the Allies subsequent to September 1, 1924, on the following scale of fixed annual payments:

<table>
<thead>
<tr>
<th>Distance (km)</th>
<th>Payment (G. M.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>15</td>
</tr>
<tr>
<td>5.1-15</td>
<td>360</td>
</tr>
<tr>
<td>15.1-25</td>
<td>1,400</td>
</tr>
<tr>
<td>25.1-50</td>
<td>5,000</td>
</tr>
<tr>
<td>50.1-100</td>
<td>10,000</td>
</tr>
<tr>
<td>100.1-200</td>
<td>20,000</td>
</tr>
<tr>
<td>200.1-300</td>
<td>30,000</td>
</tr>
</tbody>
</table>

For distances over 300 km, 6,000 G. M. per 100 km. or fraction thereof.

A mere change from one circuit or combination of circuits to another circuit or combination of circuits, equivalent from the point of view of traffic, shall not be considered as a fresh requisition.

This fixed payment shall be based, as the Allies may decide, either upon each individual line, or upon the length of line.

This compensation shall not be paid in respect of circuits requisitioned by the Allies prior to September 1, 1924.

The cost of installation or changes in connections shall be debited on the basis of the stores and labour supplied for the work. Maintenance shall be carried out in accordance with the provisions of Article 3.

On June 1 each year, the Allies or the German Postal Service may, if changes in the cost of raw materials require it, claim a revision of the prices upon which the sinking fund of 5 1/2 % is chargeable for the year commencing on the following September 1. Failing an agreement, the question shall be settled by the competent Assessment Commission for contributions.

2. TELEGRAPH AND TELEPHONE LINES REQUISITIONED BY THE ALLIES FOR CERTAIN PERIODS ONLY (SHARED OR PART-TIME CIRCUITS).

Since the cost will be reckoned in each case in accordance with the rules laid down in Article 1, the proportion of the total time during which the Allies use the circuits shall be taken as the basis. Periods between the hours of 9 a.m. and 1 p.m. and 3 p.m. and 6 p.m. shall count treble.

3. INSTALLATION AND USE OF THE ALLIES' SPECIAL TELEPHONE SYSTEMS (LOCAL SYSTEMS, EXCHANGES AND EXTENSIONS).

The following amounts shall be debited:

(a) In respect of local lines belonging to the German Postal Service, the cost reckoned at a flat rate in the manner prescribed in Article 1 and on the following scale:

<table>
<thead>
<tr>
<th>Length of Line</th>
<th>Maintenance</th>
<th>Clearing of Faults</th>
<th>Sinking Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 metres</td>
<td>1.178 G. M.</td>
<td>1.413 G. M.</td>
<td>2.591 G. M.</td>
</tr>
</tbody>
</table>

Plus 10% for the overhead charges mentioned in Article 1 (d).
The installation of subscribers' instruments shall be reckoned in accordance with
the German Postal Service's scale of charges in force on September 1, 1924, for the work
carried out.

(b) For maintenance:
Per subscriber's instrument .................. $16 G. M. per ann.
Per jack occupied on a 50-line or smaller switchboard 3

For switchboards larger than 50-line and for multiple switch boards
including accessories .................. according to work done.

(c) Compensation for the loss of telephone charges in respect of circuits
requisitioned by the Allies subsequent to September 1, 1924, and additional to
the total circuits already at their disposal at that date in each local system,
reckoned at the following rates per subscriber's instrument:

On German systems of less than 50 subscribers .......... 36 G. M.
" " " " over 50, but not exceeding 1000 subscribers ................. 54 "
" " " " 1,000, but not exceeding 10,000 sub-
scribers .................. 72 "
" " " " 10,000 subscribers .................. 90 "

This compensation shall not be paid in respect of lines requisitioned by the Allies
prior to September 1, 1924.

4. INSTALLATION OF JUNCTIONS WITH GERMAN EXCHANGES.

The charges reckoned in accordance with paragraph (a) of Article 3, as well as the
call fees fixed in Article 5 below, with no fixed minimum, shall be debited in respect of
circuits connecting Allied Exchanges or subscribers' instruments with German switch-
boards (including multiple boards).

The installation of subscribers' instruments shall be reckoned in accordance with
the German Postal Service's scale of charges in force on September 1, 1924, for the work
carried out.

5. TRANSMISSION OF TELEGRAMS AND TELEPHONE CALLS OVER NON-REQUISITIONED
SYSTEMS.

The telegraph and telephone charges in force on September 1, 1924, shall be debited
in respect of this traffic, official traffic being given priority in every case but not charged
for at treble rates in the case of inland telephone calls in Occupied or non-Occupied Ger-
man y.

Only such subsequent changes in the rates as shall be due to international conven-
tions shall take effect immediately. All other changes shall be submitted, prior to their
taking effect, to the Assessment Commission in the manner prescribed in the last paragraph
of Article 1.

Private telegrams and telephone calls shall be paid for at the German rates.

6. CONSTRUCTION OF NEW TELEGRAPH AND TELEPHONE LINES AT THE DEMAND
AND FOR THE USE OF THE ALLIES.

The following items shall debited in respect of such lines, which shall remain the
property of the German Postal Service:

(a) The first cost of installation, according to an estimate agreed to by the
Allies;
(b) Compensation reckoned as in paragraphs (a), (b), (c), (d), and (e) of Article 1.

7. Occupation and upkeep of buildings, offices and ground.

The charges due to the occupation and upkeep of buildings or portions of buildings shall be debited in accordance with the rules laid down for buildings belonging to the Reich (See Section V, page 259).

8. Supply of equipment and office requirements.

The cost of such supplies, determined in accordance with the rules and regulations laid down for Reich buildings placed at the disposal of the Allies, but remaining its property, shall be debited.

9. Heating, lighting and water supply of requisitioned buildings and rooms, and the supply of current for batteries, etc.

The cost of such supplies, reckoned in accordance with the scales and regulations laid down elsewhere, shall be debited (See Section XV, page 275).

10. Supply of personnel (operating personnel, telephone operators, electricians and special representatives attached to the High Commands).

In the case of personnel placed entirely at the disposal of the Allies at their request the normal pay with a supplement of 50% shall be debited; this shall cover the cost of all insurance benefit.

11. Services rendered to the Allies (preparation of plans, accounts, etc.).

The cost of such services, for which an estimate shall have been agreed to by the Allies (unless they shall elect to carry out the work themselves), shall be debited in accordance with documents submitted by the German Postal Service.

12. Transmission of postal packets addressed to or despatched by the Allies in so far as such packets are received by the German Postal Service.

The postal charges for letters and packets handed over unstamped to the German Postal Service by the Allies or addressed to them shall be debited.

The Allies shall be at liberty to refuse to accept unstamped packets, but in that case the Postal Service may collect the charges from the senders.

No surcharge shall be made in respect of unstamped or insufficiently stamped packets.

13. Transmission of sealed bags or ordinary letters and packets handed over by the German Postal Service to the foreign military post offices or taken over from them for retransmission to other foreign military post offices or for despatch abroad.

The compensation due to the German Postal Service, in accordance with the international rates for transmission of open or sealed packets, shall be debited.
14. **Carrige of Allied Personnel on Mail Motor Car Routes and Other Postal Passenger Services.**

The current charges in force shall be debited.

15. **Delayed Payment of Postal and Telegraph Fees.**

No debit shall be made on this score.

16. **Supply of Apparatus, Dry Cells, Wire, Cable or Any Other Telegraph or Telephone Stores or Tools.**

The cost of such supplies, furniture, apparatus, stores or other articles which shall remain the property of the German Postal Service, determined in accordance with the rules and regulations laid down for furniture belonging to the Reich which is placed at the disposal of the Allies, shall be debited; the cost price of stores placed at the disposal of the Allies to include 10% for overhead charges.

**IV. Furniture and Fittings, Household Effects, Miscellaneous Articles and Linen.**

(a) Nothing shall be debited in respect of furniture and fittings, household effects, miscellaneous articles and linen, which was the property of the Reich on September 1, 1924.1

(b) A debit shall be made in respect of furniture and fittings, household effects, miscellaneous articles and linen, purchased by the Reich subsequent to August 31, 1924, and placed at the disposal of the Allies. The debit shall be made in ten annual instalments. These instalments shall, however, cease to be debited when the furniture and fittings, household effects, miscellaneous articles and linen are restored to Germany's unfettered control by the evacuation of the occupied zone.2,3

(c) The net cost of storage, safeguarding, insurance and transport of any furniture and fittings, household effects, miscellaneous articles and linen which the Allies may require to be held in reserve shall be debited.

(d) The net cost of repairs to any furniture and fittings, household effects, miscellaneous articles and linen, which are placed at the disposal of the Allies, or which they may require to be held in reserve, shall be debited.4

---

1 This refers to furniture, fittings, household effects, miscellaneous articles and linen existing on September 1, 1924, whether in use or in store.

2 The instalments to be debited each year shall be one-tenth of the value.

3 If a zone is evacuated by the Allies, the latter shall be entitled to require the furniture, etc., existing in that zone to be transferred to a fresh zone on debiting the cost of transport.

4 The only repairs to be charged for in future shall be those executed with the consent of the Allies.
V. BUILDINGS AND GROUND BELONGING TO THE REICH, INCLUDING INSTALLATIONS AND WORKING PLANT.

I. BUILDINGS OCCUPIED PRIOR TO SEPTEMBER 1, 1924.

Nothing shall be debited in respect of the use of buildings belonging to the Reich which were occupied by the Allies prior to September 1, 1924.

2. BUILDINGS TAKEN OVER SUBSEQUENT TO AUGUST 31, 1924.

(a) Nothing shall be debited in respect of the use of buildings belonging to the Reich which were built prior to September 1, 1924, but taken over by the Allies on or after that date, provided that such buildings were not previously let, nor, from their nature, capable of being let.\(^1\)

(b) Nothing shall be debited in respect of the use of buildings belonging to the Reich which were built prior to September 1, 1924, at the Allies’ demand and taken over by them on or after that date, even though such buildings may, from their nature, be capable of being let.

(c) A debit shall be made in respect of the use of such buildings belonging to the Reich, built voluntarily by the latter and taken over by the Allies subsequent to August 31, 1924, as were, from their nature, capable of being let. The amount of the debit shall be based on the German legislation regarding rents, unless leases exist signed prior to April 9, 1924, in which case the assessment shall be made on the basis of the said leases.\(^1\), \(^3\), \(^4\).

3. BUILDINGS HIRED IN REPLACEMENT.

(a) The costs paid by the Reich on account of buildings hired in replacement shall be debited, in so far as such costs were necessarily incurred for the hiring of buildings to accommodate administrative services ousted by the Allies from the buildings referred to in paragraphs 1 and 2 (a); this debit shall be made subject to the condition that such expenditure shall not be debited in respect of the buildings referred to in paragraph 1, if the replacement was effected subsequent to August 31, 1924.\(^5\).

---

\(^1\) The term “buildings capable of being let” shall not be held to cover such buildings as can only be so employed after conversion.

\(^2\) If such buildings were previously let, or capable of being let, the assessment shall be made as provided for in paragraphs 2 (c) and 5 (b) of Section V.

\(^3\) Should Germany, after the withdrawal of the contribution order issued for a building demanded by the Allies, have voluntarily completed the building prior to September 1, 1924, and should it then be demanded anew by the Allies, on or after that date, a part of the rental value shall be debited. The amount to be debited shall be proportional to the part of the building which Germany voluntarily completed.

\(^4\) Should the Allies, however, in taking over accommodation in such a building, vacate by so doing accommodation in a building built at their orders, only the difference between the rental values of such accommodation shall be debited. This rule shall only be applicable to an exchange of accommodation which takes place within the same zone (zones in this case being the areas defined in Article 429 of the Treaty of Versailles).

\(^5\) No charge shall be made in cases in which the Reich only incurred expenditure subsequent to August 31, 1924, in respect of the transfer of a public service which was accommodated in a building occupied by the Allies prior to that date. Should, however, such transfer not have taken place owing to the fact that at that date the public service was temporarily suspended on account of measures taken by the Allies (for example, the replacement of the German Customs Service by an Allied Administration), the normal rules for debiting may be applied within three months of the restoration of the service.
(b) The lodging allowances granted to private persons accommodated in Reich buildings, who as a result of the occupation of the said buildings have to find other accommodation, shall be chargeable, provided that such allowances shall be recognised as justifiable and on a reasonable scale.

4. INSTALLATIONS AND WORKING PLANT.

(a) Nothing shall be debited in respect of the costs of installations or working plant belonging to the Reich taken over by the Allies, provided the latter operate them themselves. Should the Germans operate them the net cost of the services rendered shall be debited.

5. GROUND.

(a) Nothing shall be debited in respect of the use of ground belonging to the Reich which was taken over prior to September 1, 1924.
(b) A debit shall be made in respect of the use of ground belonging to the Reich taken over subsequent to August 31, 1924. The amount of the debit shall be based on the rental value, unless the ground had been let or leased under contracts signed prior to April 9, 1924, in which case the assessment shall be made on the basis of the said contracts.

VI. BUILDINGS AND GROUND BELONGING TO THE GERMAN STATES INCLUDING INSTALLATIONS AND WORKING PLANT.

(a) Compensation paid by the Reich to the States in respect of buildings and ground belonging to the latter and occupied by the Allies shall be debited. The amount of the debit shall be based in the case of buildings on the German legislation regarding rent, and in the case of ground on the rental value.
(b) The costs of installations or working plant, belonging to the States and occupied by the Allies, shall be debited. If the Allies operate them themselves, the amount of the debit shall be that of the rental value, but, should the Germans operate them, the debit shall be the rental value plus the net cost of the services rendered.

VII. MUNICIPALLY OR PRIVATELY OWNED BUILDINGS, DWELLINGS, GROUND, INSTALLATIONS AND WORKING PLANT ENTIRELY OCCUPIED BY THE ALLIES.

I. BUILDINGS, DWELLINGS, GROUND.

(a) Compensation paid by the Reich to municipalities or private individuals on account of the occupation of their buildings by the Allies shall be debited. The amount of the debit shall be based on the German legislation regarding rent, without any deduction of the percentages for rates and taxes.

1 Should the Reich, however, as the result of measures taken by the Occupying Authorities be deprived subsequent to August 31, 1924, of any revenue from the hire of grazing rights over ground occupied by the Allies on or before that date, a charge shall be made.
2 The word "States" corresponds to the German word Länder.
3 The charge in respect of ground shall be based on the rental value.
   In cases in which a hotel is completely taken over, the charges shall be reckoned in accordance with the rules laid down for the occupation of working plant, and not with the scales for hotel rooms. (See paragraph 2 below.)
(b) Should, as a result of the occupation of a school, a temporary school have to be built and should the cost of its construction not be covered by the rent of the school occupied, the difference between the rent and an annuity reckoned on the basis of the probable life of the temporary building shall be debited. If, in similar cases, temporary buildings or huts, for example, have to be erected as dwellings, a similar debit shall be made.

c) The compensation granted by the Reich to inhabitants who have had to vacate their dwellings subsequent to August 31, 1924, as a result of a contribution order issued by the Allies, shall be debited, in so far as such compensation shall be recognised as justifiable and on a reasonable scale.

2. INSTALLATIONS AND WORKING PLANT.

The costs of installations or working plant, belonging to municipalities or private individuals and occupied by the Allies, shall be debited. The amount of the debit shall be that of the rental value, provided the Allies operate them themselves, but, should the Germans operate them, the debit shall be the rental value plus the net cost of the services rendered.

3. FURNITURE BELONGING TO THE OWNER OF A BUILDING OR DWELLING.

The compensation to be debited, in respect of the placing of furniture at the disposal of the Allies by the owner of a building or dwelling entirely occupied, shall be calculated as in the agreement reached for the French Zone in regard to furniture of the same kind in partially occupied dwellings (See Section VIII below).

VIII. MUNICIPALLY OR PRIVATELY OWNED BUILDINGS AND DWELLINGS PARTIALLY OCCUPIED BY THE ALLIES.

The charges shall be in accordance with the rules laid down in the agreements given below regarding the Belgian, British and French Zones.

i. BELGIAN ZONE.

In each locality, the Occupying Authorities shall establish, in agreement with the representatives of the Reich and of the local Authorities:

- A rent for unfurnished rooms;
- A rent for furniture.

Rent of unfurnished rooms.

All privately owned apartments in each garrison shall be classified in several grades and the rental value per room calculated from the table given below. Rooms shared with another occupant shall be reckoned at half price.

The rent of luxuriously furnished rooms shall be estimated specially in each case.

---

1 The rules given in Section VII shall be applicable to ground, installations or working plant partially occupied.
2 The furniture referred to in these agreements is that belonging to the owners of buildings and dwellings which are partially occupied.
Rent of furniture.

This shall be determined by estimating, for each grade of apartment, the value of the furniture in each room, according to the table given below. This rental shall be applied to all rooms of the same kind in the same grade of apartment.

The furniture in luxuriously furnished rooms shall be estimated specially in each case.

Failing an agreement between the Occupying Authorities and the representatives of the Reich and of the local Authorities, the Assessment Commissions for Contributions shall give the decision.

Detailed rules for the application of this agreement shall be drawn up by both Parties.

Scale of payments to be debited monthly for billets in the zone occupied by the Belgian Army.

<table>
<thead>
<tr>
<th>Item</th>
<th>Living-Room</th>
<th>Bedroom</th>
<th>Kitchen</th>
<th>Living kitchen</th>
<th>Servant’s room</th>
<th>Bath</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I sitting room</td>
<td>II study dining room</td>
<td>2 beds without linen</td>
<td>1 bed without linen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>(a) ..........</td>
<td>25</td>
<td>20</td>
<td>25</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>(b) ..........</td>
<td>22.50</td>
<td>18</td>
<td>22.50</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>(c) ..........</td>
<td>20</td>
<td>16</td>
<td>20</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>II</td>
<td>(d) ..........</td>
<td>16</td>
<td>15</td>
<td>18</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>(e) ..........</td>
<td>10</td>
<td>13</td>
<td>16</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>(f) ..........</td>
<td>14</td>
<td>11</td>
<td>14</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>III</td>
<td>(g) ..........</td>
<td>12</td>
<td>10</td>
<td>12</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>(h) ..........</td>
<td>10</td>
<td>8</td>
<td>10</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>(i) ..........</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

Rent of Rooms expressed in Reichsmarks

<table>
<thead>
<tr>
<th>Item</th>
<th>Living-Room</th>
<th>Bedroom</th>
<th>Kitchen</th>
<th>Living kitchen</th>
<th>Servant’s room</th>
<th>Bath</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I sitting room</td>
<td>II study dining room</td>
<td>2 beds without linen</td>
<td>1 bed without linen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>(a) ..........</td>
<td>21.50</td>
<td>14</td>
<td>16</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>(b) ..........</td>
<td>18</td>
<td>12</td>
<td>14.50</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>(c) ..........</td>
<td>16</td>
<td>10</td>
<td>12.50</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>II</td>
<td>(d) ..........</td>
<td>14</td>
<td>8.50</td>
<td>10.50</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>(e) ..........</td>
<td>12</td>
<td>7</td>
<td>9</td>
<td>5.50</td>
<td>4.50</td>
</tr>
<tr>
<td></td>
<td>(f) ..........</td>
<td>10</td>
<td>6</td>
<td>7</td>
<td>4.50</td>
<td>4</td>
</tr>
<tr>
<td>III</td>
<td>(g) ..........</td>
<td>8.50</td>
<td>5.80</td>
<td>6.50</td>
<td>4</td>
<td>4.20</td>
</tr>
<tr>
<td></td>
<td>(h) ..........</td>
<td>6</td>
<td>5</td>
<td>5.50</td>
<td>3</td>
<td>3.50</td>
</tr>
<tr>
<td></td>
<td>(i) ..........</td>
<td>4</td>
<td>4</td>
<td>4.50</td>
<td>2.50</td>
<td>3</td>
</tr>
</tbody>
</table>

Rent of Furniture expressed in Reichsmarks

All rules and taxes are included in the above figures
2. BRITISH ZONE.

Agreement regarding the scale of payments for the billets of the British Army of Occupation in the Cologne Zone.

1. Monthly Amounts expressed in Reichsmarks.

<table>
<thead>
<tr>
<th>Item</th>
<th>Living-room</th>
<th>Bedroom with</th>
<th>Kitchen</th>
<th>Living kitchen</th>
<th>Servant's room</th>
<th>Bath</th>
<th>Hall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2 beds</td>
<td>1 bed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade A superior</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Rent of room up to * ...</td>
<td>37.50</td>
<td>35</td>
<td>26.25</td>
<td>21.90</td>
<td>17.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Furniture rent up to</td>
<td>31</td>
<td>18.50</td>
<td>23.50</td>
<td>12.50</td>
<td>8.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Cleaning up to</td>
<td>6.70</td>
<td>4.45</td>
<td>4.45</td>
<td>2.25</td>
<td>22.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Supply and washing of linen</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Per person or per bed ...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Per family ...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Grade B medium                            |             |              |         |                |                |      |      |
|                                           | 30          | 25           | 20      | 15             | 15             | 20   | 10   |
| 1. Rent of room up to * ...               |             |              |         |                |                |      |      |
| 2. Furniture rent up to                  | 15.50       | 10           | 11.50   | 7              | 6.50           | 8    | 2.50 |
| 3. Cleaning up to                        | 4.45        | 2.25         | 4.10    | 2.05           | 15.10          | 15.10| 2.50 |
| 4. Supply and washing of linen, *in grade A.* |             |              |         |                |                |      |      |

| Grade C ordinary                          |             |              |         |                |                |      |      |
|                                           |             |              |         |                |                |      |      |
| 1. Rent of room up to * ...               | 22.50       | 18.10        | 15      | 11.90          | 10             | 15   | 6.25 |
| 2. Furniture rent up to                  | 8.50        | 5.50         | 7       | 4.25           | 4.25           | 5.50 | 1.50 |
| 3. Cleaning up to                        | 2.05        | 2.05         | 1.90    | 1.90           | 11.30          | 11.30| 2.05 |
| 4. Supply and washing of line, *in grade A.* |             |              |         |                |                |      |      |

* The above-mentioned rent of room is the pre-war rent laid down in the Reichsmietengesetz of July 1, 1914. Of this rent there shall only be paid for the time being the percentages fixed monthly in accordance with the instructions issued by the Prussian Wohlfahrtsminister and on the basis of the local regulations published on this subject.

2. In addition to the payment for quarters, compensation shall also be paid for:

   (a) The cost of heating and lighting; the latter in accordance with the amounts registered on the meter on the basis of an expert assessment in each case, failing a mutual agreement; the former on the basis of the actual quantities of fuel consumed;

   (b) The water consumption in excess of a monthly consumption of 4 cubic metres each for the first two persons, 3 cubic metres for the third person and
2 cubic metres for the fourth and each additional person, on the basis of an expert assessment, failing a mutual agreement;

(c) All upkeep work in excess of the normal standard.

3. Luxuriously furnished apartments shall be assessed separately.

4. The cost of any extra fittings, such as bells, lighting circuits, wall plugs, etc. which may be demanded for the requisitioned rooms shall be assessed separately

5. No special payment shall be made for baths.

6. Rooms which are shared shall be paid for at half price.

7. Should the occupant of the billet undertake the cleaning of the rooms and the washing of linen, no payment on this score shall be made.

8. The British Military Authorities and the competent German Authorities shall, whenever possible, agree upon the classifications shown above.

9. All cases in which agreement between the British Army of Occupation and the competent German Authorities cannot be reached shall be referred for decision to the Commissions set up under Part II of the present Regulations, except cases falling under paragraph 10 (a) of this Agreement.

10. (a) Damage to privately owned furniture, other than fair wear and tear, shall be assessed by the Commissions set up under Article 6 of the Rhineland Agreement.

(b) Structural damage, other than fair wear and tear, shall, in default of agreement between the Military Authorities and the competent German Authorities, be assessed by the Commissions set up under Part II of the present Regulations.

3. FRENCH ZONE.

In each locality the Occupying Authorities shall establish, in agreement with representatives of the Reich and of the local authorities, a rent for unfurnished rooms; and a rent for furniture.

Rent of unfurnished rooms.

All privately-owned apartments in each garrison shall be classified in several grades, the average rental value per room being reckoned for each grade from the rents (1914) of a few apartments and applied to all rooms in the same grade. Rooms shared with another occupant shall be reckoned at half price.

The rent of luxuriously furnished rooms shall be estimated specially in each case.

Rent of furniture.

This shall be determined by estimating, for each grade of apartment, the average capital value (1914) of the furniture in each kind of room, and by fixing the average rental value at 1/40 of the said capital value; this rental shall be applied to all rooms of the same kind in the same grade of apartment.

The furniture in luxuriously furnished rooms shall be estimated specially in each case.

Failing an agreement between the Occupying Authorities and the representatives of the Reich and of the local authorities, the Assessment Commissions for contributions shall give the decision.

Detailed rules for the application of this Agreement shall be drawn up by both Parties.

No. 1318
IX. HOTEL ROOMS.

The Local Assessment Commissions shall classify hotels in four categories (an additional category being provided to include inns) and shall fix the price of every room in these hotels or inns liable to be allotted to civil or military personnel entitled to accommodation by virtue of the Rhineland Agreement. (Rooms which do not appear suitable shall be excluded from the classification.)

The number of a room allotted must be shewn on the billeting order after consultation with the hotel management.

The prices must in no case exceed the following maxima expressed in Reichsmarks:

<table>
<thead>
<tr>
<th>Class of Hotel</th>
<th>de luxe</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>Inns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single bedroom</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Double bedroom</td>
<td>18</td>
<td>10.50</td>
<td>7.50</td>
<td>4.50</td>
<td>2.50</td>
</tr>
<tr>
<td>Drawing room</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bathroom (attached to a single room)</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bathroom (attached to a double room)</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary bath including use of linen</td>
<td>1.50</td>
<td>1.50</td>
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The prices shall apply, where the necessary conditions are fulfilled, to the best appointed and situated rooms, the prices of other rooms being fixed on this basis in proportion to their comfort and position and the prices normally charged to the most favoured travellers (less hotel taxes), which shall in no case be exceeded.

These prices shall include attendance.

X. SHOOTING AND FISHING RIGHTS.

(a) As from the date on which the Inter-Allied Rhineland High Commission's Ordinances and Instructions which at present regulate shooting and fishing rights shall be cancelled and a new régime as agreed upon by the High Commission and the German Authorities for shooting and fishing shall be set up, shooting and fishing rights shall no longer be considered as contributions under Articles 8-12 of the Rhineland Agreement.

(b) In respect of the period from September 1, 1924, until the above-mentioned date, compensation for shooting and fishing shall be debited, less the sums already paid; the assessment shall be carried out by the Assessment Commissions.

1 A double bedroom occupied at the order of the local Allied Authorities by one person shall be reckoned as a single room. The same rule shall apply to the corresponding bathrooms.
XI. REPAIR AND UPKEEP OF BUILDINGS, INCLUDING INSTALLATIONS.

A) BUILDINGS BELONGING TO THE REICH FOR WHICH NO RENT IS CHARGEABLE.

(a) Major Repairs.

Nothing shall be debited in respect of major repairs to the buildings mentioned in paragraphs 1 and 2 of Section V. Nevertheless, the cost of any major repairs which the Allies may require to be executed on such buildings as the Reich has no interest in maintaining at the end of the Occupation, shall be debited \(^1\). \(^2\).

Furthermore, in regard to any major repairs which are not to be debited, but which the Allies demand, the Reich shall be entitled to object on the grounds that such repairs are not yet necessary, or that they are in excess of what would normally be executed at the present time in the Occupied Territories. Should the Allies nevertheless adhere to their demands, the cost of such portion of the repairs as fails to fulfil the aforesaid conditions in regard to the necessity and extent of the work to be executed, shall be debited.

(b) Tenants’ Repairs and Upkeep.

The cost of the upkeep of, and of so-called tenants’ repairs to, buildings occupied by the Allies shall be chargeable as from September 1, 1924.

B) BUILDINGS BELONGING TO THE REICH FOR WHICH A RENT IS CHARGEABLE AND THOSE BELONGING TO THE STATES, MUNICIPALITIES OR PRIVATE PERSONS.

The owner shall be responsible for major repairs, tenants’ repairs and upkeep, account being taken of the provisions of German legislation regarding rents. Their cost is therefore debited as part of the rent.

If any upkeep work or a tenant’s repair is carried out by the German Authorities at the order of the Allies, the expense incurred on such work shall be charged; since German legislation regarding rents makes provision for a percentage in the rent to cover tenant’s repairs and upkeep, a corresponding reduction shall, in that case, be made in the legal rent.

XII. ALTERATIONS TO BUILDINGS.

The cost of alterations or re-arrangements carried out in occupied buildings subsequent to August 31, 1924, shall be chargeable, if demanded by the Allies. The value of debris and of articles replaced and thereby rendered available shall be deducted from the charge.

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\(^1\) The following shall be considered as major repairs: repairs to outside walls or vaulting, renewal of beams and entire roofs, foundations and retaining and boundary walls, also in their entirety; any other repairs shall be considered as upkeep.

\(^2\) The expression ‘buildings which the Reich has no interest in maintaining at the end of the Occupation’, shall be understood to mean buildings which must be demolished at that time in execution of Article 180 of the Treaty of Versailles, as well as such as cannot actually be used at that time owing to their situation (for example, a building constructed in a camp remote from any populated centre).
XIII. NEW BUILDINGS.

(a) The net cost of new buildings demanded by the Allies shall be debited, in so far as the work in question was carried out subsequent to August 31, 1924. Should contracts in regard to these buildings have been signed before April 9, 1924, the assessment shall be on the basis of the said contracts 1, 2.

(b) In debiting expenditure incurred on buildings ordered by the Allies, which were under construction on September 1, 1924, but completed after that date, the rules laid down for new buildings shall be applied to those portions of such buildings as were completed after that date 1, 2.

XIV. TEMPORARY OCCUPATION BY TROOPS ON THE MARCH.

(a) The cost of accommodating such troops on the march as are billeted on the inhabitants, shall be debited. The sum to be debited shall be based on the German law regarding troops on the march (Quartierleistungsgesetz) subject to an increase of 50% in the scales laid down therein 3.

(b) The cost of quartering men and animals shall be debited. The sum debited shall be in accordance with the scales of compensation laid down in the German laws (Quartierleistungsgesetz) 3.

XV. HEATING, LIGHTING AND SUPPLY OF WATER AND MATERIAL FOR THE WORKING OF THESE SERVICES, AND OF PETROL, OIL, PARAFFIN AND SIMILAR PRODUCTS.

I. HEATING.

(a) Fuel of any kind delivered by a German Administration to the occupants or to be paid for by such Administration on their behalf shall be debited at cost price (pit-head price, unless conditions render this impracticable, plus cost of transport and other costs).

If a building or installation is completely occupied, assessment shall be carried out as above: the same principle shall be applied in cases in which occupation is only partial. In the latter case, lump sums shall be agreed upon locally between the Allied Authorities and the German Authorities.

(b) If a building fitted with central heating is only partially occupied, the bases of assessment shall be the actual fuel consumption, its cost price and the proportion of

1 Should Germany, after the withdrawal of the contribution order issued for a building demanded by the Allies, voluntarily complete the building after August 31, 1924, and should it subsequently be occupied by the Allies, the cost of the work executed subsequent to September 1, 1924, shall be debited, less any compensation in respect of the cessation of work.

2 Upon the proposal of the Chairman, M. Patijn, the Committee unanimously agreed to call the attention of the Allied and German Governments to the fact that, from the point of view of equity, the Allies should be credited in one way or another with the commercial value of these buildings at the end of the Occupation of the zone in which they are situated: this should be done by means of compensation to be determined later.

3 The scales shall be those in force at the time the assessment is made. The provisions of Section XIV, do not refer to troops proceeding independently.
the superficial area of the premises occupied, a reasonable addition being made in respect of those parts of the premises which are used in common (staircases, corridors, etc.).

(c) The costs occasioned by the provision of stores, their upkeep, safeguarding (including charges for insurance and preservation) shall be reckoned separately if the provision of such stores or depots shall be demanded by the Allies, on the understanding that the amount of these costs shall be previously agreed upon between both Parties.

(d) Miscellaneous supplies, repairs and installations carried out subsequent to September 1, 1924, shall be debited to the occupants at cost price.

2. Consumption of Gas and Electricity.

(a) Buildings, dwellings or premises entirely occupied by the Allies.

The basis of assessment shall be the quantity of gas and electricity actually consumed, charged at a fixed rate.¹

(b) Buildings, dwellings or premises partially occupied by the Allies.

The same principle shall be applicable. Should, however, the determination of the quantities consumed present insuperable difficulties, a separate assessment shall be made for each case. In regard to rates, see note at the foot of the page.

Lump sums shall be agreed upon locally between the Allied Authorities and the German Authorities.

(c) The installation and the rent of meters, the replacement of lamp shades, glasses, bulbs, mantles, etc., shall be debited at cost price.

3. Water.

(a) No special calculation of the water consumption shall be made if it is included in the rent paid in accordance with the rules prescribed by German law.

(b) In other cases, the actual water consumption measured by meter shall be debited at a fixed rate.¹

(c) If in any particular case, (for example, if the meter is shared) the above instructions shall not be applicable, a separate assessment shall be made, and, in the latter case, lump sums shall be agreed upon locally between the Allied Authorities and the German Authorities.

4. Supply of Petrol, Oil, Paraffin and Similar Products.

For the assessment of petrol, oil, paraffin, etc., supplied to the occupants or to be paid for on their behalf, the actual quantities supplied and the cost price shall be taken as the basis.

¹ In view of the large consumption involved, the Reich shall do everything possible to induce the Electricity, Gas and Water Supply Companies to conclude contracts which shall enable the personnel mentioned in the Rhineland Agreement to obtain rates no less favourable than those granted to the largest consumers (such, for example, as municipalities which do not possess their own means of production).
XVI. WORKMEN AND STAFF.

The wages and salaries of the following classes of workmen and staff shall be debited:

(a) Those employed in the Allies service under the orders of Allied officials;

(b) Those who, in certain special cases, work exclusively for the Allies, although not under the orders of Allied officials, provided that the employment of such workmen or staff is the direct and immediate outcome of a contribution order 1.

XVII. ABANDONING OF CONSTRUCTION WORK, EVACUATION OF PREMISES OR INSTALLATIONS, AND COUNTERMANDING OF ORDERS.

(a) Should work on a new building, whether demanded by the Allies prior or subsequent to September 1, 1924, be stopped at their orders after that date, the cost of work required at that time to preserve from dilapidation the portion already built, (for example, the covering of walls and openings with planks, dismantling of scaffolding, and the filling in of ground so as to protect the foundations and prevent accidents) shall be debited. The value of the materials rendered available, as the result of the said stoppage in construction, shall be deducted from the debit. The forfeit for the cancellation of the contracts shall be debited; failing an agreement, the amount shall be fixed by the Assessment Commissions. Should the existing contracts have been concluded prior to April 9, 1924, the Commissions shall take the said contracts as a basis for their assessment.

(b) In the case of cancelled contribution orders or the return of buildings, working plant, etc., which have formed the subject of contributions, the same principle shall be followed as in the case of the stoppage of work on new buildings.

XVIII. MISCELLANEOUS.

A) SUPPLY, ERECTION AND UPKEEP OF SIGNBOARDS AND POSTS.

The cost of the supply, erection and upkeep of any signboards or signposts demanded by the Allies shall be debited.

B) SANDING OF ROADS ON THE OCCASION OF MILITARY REVIEWS.

The cost of sanding roads at the order of the Allies shall be debited.

C) SUPPLY OF COPIES OF NEWSPAPERS AND PUBLICATIONS; INSERTIONS IN THE GERMAN PRESS.

The cost of the delivery of any newspapers and periodicals and of insertions in the German press demanded by the Allies shall be debited.

1 Except in the cases referred to in (a) and (b) above, nothing shall as a rule be debited in respect of the wages or salaries of workmen or staff whose engagement, numbers and wages are not consequent upon contribution orders but upon a German administrative organisation (such, for example, as the Reichsvermögenverwaltung or the Besatzungsbämter).
D. **Upkeep of Soldiers' Graves and Military Cemeteries or Portions of such Cemeteries in which Soldiers deceased during the Occupation are buried.**

The cost of the upkeep demanded by the Allies of the graves of Allied soldiers deceased during the Occupation shall be debited.

**E. Payment of Salaries and Allowances to the Senior German Officials of the Road Construction Service, Appointed in Accordance with the I. A. R. H. C.'s Ordinance No. 33.**

The salaries and allowances paid to the senior German officials, whose appointment is demanded by the High Commission in execution of its Ordinance No. 33, shall be debited.¹

**F. Office Supplies.**

The net cost of any supplies demanded by the Allies shall be debited.

**G. Mending of Roads at the Orders of the Allies, in Excess of Normal Upkeep.**

The cost of any new works, in excess of normal upkeep, which the Allies shall require to be carried out on the roads shall be debited.

The cost of the repair and upkeep of roads, in so far as it falls outside the scope of the preceding paragraph, shall not be debited.²

**H. Street Cleaning and Lighting, Upkeep of Drains and Removal of Refuse, in Cases in which such Services are expressly demanded by the Allies.**

The cost of street cleaning and lighting, upkeep of drains and removal of refuse, in cases in which such services are expressly demanded by the Allies, shall be debited.³

**I. Cost of Compiling Statistics demanded by the Allies.**

The cost of compiling statistics demanded by the Allies, shall be debited.⁴

**J. Reinforcement of the Police.**

The cost of reinforcing the Police shall be debited, in so far as such reinforcement may be demanded by the Allies for purposes immediately connected with the contributions.

¹ Only part of the cost must be debited if these officials fulfil in addition other functions in their own or any other German Department.

² On condition, of course, that no charge shall be made for costs of this kind unless they are in excess of the normal. It should be observed that the maintenance charges must include the responsibility of frontagers for cleaning, etc., in front of their property (Anliegerlasten). Should work of this kind be carried out by the Allies no charge shall be made for it.

³ This can only apply to voluminous statistics which require very considerable labour to produce.

⁴ No. 1318
mentioned in Articles 8-12 of the Rhineland Agreement. The amount of the debit shall represent an equitable remuneration for the services rendered.

**K. INTERPRETERS.**

The cost of interpreters shall be debited, in so far as their services are demanded by the Allies for purposes immediately connected with the contributions mentioned in Articles 8-12 of the Rhineland Agreement. The amount of the debit shall represent an equitable remuneration for the services rendered.

**I. DAMAGE CAUSED BY ALLIED TROOPS.**

(a) A debit shall be made in respect of the cost of compensation for damage caused by Allied troops, in so far as such compensation can from its nature be classed as tenants' repairs to buildings and dwellings, and in so far as payment is not made individually by the occupants. The amount of the debit shall be the net cost of compensation.

(b) No debit shall be made in respect of compensation for damage which, in accordance with established practice, falls under Article 6 of the Rhineland Agreement.

(c) No debit shall be made in respect of compensation for damage due to crimes or offences committed by Allied troops.

**M. THEATRE AND CINEMA SEATS.**

The compensation paid by the Reich to municipalities or private individuals in respect of seats in theatres, cinemas, etc., demanded by the Allies shall be debited up to an amount not exceeding the price of the seats.

**N. CENSUS OF HORSES, VEHICLES AND MOTOR CARS.**

The compensation paid by the Reich to the inhabitants in respect of the horse, vehicle and motor car census ordered by the Allies shall not be debited.

**O. ASSESSMENT COMMISSIONS AND THE COMMISSION OF INTERPRETATION.**

(a) The actual costs of the Local Commissions and of the Commission of Arbitration, shall be debited.

(b) Nothing shall be debited in respect of the costs of the Commission of Interpretation.

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1 Such damage cannot be classed as a contribution under Articles 8-12 of the Rhineland Agreement.

2 This article cannot be classed as a contribution under Articles 8-12 of the Rhineland Agreement.
PART II

PROCEDURE FOR THE ASSESSMENT OF CONTRIBUTIONS.

ORGANISATION OF THE ASSESSMENT COMMISSIONS.

For purposes of assessment it is intended to set up:
A) Local Commissions;
B) A Commission of Arbitration.

A. LOCAL COMMISSIONS.

Whenever the Allied and German Authorities shall reach an agreement regarding the assessment of a contribution, the Local Commissions shall register such assessment. In other cases they themselves shall be entrusted with the duty of making such assessments.

The number of the Local Commissions and their distribution shall be determined by agreement between the Allied and the German Authorities. One shall be set up to deal with all questions regarding the Postal Service, Telegraphs, Telephones, Railways, and the Rhine Flotilla, and another for assessments concerning the Inter-Allied Rhineland High Commission at Coblenz. For other questions, one Commission shall, in principle, be set up in each zone and more, if required.

Constitution:

Each of these Commissions shall consist of four members:
Two Allied members;
Two German members.

One Allied and one German member shall be responsible for the conduct of their respective shares of the business of the Commission, for the keeping of records, for procedure, correspondence, etc. An exception shall be made in the case of the two special Commissions (Postal Service, Telegraphs, etc., and that for the I. A. R. H. C. at Coblenz) which shall consist of:
Three Allied members; and
Three German members.

The rules of procedure of the Local Commissions shall be drawn up by the Commission of Arbitration referred to below, upon the principle of equal rights, particularly in regard to questions of the chairmanship of the meetings, office organisation, preparation and carrying into effect of decisions, etc.

The decisions shall be recorded in writing in two languages (that of the Occupying nation and German) and in three languages in the case of the special Commissions, and signed by all the members.

Failing unanimous agreement, recourse shall be had to the Commission of Arbitration.

B. THE COMMISSION OF ARBITRATION.

The Commission of Arbitration, which shall meet at Coblenz unless otherwise decided, shall be entrusted with the duty of finally settling all questions regarding assessments.

Constitution:

The Commission of Arbitration shall consist of members the number of whom shall vary according to requirements, and shall be divided into sections, the number of which may be increased if necessary.

No. 1318
Each Section shall consist of four members:

Two Allies,
Two Germans,

and only questions affecting its particular occupied zone shall be submitted to it.

A Chairman shall be appointed by agreement between the German Government and the Allied Governments concerned, or, failing such agreement, by the President of the Permanent Court of International Justice.

The Chairman shall be appointed on September 1, each year. For the first year, he shall be appointed as from the entry into force of the present Agreement.

As the appointment of a single Chairman is intended to ensure consistency in awards, decisions taken in his absence shall be subject to ratification by him.

The Commission of Arbitration shall itself settle its own procedure and that of the local Commissions. For this purpose, it shall resolve itself into a committee consisting of:

The chairman;
Three Allied members; and
Three German members.

The Commission shall be similarly constituted when considering questions submitted to it by either of the two special local Commissions.

II. COMMISSION OF INTERPRETATION.

The Commission shall be entrusted with the duty of settling all disputes on questions of interpretation of principle which may be submitted to it either by the Commission of Arbitration, by the Governments, or by the Agent-General for Reparation Payments.

Constitution.

The Commission shall consist of:
Chairman and six Members:
Three Allies;
Three Germans.

The Chairman shall be appointed by agreement between the German Government and the Reparation Commission, or, failing such agreement, by the President of the Permanent Court of International Justice.

The Chairman and the members shall be appointed for three years.

The seat of the Commission of Interpretation shall be that of the Agent-General for Reparation Payments.

Decisions taken by the Commission of Interpretation must be given in the form of reasoned judgments. Rules of procedure shall be fixed by the Commission itself.

PART III

SUPERVISION OF PAYMENTS.

The German Authorities shall submit their claims for payment with the supporting vouchers either to the Local Commissions or to the Military Authorities for approval.

These Commissions or the Military Authorities shall certify such of the vouchers as they may approve in accordance with the rules given in the present Regulations for the assessment of contributions; failing an agreement, the cases shall be referred to the Commission of Arbitration and, if necessary, to the Commission of Interpretation.
The final decision shall be attached to the claims and returned to the Local Commissions which shall forward them, when necessary, to the Military Authorities.

The Local Commissions or the Military Authorities shall prepare a monthly summary of approved payments. The summaries, grouped by zone of occupation, shall bear the signature of the Allied and German Authorities and be forwarded en bloc by the Commissions to the Agent-General for Reparation Payments in the manner which shall be agreed upon by the German Government and the Reparation Commission.

Done at Paris, the fifth day of May, one thousand nine hundred and twenty-five.

The Chairman:
(Signed) PATIJN.

For Germany:
(Signed) Adolf MILLER
(Signed) Dr. JAFFÉ.
(Signed) Dr. H. RONDE.
(Signed) BÖHM.

For Belgium: (Signed) Paul GREINER.
For France: (Signed) LITSCHFOUSSE.
For Great Britain: (Signed) GOLIGHER.
For Italy: (Signed) Ant. DELL’ABBADessa.

The Secretary:
(Signed) COURSON.

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1 The Committee unanimously recommends the Reparation Commission and the German Government to come to an agreement as soon as possible in regard to the settlement of accounts with the Agent-General for Reparation Payments in order that this settlement may, as far as possible, take effect at the same time as the present Regulations.

Such settlement is particularly urgent in order to ensure that the procedure hitherto followed for granting advances to the German Government shall be continued without interruption.

A date must also be fixed for the monthly debiting of contributions against the Annuity.

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ANNEX No. 1.

M. PATIJN'S MEMORANDUM OF JANUARY 17, 1925.

I had hoped to be able to notify you, on resumption of our meetings, of the conclusions which I have reached upon the questions previously discussed but upon which agreement has not yet been reached. I have realised, however, that all the questions which have been discussed up till now are closely connected in certain respects with points which have still to be dealt with, and so I consider it preferable to withhold my conclusions until after these points have been elucidated.

Nevertheless, I consider that there is one question of principle on which I can at once make known my views, which may perhaps lead to a curtailment of the subsequent discussions. It is the question of the interpretation of the word "contribution" in Articles 8 to 12 of the Rhineland Agreement.

In accordance with the terms of reference given by the Conference of Ambassadors, the Committee is to determine what "classes of contribution made by the German Government under Articles 8 to 12 of the Rhineland Agreement are to be credited to the annuity to be paid by that Government in accordance with the Dawes' Plan".

The Committee is therefore not called upon to discuss in general what measures taken by the German Government are to be considered as "contributions" within the meaning of Articles 8 to 12 of the Rhineland Agreement, but what classes of such "contributions" are to be debited against the annuity paid by Germany under the Dawes Plan.

Without referring to the important discussions which have taken place on this point, both orally and in writing, I shall endeavour to express as briefly as possible the conclusions I have reached in regard to the interpretation of the word "contribution".

In fixing the amount of the annuity which Germany will be called upon to pay each year, the Committee of Experts tried to determine what charges could be borne:

(a) By the Reich budget;
(b) By the German Railways;
(c) By German industry.

In the questions with which the Committee is concerned, the charges mentioned under paragraphs (b) and (c) may be disregarded.

In fixing the amount of the charges under (a), the Committee of Experts took as its starting point the financial situation of the Reich such as it found it (on the supposition, of course, that the fiscal and economic unity of the Reich would be restored) and, having carefully examined the Reich budget, it fixed "the amount of reparation payments which could be made out of the budgetary resources" without endangering the stability of the budget. In this connection, the Experts state in Section XI of their Report that this amount must comprise "all charges payable by Germany to the Allied and Associated Powers". Our Committee's task is based on this recommendation of the Committee of Experts.

In order that we can carry out our work we must in the first place, then, interpret the word "charge" as mentioned in Section XI of the Dawes' Report.

It appears to me to follow from the views adopted by the Experts that in our work we must consider as charges those items which fulfil the following three conditions:

(a) They must arise from Articles 8 to 12 of the Rhineland Agreement;
(b) They must be valued in money, because otherwise they could not be deducted from an annuity expressed in money;
(c) They must appear on the Reich budget as it was at the time the Committee of Experts examined it, since that Committee, when considering Germany's financial position and fixing the amount of the annuity, only took into account charges of this kind.
In placing this interpretation on the word "charges" I am of opinion that we can only consider as classes of contributions, made by the German Government under Articles 8 to 12 of the Rhineland Agreement, to be credited to the annuity under the Dawes Plan, those classes of contributions which involve:

(a) Expenditure which would not have appeared on the Reich budget, had the occupation of the Rhineland not existed;

(b) Loss of revenue which the German Treasury obtained at the time the Dawes' Report was drawn up and which ceased as a result of subsequent action on the part of the Occupying Authorities.

On the other hand, the classes of contributions, the financial consequences of which did not appear as expenditure on the Reich budget at the time the Committee of Experts examined it, must be disregarded, as must also any loss of revenue which, at the time the budget was examined, was not actually paid in to the German Treasury.

This principle, however, as regards revenue must be extended in one special case: Should the German Government have incurred or incur expenditure with the object of thereby creating a fresh source of revenue, and should, owing to the action of the Occupying Authorities, after the publication of the Dawes Report, such revenue not be obtained, a certain sum should be debited against the annuity on this score, even though such revenue did not appear on the Reich budget when it was examined by the Committee of Experts. I will suppose, as an example, that the German Government has built houses with the intention of letting them, and that the Occupying Authorities have requisitioned them after the publication of the Dawes Report, but before they were let. In such a case, the amount of the rent which these houses would have yielded to the German Treasury, if the occupation had not taken place, must be debited against the annuity. This extension of the principle which I have enunciated appears to follow logically from the Dawes Report. The financial embarrassments of Germany would be increased and the stability of the budget which the Experts had tried to ensure might be endangered, if the productive expenditure incurred by the Reich, in accordance with sound fiscal principles, were to be rendered unproductive as the result of subsequent action on the part of the Occupying Authorities which could not be foreseen by the Experts.

I have attempted to define in the above statement the word "contributions" in so far as it affects our task. I consider that I must refrain from applying to the questions which have been discussed up till now the standards which I have just laid down, pending, as I have already explained, discussion of the details of the remaining questions.

I considered, however, that I might assist in curtailing our work by communicating to you at once my conclusions in regard to the principle which I consider I must take as a basis in interpreting the word "contributions".

January 17, 1925. (Signed) Patijn.

ANNEX No. 2.

M. PATIJN'S MEMORANDUM 1 OF FEBRUARY 16, 1925.

Gentlemen,

I have the honour to communicate to you herewith three Annexes A, B and C, in regard to which I should like to make the following observations.

Annex A gives a list of the agreements which, in so far as I am aware, have been reached up till now. If any Delegation is of opinion that any of the items included in this list should not appear

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1 To the Delegations composing the Committee of Contributions for the Armies of Occupation.
therein, or that an agreement has been reached on any point not included in the list, I would ask you to inform M. de Courson, the Secretary of the Committee.

It seems to me that it would be preferable that any observations to which the drafting of the agreements may give rise, should be made orally by the Delegations at our Meeting in March, when the Regulations are to be discussed.

Annex B contains the arbitral awards which I have had to give, in my capacity as Chairman, regarding questions on which no agreement was reached. The arbitral awards concerning questions compacted with the Postal Service, Telegraphs and Telephones will be communicated to you later, as the relevant documents only reached me quite recently. I would also ask the Delegations to inform M. de Courson if there are any points on which an arbitral award was expected which are omitted from Annex B.

I reserve the right to interpret the awards at the time the Regulations are drawn up, and to make any amendments to these statements which I may deem fit, in order to define or complete the terms thereof. I have considered whether I should state the reasons on which my awards were based, but have come to the conclusion that I must refrain from doing so. I should have had, as a matter of fact, to repeat for each question the prolonged discussions which took place in December, January and February, both orally and in writing, and which appear in the Committee’s records. This laborious task would have delayed our work and seemed to me the less justifiable in that I could not possibly have dealt with the subjects in question as clearly or completely as the Delegations had done themselves.

For that reason, I have confined myself to indicating in a few words the argument which appeared to me conclusive on each point. This method has the great disadvantage of making it appear that I did not take into account the material arguments which were adduced in support of a different solution from that which I have chosen. I should very much regret were this impression to be given.

I have carefully studied the discussion which took place, both orally and in writing, on each point and my opinion has only been formed after mature consideration of the pros and cons. I have frequently recognised the weight of the considerations advanced, even though, in the end, I may have taken the opposite view. It is for that reason that I ask the Members of the various Delegations to consider the brief annotations accompanying the awards only as an indication, to those who have attended our meetings, of the considerations which, upon mature reflection, I have been led to adopt. These considerations are to be found in the documents exchanged and in the Minutes.

Annex C gives two provisions which, in my opinion, should be inserted at the end of the Regulations.

I take the opportunity of reminding the Delegations that, at our meetings in March, we shall have to deal with the following questions:

(1) Drafting of the Regulations, an advance draft of which the Committee has decided shall be considered as soon as this letter has been handed to the Delegations. This advance draft will, I hope, be received by the Delegations in time to allow of its consideration before the next Meeting.

(2) Discussion of the third item in the terms of reference given to our Committee by the Conference of Ambassadors and the German Government: “The setting up of a system of supervision over the payments made for Contributions.” I presume that the German Delegation will wish to reply in writing to the Memorandum on this subject, which the Allied Delegations have submitted to the Committee.

(3) Discussion of the Railway question. I hope that the Delegations will take the opportunity of dealing with this question in writing before our next Meeting.

I have the honour to be, Gentlemen, Your obedient Servant,

February 16, 1925.

(Signed) Patijn.

No. 1318
ANNEX A.

LIST OF POINTS UPON WHICH AGREEMENT HAS BEEN REACHED.

(a) Regarding buildings.

1. The cost of the upkeep of, and of so-called tenants' repairs to, buildings occupied by the Allies shall be chargeable as from September 1, 1924.

2. The lodging allowances granted to private persons accommodated in Reich buildings, who as a result of the occupation of the said buildings have to find other accommodation, shall be chargeable, provided that such allowances shall be recognised as justifiable and on a reasonable scale and that they actually represent a charge against the Reich.

3. Should, as a result of the occupation of a school, a temporary school have to be built and should the cost of its construction not be covered by the rent of the school occupied, the Delegations agree to debit the difference between the rent and the amount of an annuity reckoned according to the life of the temporary school. If, in similar cases, temporary buildings or huts, for example, have to be erected as dwellings, the debit shall be made in the same way.

4. Buildings of which the Reich had the use, free of charge, prior to their occupation by the Allies shall be regarded as buildings actually belonging to the Reich.

5. The cost of alterations or re-arrangements in occupied buildings executed after August 31, 1924, shall be chargeable or, alternatively, the cost price of the materials supplied by the Reich, should the Allies execute such alterations or re-arrangements themselves.

6. Draft agreements regarding the rent of furnished houses which are partially occupied in the French and British Zones (See Appendices A and B).

7. The allowance to be debited for the placing of furniture at the disposal of the Allies by the owner of a building entirely occupied shall be calculated by analogy with Agreement No. 6.

8. In debiting compensation in respect of the occupation of privately owned buildings, deprivation of profit shall not be taken into account.

9. The compensation granted by the Reich to inhabitants who have had to vacate their dwellings shall be debited, in so far as such compensation shall be recognised as justifiable and of reasonable amount.

10. The fact of the Allies having reserved a house is equivalent to its occupation.

11. Should work on a new building, whether demanded by the Allies prior or subsequent to September 1, 1924, be stopped at their orders after that date, the expenditure required to preserve from dilapidation what had already been built shall be debited. The value of the materials rendered available, as the result of the said stoppage in construction, shall be deducted from the debit. The forfeit for the cancellation of the contracts shall, failing an agreement, be fixed by the Assessment Commissions; should the existing contracts have been concluded prior to April 9, 1924, they shall be taken by the said Commissions as a basis for such assessment.

12. The same principle shall be applied in the case of cancelled contribution orders or the return of buildings, working plant, etc., which have formed the subject of contribution orders, as that adopted in the case of the stoppage of work on new buildings (See Agreement No. 11).

13. For the debiting of expenditure incurred on buildings ordered by the Allies, which were under construction on September 1, 1924, and completed after that date, the rules laid down for new buildings shall be applied to those portions of such buildings as were completed after that date.

---

1 In certain instances, the wording of these agreements was subsequently amended. (For the amended versions, see Regulations.)
14. Should Germany, after the withdrawal of the contribution order issued for a building demanded by the Allies, voluntarily complete the building, and should it then be demanded anew by the Allies, a part of the rental value shall be debited.

The amount to be debited shall be proportional to the part of the building which Germany voluntarily completed.

15. Heating, lighting, water, petrol, oil, paraffin and similar products (See Appendix C).

(b) Regarding temporary occupation by troops on the march.

16. The cost of quartering men and animals shall be debited. The sum debited shall be the compensation laid down in the scales of the German law (Quartierleistungsgesetz). N. B. — The question of the billeting of officers and men on the inhabitants is settled by arbitral award No. 10.

17. Hotel rooms (See Appendix D).

(c) Regarding shooting and fishing.

18. The Delegates agree that:

(a) Shooting and fishing shall henceforth no longer be considered as contributions under Article 8 of the Rhineland Agreement;

(b) In respect of the period between September 1, 1924, and the entry into force of the Agreement mentioned in paragraph a), compensation in respect of shooting and fishing shall be debited, subject to deduction of the sums already received. The assessment shall be made by the Assessment Commissions set up by the present Committee (See Agreement No. 20).

(The Agreements under (a) and (b) were reached subject to the proviso that, prior to the entry into force of the Regulations, an Agreement should be come to between the Conference of Ambassadors and the German Government in regard to the question of shooting and fishing in the Occupied Territories.)

(d) Regarding workmen and staff.

19. The wages and salaries of the following classes of workmen and staff shall be debited:

(a) Those employed in the Allies' service under the orders of Allied officials;

(b) Those working exclusively in certain special cases for the Allied Armies, although not under the orders of Allied officials, provided that the employment of such workmen or staff is the direct and immediate outcome of a contribution order.

(e) Connected with miscellaneous questions.

20. Agreement in regard to the organisation of the Commissions entrusted with the assessment of the contributions mentioned in Articles 8-12 of the Rhineland Agreement. (See Appendix E.)

21. The cost of the supply, erection and upkeep of any sign-boards or sign-posts demanded by the Allies shall be debited.

22. The cost of sanding roads at the order of the Allies shall be debited.

23. The cost of the free delivery of any German newspapers and periodicals demanded by the Allies shall be debited.

24. The cost of the upkeep demanded by the Allies of the graves of Allied soldiers who have died during the Occupation shall be debited.

25. The salaries paid to the senior German officials whose appointment is demanded by the High Commission in execution of its Ordinance No. 33 shall be debited.
26. The cost price of any office supplies demanded by the Allies shall be debited.

27. The cost of any new works in excess of normal maintenance which the Allies shall require to be carried out on the roads shall be debited.

28. The cost of street cleaning and lighting, of drainage and of the removal of refuse, if specially required by the Allies, shall be debited.

29. The cost of compiling any statistics demanded by the Allies shall be debited.

APPENDIX A.

COMMITTEE
OF CONTRIBUTIONS FOR THE ARMIES OF OCCUPATION.

DRAFT AGREEMENT\(^1\) REGARDING THE RENT OF PARTIALLY OCCUPIED FURNISHED ROOMS.
(FRENCH ZONE.)

In each district, the Occupying Authorities shall establish, in agreement with representatives of the Reich and of the local authorities: A rent for unfurnished rooms; and A rent for furniture.

Rent of unfurnished rooms.

All privately-owned apartments shall be classified in several categories, the average rental value per room being reckoned for each category from the rents (1914) of a few apartments and applied to all rooms in the same category. Rooms shared with another occupant shall be reckoned at half price.

The rent of luxuriously furnished rooms shall be estimated specially in each case.

The present rent shall be the 1914 rent, to which shall be applied the coefficient resulting from the arbitral award regarding taxes to be given by the Chairman.

Rent of furniture.

This shall be determined by estimating, for each category of apartments, the average capital value (1914) of the furniture in each kind of room, and by fixing the average rental value at \(\frac{1}{10}\) of the said capital value; this rental shall be applied to all rooms of the same kind in the same category of apartments.

The furniture in luxuriously furnished rooms shall be estimated specially in each case.

Failing an agreement between the Occupying Authorities and the representatives of the Reich and local authorities, the Assessment Commission for Contributions shall give the decision.

\(^1\) See text of the Final Agreement, page 271.

No. 1318
APPENDIX B.

SCALE OF PAYMENTS ¹
FOR THE BILLETS OF THE BRITISH ARMY OF OCCUPATION IN THE COLOGNE ZONE.

1. Monthly amounts.

<table>
<thead>
<tr>
<th>Item</th>
<th>Living-room</th>
<th>Bedroom with</th>
<th>Kitchen</th>
<th>Living kitchen</th>
<th>Servants Room</th>
<th>Bath</th>
<th>Lounge Hall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>2 beds</td>
<td>1 bed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade A superior.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Room rent up to ² . . .</td>
<td>37.50</td>
<td>35</td>
<td>26.25</td>
<td>21.90</td>
<td>17.50</td>
<td>10</td>
<td>12.50</td>
</tr>
<tr>
<td>2. Furniture up to . . .</td>
<td>31</td>
<td>18.50</td>
<td>23.50</td>
<td>12.50</td>
<td>8.50</td>
<td>3.50</td>
<td>2.80</td>
</tr>
<tr>
<td>3. Cleaning up to . . .</td>
<td>6.70</td>
<td>4.45</td>
<td>4.45</td>
<td>2.25</td>
<td>22.65</td>
<td>2.05</td>
<td>6.15</td>
</tr>
<tr>
<td>4. Supply and washing of linen . . .</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Per person for bed linen . . . 8.27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) Per family . . . . . . . . . . . . 2.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Grade B medium.                           |             |               |         |                |               |      |             |
|                                           |             |               |         |                |               |      |             |
|                                           | 30          | 25            | 20      | 15             | 15            | 20   | 10          |
|                                           | 15.50       | 10            | 11.50   | 7              | 6.50          | 8    | 2.50        |
|                                           | 4.45        | 2.25          | 4.10    | 2.05           | 15.10         | 15.10| 2.50        |

| Grade C ordinary.                         |             |               |         |                |               |      |             |
|                                           |             |               |         |                |               |      |             |
|                                           | 22.50       | 18.10         | 15      | 11.90          | 10            | 15   | 6.25        |
|                                           | 8.50        | 5.50          | 7       | 4.25           | 4.25          | 5.50 | 1.50        |
|                                           | 2.05        | 2.05          | 1.90    | 1.90           | 11.30         | 11.30| 2.05        |

| 4. Washing and supply of linen . . .      |             |               |         |                |               |      |             |
|                                           |             |               |         |                |               |      |             |
|                                           |             |               |         |                |               |      |             |

2. In addition to the payment for quarters, compensation shall also be paid for:
   (a) The cost of heating and lighting; the latter in accordance with the amounts registered on the meter on the basis of an expert assessment in each case, failing a mutual agreement; the former on the basis of the actual quantities of fuel consumed;

¹ See text of Final Agreement: pages 265-267.

² The above-mentioned rent per room is the pre-war rent laid down in the Reichsmietengesetz of July 1, 1914. Of this rent there will only be paid for the time being the percentages fixed monthly in accordance with the Instructions issued by the Prussian Minister of Health and on the basis of the local regulations published on this subject. Should the award of the arbitrator of the Committee of Contributions for the Armies of Occupation be such as to require a deduction for taxes from the amounts so reckoned, the rentals shall be correspondingly reduced.

No. 1318
(b) The water consumption in excess of a monthly consumption of 4 cubic metres each for the first two persons, 3 cubic metres for the third person and 2 cubic metres for the fourth and each additional person, on the basis of an expert assessment, failing a mutual agreement;

(c) All upkeep work in excess of the normal standard as well as any excessive wear and tear.

3. Luxuriously furnished apartments shall be assessed separately.

4. The cost of any extra fittings, such as bells, lighting circuits, wall plugs, etc., which may be demanded for the requisitioned rooms, shall be assessed separately.

5. No special payment shall be made for baths.

6. Rooms which are shared shall be paid for at half price. Should the occupant of the billet undertake the cleaning of the rooms and the washing of linen, no payment on this score shall be made.

APPENDIX C.

COMMITTEE
OF CONTRIBUTIONS FOR THE ARMIES OF OCCUPATION.

(Articles 8-12 of the Rhineland Agreement.)

AGREEMENT
IN REGARD TO THE ASSESSMENT OF CONTRIBUTIONS IN THE FORM OF HEATING AND LIGHTING AND THE SUPPLY OF WATER AND PETROL, OIL, PARAFFIN AND SIMILAR PRODUCTS.

I. Heating.

(a) Fuel of any kind delivered by a German Administration to the occupants or to be paid for by such administration on their behalf shall be debited at cost price (pit-head price, unless conditions render this impracticable, plus cost of transport and other costs).

If a building or installation is completely occupied, assessment shall be carried out as above: the same principle shall be applied in cases in which occupation is only partial. In the latter case, lump sums shall be agreed upon locally between the Allied Authorities and the German Authorities.

(b) If a building fitted with central heating is only partially occupied, the bases of assessment shall be the actual fuel consumption, its cost price and the proportion of the superficial area of the premises occupied, a reasonable addition being made in respect of those parts of the premises which are used in common (staircases, corridors, etc.)

(c) The costs occasioned by the provision of stores, their upkeep, safeguarding (including charges for insurance and preservation) shall be reckoned separately, if the provision of such stores or depôts shall be demanded by the Allies, on the understanding that the amount of these costs shall be previously agreed upon between both Parties.

(d) Miscellaneous supplies, repairs and installations carried out subsequent to September 1, 1924, shall be debited to the occupants at cost price.
II. Consumption of gas and electricity.

(a) Buildings, dwellings or premises entirely occupied by the Allies. — The basis of assessment shall be the quantity of gas and electricity actually consumed, charged at a fixed rate 1.

(b) Buildings, dwellings or premises partially occupied by the Allies. — The same principle shall be applicable. Should, however, the determination of the quantities consumed present insuperable difficulties, a separate assessment shall be made for each case. In regard to rates, see note at the foot of the page.

Lump sums shall be agreed upon locally between the Allied Authorities and the German Authorities.

(c) The installation and the rent of meters, the replacement of lamp shades, glasses, bulbs, mantles, etc., shall be debited at cost price.

III. Water.

(a) No special calculation of the water consumption shall be made, if it is included in the rent paid in accordance with the rules prescribed by German law.

(b) In other cases the actual water consumption measured by meter shall be debited at a fixed rate 1.

(c) If, in any particular case, (for example, if the meter is shared) the above instructions shall not be applicable, a separate assessment shall be made, and, in the latter case, lump sums shall be agreed upon locally between the Allied Authorities and the German Authorities.

IV. Supply of petrol, oil, paraffin and similar products.

For the assessment of petrol, oil, paraffin, etc., supplied to the occupants or to be paid for on their behalf, the actual quantities supplied and the cost price shall be taken as the basis.

This Agreement has been drawn up in English, French, and German 2. The three texts are equally authentic.

Done at Paris, December 2, 1924.

For Germany: (Signed) MILLER. For Belgium: (Signed) GREINER.
(Signed) JAFFE. For France: (Signed) LITSCHEFOSSE.
(Signed) RONDE. For Great Britain: (Signed) GOLIGHER.
(Signed) BÖHM. For Italy: (Signed) DELL'ABBADESSA.

APPENDIX D.

AGREEMENT

IN REGARD TO THE ASSESSMENT OF HOTEL ROOMS.

The Local Assessment Commissions shall classify hotels in four categories (an additional category being provided to include inns) and shall fix the price of every room in these hotels or inns liable

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1 In view of the large consumption involved, the Reich shall do everything possible to induce the Electricity, Gas and Water Supply Companies to conclude contracts which shall enable the personnel mentioned in the Rhineland Agreement to obtain rates no less favourable than those granted to the largest consumers (such, for example, as Municipalities which do not possess their own means of production).

2 In accordance with a letter of May 18, 1927, from the German Consul-General at Geneva, the French text only is to be regarded as authentic.
to be allotted to civil or military personnel entitled to accommodation by virtue of the Rhineland Agreement (rooms which do not appear suitable shall be excluded from the classification).

The number of a room allotted must be shown on the billeting order after consultation with the hotel management.

The prices must in no case exceed the following maxima expressed in gold marks:

<table>
<thead>
<tr>
<th>Class of Hotel</th>
<th>De Luxe</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>Inns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single bedroom</td>
<td>12</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Double bedroom</td>
<td>18</td>
<td>10.50</td>
<td>7.50</td>
<td>4.50</td>
<td>2.50</td>
</tr>
<tr>
<td>Drawing room</td>
<td>18</td>
<td>7</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bathroom incl. attached to a single room</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dining use of linen incl. attached to a double room</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary bath including use of linen</td>
<td>1.50</td>
<td>1.50</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

The prices shall apply, where the necessary conditions are fulfilled, to the best appointed and situated rooms, the prices of other rooms being fixed on this basis in proportion to their comfort and position and the prices normally charged to the most favoured travellers (less hotel taxes), which shall in no case be exceeded.

These prices shall include attendance.

This Agreement has been drawn up in English, French and German. The three texts are equally authentic.

Done at Paris, December 2, 1924.

For Germany: (Signed) MILLER. For Belgium: (Signed) GREINER.
(Signed) JAFFE. For France: (Signed) LITSCHFOUSSE.
(Signed) RONDE. For Great Britain: (Signed) GOLIGHER.
(Signed) BÖHM. For Italy: (Signed) DELL' ABBADESSA.

APPENDIX E.

AGREEMENT

IN REGARD TO THE ORGANISATION OF THE COMMISSIONS ENTRUSTED WITH THE ASSESSMENT OF THE CONTRIBUTIONS MENTIONED IN ARTICLES 8-12 OF THE RHINELAND AGREEMENT.

The Allied and German Delegates have agreed upon the following procedure for the assessment of the contributions under Articles 8-12 of the Rhineland Agreement.

They have provided for two bodies to be entrusted with the assessment itself, and a third whose duty it will be to settle disputes regarding questions of interpretation of principle.

The Committee would call the attention of the Ambassadors' Conference, on the one hand, and the German Government, on the other, to the desirability of setting up the organisations in question

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1 A double bedroom occupied at the order of the local Allied Authorities by one person shall be reckoned as a single room. The same rule shall apply to the corresponding bathrooms.

2 See footnote 2 on page 307.

3 The text of this Agreement was amended on April 8, 1925, by the Allied and German Delegates; the amended text is given in the Regulations, on page 285.
without delay, so that they may be able to proceed at once to place facts on record, pending notification of the methods of assessment which the Committee is entrusted to determine for the period subsequent to August 31, 1924, and thus be able to furnish figures.

I. ORGANISATION OF THE ASSESSMENT COMMISSIONS.

For purposes of assessment it is intended to set up:

(a) Local Commissions;
(b) A Commission of Arbitration.

(a) Local Commissions.

Whenever the Allied and German Authorities shall reach an agreement regarding the assessment of a contribution, the Local Commissions shall register such assessment. In other cases they shall be entrusted with the duty of making such assessments.

The number of the Local Commissions and their distribution shall be determined by agreement between the Allied and the German Authorities. One shall be set up to deal with all questions regarding the Postal Service, Telegraphs, Telephones, Railways, and the Rhine Flotilla, and another for assessments concerning the Inter-Allied Rhineland High Commission at Coblenz. For other questions, one Commission shall, in principle, be set up in each zone, and more, if required.

Constitution:

Each of these Commissions shall consist of four members:

Two Allied members;
Two German Members.

One Allied and one German member shall be responsible for the conduct of their respective shares of the business of the Commission, for the keeping of records, for procedure, correspondence, etc.

The rules of procedure of the Local Commissions shall be drawn up by the Commission of Arbitration referred to below, upon the principle of equal rights, particularly in regard to questions of the chairmanship of the meetings, office organisation, preparation and carrying into effect of decisions, etc.

The decisions shall be recorded in writing in two languages (that of the occupying nation and German) and signed by all the members.

Failing unanimous agreement, recourse shall be had to the Commission of Arbitration.

(b) The Commission of Arbitration.

The Commission of Arbitration, which shall meet at Coblenz unless otherwise decided, shall be entrusted with the duty of finally settling all questions regarding assessments.

Constitution:

The Commission of Arbitration shall consist of members, the number of whom shall vary according to requirements, and shall be divided into sections, the number of which may be increased, if necessary. Each section shall consist of four members:

Two Allies;
Two Germans;

and only questions affecting its particular occupied zone shall be submitted to it.

The Commission of Arbitration shall itself settle its own procedure.

The Chairman shall be appointed by agreement between the German Government and the Ambassadors’ Conference, or, failing such agreement, by the President of the Permanent Court of International Justice.
The Chairman shall be appointed on September 1, each year. For the first year he shall be appointed as from the entry into force of the present Agreement.

As the appointment of a single Chairman is intended to ensure consistency in awards, decisions taken in his absence shall be subject to ratification by him.

II. Commission of Interpretation.

The Commission shall be entrusted with the duty of settling all disputes on questions of interpretation of principle which may be submitted to it either by the Commission of Arbitration, by the Governments, or by the Agent-General for Reparation Payments.

**Constitution:**

The Commission shall consist of a Chairman and six Members:

3 Allies;
3 Germans.

The Chairman shall be appointed by agreement between the German Government and the Ambassadors' Conference, or, failing such agreement, by the President of the Permanent Court of International Justice. The Chairman and the Members shall be appointed for three years.

The seat of the Committee of Interpretation shall be that of the Agent-General for Reparation Payments. Decisions taken by the Commission of Interpretation must be given in the form of reasoned judgments. Rules of procedure shall be fixed by the Commission itself.

This Agreement has been drawn up in English, French and German. The three texts are equally authentic.

Done at Paris, December 2, 1924.

*For Germany*: (Signed) MILLER.  *For Belgium*: (Signed) GREINER.
(Signed) RONDE.       *For France*: (Signed) LITSCHFOUSSE.
(Signed) JAFFE.       *For Great Britain*: (Signed) GOLIGHER.
(Signed) BÖHM.       *For Italy*: (Signed) DELL'ABBADESSA.

ANNEX B.

**ARBITRAL AWARDS.**

I. BUILDINGS BELONGING TO THE REICH.

(a) Nothing shall be debited against the annuities payable under the Dawes Plan, in respect of the use of buildings belonging to the Reich which were occupied by the Allies prior to September 1, 1924.

(b) Nothing shall be debited in respect of the use of buildings belonging to the Reich which were built prior to September 1, 1924, but occupied by the Allies on or after that date, provided that such buildings were not previously let, nor, from their nature, capable of being let.

*Ad (a) and (b)* At the time the Reich budget was examined by the Committee of Experts, the only expenditure appearing thereon in connection with the buildings mentioned in paragraphs (a) and (b) was the expenditure for up-keep and repairs referred to below and in the agreements reached. These buildings, moreover, yielded no revenue to the Reich at that period. In these circumstances, the use of the said buildings by the Allies does not, in my opinion, call for any debit of rent against the annuities.

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1 See foot-note 2 on page 307.
payable under the Dawes Plan. I would refer in this connection to my interpretation of the word "contribution", which I had the honour to communicate to the Committee at its eighteenth Meeting on January 20, 1925 ¹.

(c) Nothing shall be debited in respect of the use of buildings belonging to the Reich which were built prior to September 1, 1924, at the Allies' demand and occupied by them on or after that date, even though such buildings were, from their nature, capable of being let.

Ad (c) Included in the category of buildings mentioned in this paragraph are the houses which were built for non-commissioned officers at the order of the Allies and which have been discussed by the Committee.

(d) A debit shall be made in respect of the use of such buildings belonging to the Reich, built voluntarily by the latter and occupied by the Allies subsequent to August 31, 1924, as were, from their nature, capable of being let. The amount of the debit shall be based on the German Law regarding rents (Mietengesetz), unless there exist leases signed prior to April 9, 1924, in which case the assessment shall be made on the basis of the said leases.

Ad (d) Expenditure incurred on buildings, the nature of which is such as to admit of their being let, as for example, dwelling houses, may in my opinion, be regarded as productive expenditure. For the reasons given at the eighteenth Meeting on January 20 (to which reference is made in paragraphs (a) and (b) above) I consider that buildings of this nature which are occupied by the Allies subsequent to August 31, 1924, must give rise to a debit by virtue of the Expert's Report.

The Reich's intention at the time of building these houses, of allotting certain of them to the families of officers and non-commissioned officers belonging to the Occupying Troops who were billeted on the inhabitants, does not alter the productive nature of the expenditure incurred on this account. The Reich had, in fact, to pay compensation for billets to the inhabitants before the Experts' Report (without this compensation being debited). This compensation is no longer payable, owing to the fact of the military families being transferred to houses belonging to the Reich. The Reich, therefore, was entitled, when the building of these houses was decided upon, to regard the expenditure thereby incurred as productive expenditure. The application of the Dawes Report does not, in my opinion, alter the original nature of this expenditure.

If the aforesaid houses were let under contracts signed before April 9, 1924, these contracts must be taken as the basis of the debit. This appears to me to follow logically from the concession which the Allied Delegations made during the discussion in agreeing, in connection with other points, to accept, as valid, contracts concluded prior to April 9, 1924.

2. COST OF BUILDINGS HIRED IN REPLACEMENT.

The costs paid by the Reich on account of buildings hired in replacement shall be debited, in so far as such costs were necessarily incurred for the hiring of buildings to accommodate administrative services ousted by the Allies from the buildings referred to in paragraphs 1 (a) and (b); this debit shall be made subject to the condition that such expenditure shall not be debited in respect of the buildings referred to in paragraph (a), if the replacement was effected subsequent to August 31, 1924.

Ad 2. On this point no difference of principle exists between the Delegations. I have nevertheless included it among my arbitral awards on account of the condition inserted at the end. I was not certain that it was agreed that no debit should be made in cases in which the Reich only incurred expenditure subsequent to August 31, 1924, in connection with the transfer of public services which were accommodated in buildings occupied by the Allies prior to that date.

3. MAJOR REPAIRS.

Nothing shall be debited in respect of major repairs to the buildings mentioned in paragraphs 1 (a) and (b). Nevertheless, the cost of any major repairs which the Allies may require to be executed on such buildings as the Reich has no interest in maintaining at the end of the occupation shall be debited.

¹ See Annex No. 1, page 291.
Furthermore, in regard to any major repairs which are not to be debited, but which the Allies demand, the Reich shall be entitled to object on the grounds that such repairs are not yet necessary or that they are in excess of what would normally be executed at the present time in the Occupied Territories. Should the Allies adhere to their demands, the cost of such portion of the repairs as fails to fulfil the aforesaid conditions in regard to the necessity and extent of the work to be executed, shall be debited.

Ad 3. The major repairs to be executed in buildings belonging to the Reich do not, generally speaking, in my opinion, call for any debit, since the Reich would have to execute these repairs, even though the Allies did not occupy the buildings. The exception made in the case of Reich buildings, which the Reich has no interest in maintaining after the military occupation, is the result of an agreement. It would, moreover, appear equitable to make a debit if the major repairs demanded by the Allies were unnecessary or not yet necessary, or exceeded the repairs which would normally be carried out at the present time in the Occupied Territories. Failing an agreement, this point will have to be decided by the Assessment Commissions. I recognise that this award imposes a heavy task on these Commissions. It is desirable that an agreement should still be reached in regard to a lump sum of some kind, so that a certain percentage of the cost of major repairs to buildings which the Reich has an interest in maintaining at the end of the Occupation should be debited. It is solely because no data is available for fixing a percentage that I have refrained from laying down any such lump sum by an arbitral award.

4. GROUND BELONGING TO THE REICH,

(a) Nothing shall be debited in respect of the use of ground belonging to the Reich which was occupied prior to September 1, 1924.

(b) A debit shall be made in respect of the use of ground belonging to the Reich occupied subsequent to August 31, 1924. The amount of the debit shall be based on the rental value, unless the ground had been let or leased under contracts signed prior to April 9, 1924, in which case the assessment shall be made on the basis of the said contracts.

Ad (a) and (b) This award is based on the same reasons as are given in the case of buildings belonging to the Reich. It appears to me fair and practicable to take rental value as the basis of the debit, because, as experience in various countries has shown, it can almost always be easily determined by reference to the rental value of other ground.

5. BUILDINGS AND GROUND BELONGING TO THE GERMAN STATES (LANDER).

Compensation paid by the Reich to the States (Länder) in respect of buildings and ground belonging to the latter and occupied by the Allies shall be debited. The amount of the debit shall be based in the case of buildings on the German law regarding rent, and in the case of ground on the rental value.

Having carefully weighed the arguments employed on both sides, I am convinced that the States (Länder), which are independent legal entities with finances entirely distinct from those of the Reich, must be considered (in the settlement of the question under discussion) as third persons and placed in the same category as communes and private individuals. A more careful study of the Dawes Report has also led me to award a debit, provided that proof is furnished that prior to April 9, 1924, the Reich paid compensation to the States in respect of the use of their buildings and ground by the Allies.

6. PRIVATELY OR MUNICIPALLY OWNED BUILDINGS ENTIRELY OCCUPIED BY THE ALLIES.

Compensation paid by the Reich to private individuals or communes, on account of the occupation of their buildings by the Allies, shall be debited. The amount of the compensation shall be based on the law regarding rent, without deduction of the percentages for rates and taxes.

1 This award has been given upon the assumption that, before the Regulations are finally drawn up, the German Delegation shall furnish proof that compensation as mentioned in No. 5, was paid by the Reich to the States prior to April 9, 1924.

(a) Nothing shall be debited in respect of the costs of installations or working plant belonging to the Reich and taken over by the Allies, provided the latter operate them themselves. Should the Germans operate them, the actual cost of the services rendered shall be debited.

(b) The costs of installations or working plant belonging to the States, Communes, or private individuals, and occupied by the Allies, shall be debited. If the Allies operate them themselves, the amount of the debit shall be that of the rental value, but, should the Germans operate them, the debit shall be the rental value plus the actual cost of the services rendered.

Ad (a) and (b) These awards are connected with those regarding buildings.


(a) Nothing shall be debited in respect of furniture and fittings, household effects and linen, which was the property of the Reich on September 1, 1924.

Ad (a) Since the placing at the disposal of the Allies of furniture, etc., which belonged to the Reich on September 1, 1924, does not cause any expenditure to figure on the Reich budget, no debit, in my opinion, should be made in respect thereof. Expenditure incurred by the Reich in the past on the purchase of such furniture could not be considered, in accordance with sound budgetary principles, as productive expenditure. It follows that, in accordance with the principle enunciated in my statement at the eighteenth Meeting on January 20, 1925, I consider that no debit should be allowed for furniture which belonged to the Reich on September 1, 1924, even though such furniture was only placed at the disposal of the Allies after that date.

(b) A debit shall be made in respect of furniture and fittings, household effects and linen purchased by the Reich subsequent to August 31, 1924, and placed at the disposal of the Allies. The debit shall be made in ten annual instalments. These instalments shall, however, cease to be debited when the furniture and fittings, household effects and linen is restored to Germany's unfettered control by the evacuation of the Occupied Zone.

Ad (b) The only logical solution would have been to debit the total cost price of such furniture, etc., as was purchased by the Reich after August 31, 1924, and to refund to the Allies its commercial value at the time when it was restored to Germany's unfettered control by the evacuation of the Occupied Zone. This solution, however, cannot for practical reasons be contemplated, since the identification of furniture, etc., would be practically impossible. I have therefore been obliged to settle the question by a solution which is both applicable in practice and as equitable as possible. It seemed to me that the only solution was to adopt a settlement by annual instalments.

In this settlement the choice had, to be made between two systems; either that of debiting the total amount at cost price against the Annuity and of then placing a percentage of these costs to the credit of the Dawes Annuities in each subsequent year; or else of debiting annually a percentage of these costs against the Annuities. I have selected the latter system because it appeared best calculated to achieve the object in view. The intention was to debit against the Dawes Annuities over a period of years the difference between the cost price of the furniture, etc., and its commercial value at the time it would be restored to Germany's unfettered control by the evacuation of the Occupied Zone. This commercial value would gradually depreciate as the duration of the Occupation increased. By debiting annually a percentage of the cost price against the Annuities, a direct connection will be established between the time during which the Allies have the use of the furniture and the total amount to be debited against the Annuities. If, on the other hand, the first system were adopted and the total cost debited at once, and then a certain percentage placed annually to the credit of the Annuities in subsequent years, the result would be that the part of the cost price which would finally remain to be borne by the Annuity would vary inversely as the period of use by the Allies. The result would thus be the opposite to that desired.

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I have taken the figure of 10% because it was mentioned during the discussion and appeared to
me to be not inconsistent with the average life of furniture. Moreover, in the agreement regarding the
compensation to be debited for furniture in furnished rooms, the figure of 10% has also been recognised
as equitable.

(c) The actual cost of storage, safeguarding, insurance and transport of any furniture and
fittings, household effects and linen, which the Allies may demand to be held in reserve, shall
be debited.

Ad (c). I am not competent to decide whether or not the Allies are entitled to demand that the
furniture, etc., required for replacements should be held in store at their disposal. It appears, however,
equitable that the costs arising from the storage of such furniture, in so far as that demand has been
made, should be debited to the annuities.

(d) The actual cost of repairs to any furniture and fittings, household effects and linen; which
is placed at the disposal of the Allies, or which they may require to be held in reserve, shall be debited.

Ad (d). On this point no divergence of view existed between the Delegations. I have nevertheless
included it in my arbitral awards, because the question of the charge for repairs to furniture, etc., held
in reserve, was not discussed.


(a) The actual cost of new buildings demanded by the Allies shall be debited, in so far as
the expenditure was incurred subsequent to August 31, 1924. Should contracts in regard to these
buildings have been signed before April 9, 1924, the assessment shall be on the basis of the said
contracts. (In my opinion — and I believe all the Delegations are in agreement on this point —
the debiting of the costs of new buildings involves from the point of view of equity the refund,
in some way or other, by Germany to the Allies at the end of the Occupation, of an amount cor-
responding to the commercial value of these buildings at that period.)

Ad 9. Since new buildings can easily be identified, it is quite possible to adopt the system of debiting
the total cost and repaying the commercial value to the Allies at the time these buildings are restored
to Germany’s unfettered control. I consider it doubtful whether I can impose this latter recommendation,
but I am confident that, if the Committee unanimously declares that such compensation is equitable,
it will be taken into consideration in due course.

10. Temporary Occupation by Troops on the March.

(a) The cost of accommodating such troops on the march as are billeted on the inhabitants
shall be debited. The sum to be debited shall be based on the German law regarding troops on the
march (Quartierleistungsgesetz), subject to an increase of 50% in the scales laid down therein.

Ad 10. I am of opinion that it is quite practicable to take the scales in the German law as a
basis for such troops on the march as are billeted on the inhabitants. I have, however, considered it
necessary, for reasons of equity, to increase these scales by 50%.

II. Census of Horses, Vehicles and Motors Cars.

The compensation paid by the Reich to the inhabitants, in respect of the horse, vehicle, and
motor car census ordered by the Allies, shall not be debited.

Ad II. I have no intention of suggesting that the German Government is not justified in compensating
its nationals for the loss and expense due to the census of horses, vehicles and motor cars, but I consider
that the Committee is not in a position to debit such compensation to the annuities, since it does not
come under the provisions of Articles 8 to 12 of the Rhineland Agreement.
12. STEPS TAKEN TO RE-INFORCE THE POLICE.

The cost of reinforcing the Police shall be debited, in so far as such reinforcement may be demanded by the Allies for purposes immediately connected with the contributions mentioned in Articles 8 to 12 of the Rhineland Agreement. The amount of the debit shall represent an equitable remuneration for the services rendered.

Ad 12. Although, generally speaking, compensation paid in respect of reinforcements to the Police cannot be considered as a contribution under Articles 8 to 12 of the Rhineland Agreement, a debit for compensation in respect of Police services should be made if the Allies demand such services for purposes immediately connected with these contributions.

13. INTERPRETERS.

The cost of interpreters shall be debited, in so far as their services are demanded by the Allies for purposes immediately connected with the contributions mentioned in Articles 8 to 12 of the Rhineland Agreement. The amount of the debit shall represent an equitable remuneration for the services rendered.

Ad 13. In the case of interpreters, the same argument applies as in the case of Award No. 12.

14. UPKEEP OF ROADS.

The cost of the repair and upkeep of roads, in so far as it falls outside the scope of Agreement No. 27 (above), shall not be debited.

Ad 14. It seems impossible to prove to what extent the cost of the upkeep of roads has been increased by the use made of them by the Allies. For this reason, no debit can be made in respect of such upkeep.

15. COSTS OF THE ASSESSMENT COMMISSIONS AND THE COMMISSION OF INTERPRETATION.

(a) The actual costs of the Local Commissions and of the Commission of Arbitration shall be debited.

(b) Nothing shall be debited in respect of the costs of the Commission of Interpretation.

Ad (a) and (b) It seems to me that the Assessment Commissions are primarily intended to determine and record the amount of the costs to be debited and that, therefore, by analogy, their costs should be regarded in the same way as those of the Commissions of Administrative Control, which, as is definitely specified at the end of the first part of Section XI of the Experts' Report, must be included in the annuities payable by Germany. The essentially arbitral character of the Commission of Interpretation, on the other hand, renders it logical that its costs should be borne equally by both the Parties concerned, as is customary in international arbitration.

16. COMPENSATION FOR DAMAGE CAUSED BY ALLIED TROOPS.

(a) A debit shall be made in respect of the cost of compensation for damage caused by Allied troops, in so far as such compensation can be classed as tenants' repairs to buildings and dwellings (See Agreement No. 1) and in so far as payment is not made by the individual occupants. The amount of the debit shall be the actual cost of compensation.

Ad (a) This procedure has already, if I am not mistaken, been accepted by the Delegations. I have included it in the arbitral awards because it is directly connected with the damage dealt with in paragraphs (b) and (c).

(b) No debit shall be made in respect of compensation for damage which, in accordance with the established practice, falls under Article 6 of the Rhineland Agreement.

No. 1318
Ad (b) Since the Committee's task is limited to the determination of the classes of contributions mentioned in Articles 8 to 12 of the Rhineland Agreement, I consider myself bound to respect the system to which Article 6 of the Agreement has given rise.

(c) No debit shall be made in respect of compensation for damage due to crimes or offences committed by Allied troops.

Ad (c) In my opinion, no debit can possibly be made of the compensation granted by the German Government to the inhabitants in respect of crimes or offences committed by Allied troops, since such compensation cannot be classed as a contribution under Articles 8 to 12 of the Rhineland Agreement.

17. Theatre and Cinema Seats.

The compensation paid by the Reich to Communes or private individuals in respect of seats in theatres, cinemas, etc., demanded by the Allies, shall be debited, up to an amount not exceeding the price of the seats.

Ad 17. I cannot take the view that it would be equitable to restrict the compensation to be debited to the sums in excess of those which represent the value of the seats which, before the war, were placed free of charge at the disposal of the German Civil and Military Authorities.

(Signed) Patijn,
Chairman of the Committee of Contributions for the Armies of Occupation.

ANNEX C.

I.

(Regulations.)

II.

In cases not provided for in Article I, the provisions of the said Article shall, as far as possible, be applied by analogy.

III.

In all cases giving rise to debits against the annuities under the Dawes Plan, the competent Allied and German Authorities shall, before the expenditure is incurred, confer with a view to reaching an agreement upon the amount of the debit. Failing an agreement, the amount of the debit shall be assessed by the Assessment Commissions.

Ad II and III. In my opinion, these two Articles should be inserted at the end of the Regulations. Article II has already been touched upon during the Meetings of the Committee; and agreement, if I am not mistaken, has already been reached, in principle, in regard to Article III.
ANNEXE N° 3.

M. PATIJK'S MEMORANDUM OF MARCH 13, 1925,
REGARDING THE POSTAL SERVICE, TELEGRAPHS AND TELEPHONES.

Under cover of a letter dated February 4, I received from Herr Ministerialrat Orth Draft Regulations regarding Postal, Telegraph and Telephone contributions chargeable against the Dawes Annuity. Agreement had been reached between him and Colonel Becq, except on five points upon which an arbitral award had to be given.

The same Draft Regulations were sent to me under cover of a letter, dated February 10, and signed by Controller-General Litschfouss, General Goligher, and M. Paul Greiner. These three Delegates confirmed the fact that this Draft had been agreed upon by the Allied and German Experts, but at the same time called my attention to three amendments which they considered should be made thereto.

I considered whether it was necessary to inform the German Delegation of the reservations made by the Allied Delegates. The agreement reached by the Experts was based on mutual concessions and, if one of the Parties could not ratify certain of the concessions made by the Experts, the other Party should also be given an opportunity of amending its views, if it so desired.

I did not, however, consider it necessary to do so for the following reasons:

Should the German Delegation, on account of the reservations made by the Allied Delegates, consider it necessary to propose fresh amendments to the Draft Regulations, the number of questions requiring an arbitral award, and which, consequently, would have been submitted to me, would have been increased. In my opinion, I could not carry out my duty as an arbitrator better or more impartially than by adhering to the unanimous opinion of the Experts appointed by the Parties themselves. I should, therefore, in any case have taken the Draft Regulations as a basis for my awards, whatever might have been the reservations made concerning the points on which the Allied and German Experts had already reached agreement. I hope that the Delegations will esteem it right that, in these circumstances, I have decided neither to adopt the three amendments to the Draft Regulations, which the Allied Delegations considered necessary, nor to give the German Delegation any opportunity of notifying whether it wished to go back upon certain of its experts' decisions, owing to the fact that the Allied Delegations have not on all points ratified the agreements reached.

Therefore, in every case in which the respective experts are agreed, I adhere to the Draft Regulations which were submitted to me.

There were five points submitted to me upon which the experts could not agree.

I. Article 1 (e). — The German Delegation claims, as a charge against the Dawes Annuities, compensation for the loss of telegraph and telephone charges in respect of circuits requisitioned by the Allies prior to September 1, 1924. The Allied Delegations are of opinion that no compensation should be debited in respect of such circuits.

On account of the considerations quoted in connection with my award regarding the hiring of buildings belonging to the Reich, I take the view of the Allied Delegations. The fourth paragraph of Article 1 (e) should therefore read as follows:

"This compensation shall not be paid in respect of circuits requisitioned by the Allies prior to September 1st, 1924."

II. Article 3 (c). — The German Delegation claims, as a charge against the Dawes Annuities, compensation for the loss of telephone charges in respect
of the special telephone circuits (local systems, exchanges and extensions) requisitioned by the Allies prior to September 1, 1924. The Allied Delegations are of opinion that no compensation should be debited in respect of such lines.

On this point, on account of the same considerations as those mentioned in I, I again take the view of the Allied Delegations.

The last paragraph of Article 3 (c) should therefore read as follows:

"This compensation shall not be paid in respect of lines requisitioned by the Allies prior to September 1st, 1924."

III. Article 5. — This Article deals with rates for the transmission of telegrams and for telephone calls over non-requisitioned systems. The German Delegation claims that the rates charged for official conversations, which shall enjoy priority in all cases, must be treble the rates for inland calls in Occupied or non-Occupied Germany. The Allied Delegations consider that the rates should not be trebled.

The German Delegation bases its claim on the impossibility of meeting the demands for urgent public telephone calls if Allied calls are always to have priority, as they claim that this entails a loss of revenue for the Postal Service, especially during the busiest hours of the day.

In my opinion, no data is available on which a reply could be given to the question to what extent the priority accorded to the Allies' official calls renders it impossible to meet the demands of the public for urgent calls. Furthermore, the discussions have shown that, on the one hand, the revenue derived from the various German charges only yields an insignificant profit and, therefore, only just suffices to cover the costs of the Postal Service, but that, on the other hand, those costs also include improvements in which the Allies have no interest. I, therefore, consider that it is equitable that the Allies' official calls, to which priority is granted, should be paid for at normal and not treble rates. This reduction in the German rates may be regarded as compensation for the percentage which is comprised in the rates to cover the improvements referred to above.

It is in view of these considerations that I have given my award by inserting the following words at the end of the first paragraph of Article 5:

"...without treble rates in respect of inland telephone calls in Occupied or non-Occupied Germany."

IV. Article 7. — In the case of the compensation to be debited for the occupation and upkeep of buildings, offices and ground, the Allied Delegations wish to follow the rules laid down elsewhere for buildings belonging to the Reich; the German Delegation wishes to follow the rules laid down for privately owned buildings.

The first solution seems to me logical, since the Administration of the Postal, Telegraph and Telephone Services, although operated separately on a basis which is commercially and financially independent from that of the Reich, does not constitute an independent legal entity, but is really an integral part of the State Administration.

Article 7 should therefore read as follows:

"The charges due to the occupation and upkeep of buildings or portions of buildings belonging to the German Postal Service shall be debited to the Dawes Annuity, in accordance with the rules laid down elsewhere for buildings belonging to the Reich."

V. Article 10. — In accordance with the Draft Regulations, the Delegations agree that, in respect of personnel placed entirely at the disposal of the Allies at
their demand, not only shall the ordinary pay be debited but that a certain additional sum should be debited. Whereas the German Delegation considers that the additional amount should be 100% of the Allied Delegations cannot agree to debit, over and above the amount for pay, any sum in excess of the cost, as fixed by the Assessment Commissions, of supplying or replacing working clothes and tools and of medical attendance.

The German Delegation informs me that it has no objection in principle to the Assessment Commissions fixing the amount of the additional sum, although it considers that it would be simpler, particularly in view of the small amount involved, to agree upon a fixed percentage by which the pay should be increased. It considers, however, that in addition to the class of expenditure mentioned by the Allies other classes should be taken into account; of these it quotes:

(a) The cost of replacement in case of sickness or leave;
(b) The cost of placing working premises at the disposal of the Allies, including heating and lighting;
(c) The cost of furnishing office supplies.

I agree with the German Delegation that it is preferable to fix a definite percentage for the addition. Since, however, I am not in possession of any data which would enable me to ascertain what an equitable figure would be for this percentage, I am obliged to accept the method of assessment suggested by the Allied Delegations.

It remains to be decided whether the classes of expenditure mentioned by the German Delegation should be taken into account in fixing the amount of the charge to be debited.

Ad a) It seems to me right that, in case of leave or sickness affecting personnel placed entirely at the disposal of the Allies, the amount to be debited should include both pay to which officials or staff absent due to leave or sickness are fairly entitled and the pay of the personnel by whom they are replaced. In all public services, in calculating the total charge for wages, account is taken of the amount paid in cases of sickness and leave. However, it seems to me that a strict interpretation of the Allied proposal ("the normal pay.... latter's request") would itself imply payment for sickness and leave and that, therefore, in so far as this item is concerned the formula does not require any extension. Should, however, it appear desirable during the discussions upon the drafting of the Regulations to define this provision, I shall be quite ready to agree to it.

Ad b) The cost of premises comes under Article 7 of the Draft Regulations, so that, in my opinion, wages should not be increased on this score.

Ad c) I have come to the same conclusion in regard to the cost of furnishing office supplies, as this comes under Article 8 of the Draft Regulations.

Article 10 should therefore read as follows:

"The normal pay of personnel placed entirely at the disposal of the Allies at the latter's request shall be debited to the Dawes Annuity, with the addition of the cost of supplying or replacing working clothes and tools and of medical attendance."

In my opinion it is unnecessary to add the words "as fixed by the Assessment Commissions" as suggested, since the general observation, to be inserted in the Regulations, regarding the method of determining the amount of the debit, will suffice.

(Signed) Patijn.

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1 In an explanatory letter, this is reduced to 75%.
2 This arbitral award was amended; the amended text is given on page 255.
ANNEX No. 4.

ARBITRAL AWARD No. 23.

The Allied Delegations wish to add to the General Observations a provision to the effect that only contributions or portions of contributions furnished subsequent to August 31, 1924, shall be chargeable. The German Delegation, on the other hand, considers that it would be equitable to leave open the possibility of debiting the cost of contributions furnished prior to September 1, in so far as orders for the payment of such sums could not have been made prior to that date and as payments have therefore been made subsequent thereto.

Whereas September 1, 1924, is recognized by both Parties as the date of entry into force of the Dawes Report;
And whereas it is the duty of the Committee to state what classes of contributions must be debited against the annuities under the Dawes Plan;
And whereas, in consequence, it is doubtful whether the Committee is competent to take decisions regarding the debiting of contributions prior to September 1, 1924;
And whereas, in several of the agreements reached, the principle that only contributions furnished subsequent to August 31, 1924, entail a debit has served as the basis — for example, in the agreement, under Section VII (c), whereby it is provided that a charge shall be made for compensation granted by the Reich to inhabitants who have had to vacate their dwellings subsequent to August 31, 1924, as a result of a contribution order issued by the Allies — a condition which has not called forth from the German Delegation any remark to the effect that the debit must also be made in respect of the costs of eviction prior to September 1, 1924, the financial consequences of which had not been settled prior to that date;
And whereas, this principle, which the Allied Delegations wished to have inserted in the General Observations, has hitherto been applied in the Regulations without any contradiction;

I am of opinion that it is desirable to remove any doubt on this point by adding the following provision to the General Observations:

* "I. — Only contributions or portions of contributions furnished subsequent to August 31, 1924, shall be chargeable."

March 18, 1925.
(Signed) PATIJN.

ANNEX No. 5.

ARBITRAL AWARD No. 24.

The German Delegation considers that, in cases in which working plant is occupied, the debit must include compensation for the cancellation of contracts for supplies or of other contracts, whereas the Allied Delegations are of opinion that the scope of such a provision could not be foreseen and that, therefore, no debit should be made for compensation arising from the cancellation of such contracts.

I associate myself with the view of the German Delegation.

* This appears in the Regulations as Observation No. 2. (See page 235).
Should the owner of working plant have to cancel contracts, as the result of the occupation of the said plant, he is rendered liable to claims for compensation from the other parties to the contracts. In order to meet the payments which he must make on this score, he would appeal to the Reich both on grounds of German law and of equity. The Reich might consequently have to grant compensation which, in accordance with the principles of the Dawes Plan, must be debited.

I am therefore of opinion that a further paragraph must be added to General Observation No. 6, regarding the occupation of working plant. This paragraph should read as follows:

"Furthermore, the compensation paid for the cancellation of contracts for supplies or of other contracts not mentioned in the preceding paragraph, shall be debited. Should such contracts have been concluded prior to April 9, 1924, they shall serve as a basis for the assessment of the compensation; if not, a charge shall only be made in so far as such compensation shall be recognised as justifiable and on a reasonable scale and as it actually represents a charge against the Reich."

March 18, 1925.

(Signed) PATIJN.

ANNEX No. 6

ARBITRAL AWARD No. 25.

Foot note to Section V, 2 (c).

In the opinion of the Allied Delegations, a provision should be included in the Regulations to cover cases in which the Allies, subsequent to August 31, 1924, occupy a dwelling voluntarily constructed by the Reich, while simultaneously vacating a dwelling built at their order. They, therefore, propose the insertion of the following foot-note to Section V, 2 (c).

"Should the Allies, however, in occupying accommodation in such a building vacate, by so doing, accommodation in a building built at their orders, only the difference between the rental value of such accommodation shall be debited. This rule shall only be applicable to an exchange of accommodation which takes place within the same zone (Zones in this case being the areas defined in Article 429 of the Treaty of Versailles)"

The German Delegation objects to the insertion of this foot-note on the grounds that, firstly, the Reich would thus be deprived of any benefit which it might derive from the provisions of Sections V, 2 (b) and (c), were they not so limited; secondly, that such a provision would give rise, in practice, to every kind of difficulty.

It seems to me that the limitation proposed is equitable and not inconsistent with the principle of Arbitral Award No. 1. That award was, in fact, based on the consideration that should the Allies, subsequent to August 31, 1924, occupy buildings which were voluntarily built by the Reich and which, from their nature, were capable of being let, the Reich would thereby be deprived of revenue on which it had reckoned and a debit must therefore be made in accordance with the principles of the Experts' Report.

In the special case contemplated by the Allied Delegations, however, this financial loss for the Reich would be compensated for by the fact that the Reich would obtain the disposal of a house which up to that date had been occupied without such occupation being chargeable.

In the case of such an exchange of accommodation, the motive for the provision contained in Section V, 2 (c), does not exist and I think it is equitable to allow an exception to be made in this provision, within the limits laid down in the proposed observation. It is quite correct, as the German Delegation objects, that, were this observation not inserted, the Reich would not only obtain a debit of the rent of the accommodation newly taken over, but would be in a position to let the accommodation vacated and that, by the insertion of the observation proposed by the Allied Delegations, the Reich would be deprived of an advantage.

The object of the provision contained in Section V, 2 (c), was not, however, to give the Reich
any fiscal advantage on which it could not have counted, but merely to protect it from a loss which, in accordance with the principles of the Experts' Report, it should not incur. In the case of the aforesaid exchange of accommodation, however, the latter possibility does not arise.

I do not consider the practical difficulties anticipated by the German Delegation sufficiently great to warrant the omission of this provision which in itself is equitable; moreover, the difficulty of determining and accounting for the rental value of the said accommodation will not be any greater than that entailed by many other cases mentioned in the Regulations. Any abuse which might arise in the case of complete evacuation of a zone by the Armies of Occupation has been provided for by the form in which the observation has been drafted.

I therefore consider that the following foot-note should be inserted in Section V, 2 (c):

"Should the Allies, however, in occupying accommodation in such a building vacate, by so doing, accommodation in a building built at their orders, only the difference between the rental value of such accommodation shall be debited. This rule shall only be applicable to an exchange of accommodation which takes place within the same zone (Zones in this case being the areas defined in Article 429 of the Treaty of Versailles)."

March 23, 1925.  
(Signed) Patijn.

ANNEX No. 7.

ARBITRAL AWARD No. 26.

RAILWAYS.

Occupation of premises.

The Allied Delegations wish to apply the rules which have been laid down for Reich property; whereas the German Delegation considers that a sum corresponding to the rent prevailing in the district should be debited in respect of the occupation of premises, stores, etc., together with the cost of any repair work rendered necessary by wear exceeding the normal.

The Allied Delegations' view is based on the fact that, in accordance with the German Law of August 30, 1914, regarding the Deutsche Reichsbahn-Gesellschaft, the German State Railways, including all buildings, remain the property of the Reich and that, therefore, the rules laid down for building and ground belonging to the Reich should also be applied to premises, stores, etc., placed at the disposal of the Armies of Occupation by the D. R. G.

I agree with the German Delegation that this argument is not conclusive in regard to the question with which we are concerned.

Quite independently of the fact that the Reich remains the owner of these buildings, they form part of the German State Railways and are placed at the disposal of the D. R. G., in order that the latter may operate them in a purely commercial manner, as provided for in the Experts' Report. Furthermore, the finances of the railways have been completely separated from those of the Reich and the operation of the railways has been handed over to a separate legal entity — the D. R. G. Thirdly, the Dawes Report stipulates what sums must be contributed by the German railways to the payments which Germany has to make under the Treaty of Versailles.

The situation, therefore, is that the D. R. G., as a separate legal entity, is not only entitled to operate, as profitably as possible, the German railways and, therefore, also the buildings and ground belonging thereto, but is in fact under an obligation to do so, since its share of the contribution towards the war indemnity has been definitely fixed by the Dawes Report. The above considerations convince me that it would not be right, from the legal point of view, nor in accordance with the principles of the above-mentioned report, were the D. R. G. to be compelled to place buildings
or portions of buildings at the disposal of the Allies without compensation. The D. R. G. would in that case be justified in claiming compensation on this score from the Reich and the amount of such compensation would have to be debited to the Dawes Annuities, in accordance with the ordinary rules. I therefore consider it right that the rules laid down for buildings belonging to third parties should be applied to the buildings in question.

Paragraph XV in the Draft Regulations, regarding railways, should therefore read as follows:

"XV. — Occupation of premises. — In the case of the occupation of premises, stores, etc., the rules laid down for privately owned buildings occupied by the Allies shall be applied."

March 23, 1925.

(Signed) Patijn.

ANNEX No. 8.

ARBITRAL AWARD No. 27.

LIGHT RAILWAYS.

Deduction of the transport tax.

The Allied Delegations are of opinion that the rates for transportation over light railways, carried out in accordance with the Rhineland Agreement under cover of a movement order, should be calculated less tax (Beförderungssteuer), whereas the German Delegation objects to this deduction.

The German Delegation points out that Article 9 of the Rhineland Agreement only exempts the troops of the Allied and Associated countries and their personnel from payment of German direct taxes and that, since the Beförderungssteuer is an indirect tax, the Allies must pay it.

I am also of opinion that the Beförderungssteuer must be classed as an indirect tax, but it does not follow that the amount of the debit in respect of transportation required by the Allies over light railways should be reckoned on the basis of rates which include this tax. The aim of the present Committee is only to decide what charges must be made in respect of the contributions under Articles 8 to 12 of the Rhineland Agreement, and I cannot see how the payment of a tax by the Allies could ever be considered as a contribution on the part of the Reich.

In the case in point, Germany's contribution consists in transporting, through the medium of private companies, troops and personnel over light railways. In debiting the costs, account must be taken of the principle, generally followed throughout the Regulations, that the amount of the debit must be based on the cost price. As in all similar cases dealt with up to now, the compensation paid by the Reich to the transport company must be debited, in so far as such compensation is regarded as justifiable and on a reasonable scale. Since the Company, if it received the Beförderungssteuer from the Allies, would have to transfer it to the Reich, the latter need not compensate the Company for non-payment of a tax by the Allies. In view of these considerations, I do not think the tax should be taken into account in fixing the amount of the charge.

The German Delegation claims that, if the Allies do not pay the Beförderungssteuer in one way or another, the Reich will be deprived of revenue, whereas the Experts' Report was based on the hypothesis that all revenue which the Reich could obtain from its various sources of revenue would reach its Treasury. This argument, it is claimed, carries all the more weight in the case of the Beförderungssteuer, in that the report fixes an amount (namely 250,000,000 gold marks in 1925, and 290,000,000 gold marks in 1926 and subsequent years) which must be set aside from the yield of this tax for reparation payments, and that, if the Allies are exempt from this tax, the total amount
of the yield would be reduced and the difference would have to be obtained from revenue which,
according to the Experts’ Report, was intended to balance the Reich budget and maintain the
stability of the mark. It is therefore claimed that, if the aforesaid rates are fixed less tax, it would
be a breach of the principles of the Experts’ Report.

I am not convinced by this argument. It is based on the assumption that the Experts antici-
pated a contribution from the Allies towards the Beförderungssteuer, an extremely improbable
assumption, in view of the fact that Germany is obliged by the Rhineland Agreement to transport
troops by rail free of charge. It is hard to believe that the Experts regarded such transport as a
source of revenue for the Reich. Furthermore, the German Delegation ignores in its reasoning
the fact that, during the examination of the German finances by the Experts, although the tax
in question was paid by the light railway companies in respect of Allied transport, the Reich refunded
it in the form of compensation, in so far as transport carried out under cover of movement orders
was concerned. If, on the other hand, the tax is not taken into account in the debit and the Reich
is no longer bound to compensate companies on this score, there is no real change in the financial
situation of Germany, as it was at the time of the Experts’ examination. Therefore, it appears
to me not incompatible with the Report that the tax should be deducted from the rates for such
transport.

The considerations lead me to the conclusion that the charge for transport, carried out on
light railways, in accordance with the Rhineland Agreement under cover of movement orders,
should be reckoned on the basis of rates in which the Beförderungssteuer is not included.

On this occasion I am refraining from giving any draft for this provision, since the final text
for the portion of the Regulations in which this arbitral award should appear, has not yet been
drafted.
The above arbitral award applies also to tramways, in so far as the transport of personnel
on duty is concerned, such transport alone constituting a contribution.

March 25, 1925. (Signed) Patijn.

ANNEX No. 9.

ARBITRAL AWARD No. 28.

LIGHT RAILWAYS AND TRAMWAYS.

(Claim to a debit on account of the continued operation, at the order of the Allies, of lines
run at a loss or on the score that the Allies prevent the German Authorities taking the measures
which they intend in regard to such lines).

The German Delegation desire that a charge should be made in cases in which the Allies insist
upon the continued operation of lines or portions of lines of light railways or tramways and also
in cases in which the Allies prevent the taking of measures proposed for the improvement in the
financial results of operating such lines. The Allied Delegations cannot agree to this proposal,
since they fear that it would give rise to trouble and abuse. There seems to me no doubt that,
should the competent German Authorities or the management of a company decide to discontinue
the operation of a line or portion of a line of a light railway or tramway, and should the execution
of this decision be prevented by the opposition of the Allies, the continued operation must be consi-
dered as a contribution under Article 10 of the Rhineland Agreement. In accordance with the
principles followed in the Regulations, a debit must be made on this score and I consider it equitable
that a provision should be inserted to this effect.

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It is incumbent upon the Assessment Commissions to prevent abuse. They must assure themselves that the intention to discontinue operation is not merely simulated in order to obtain compensation for loss incurred on certain lines or portions of lines and that the operation would really have been discontinued, had the Allies not insisted on its maintenance. For example, proof of the intention to cease operation of a line of municipal tramways could not be accepted unless the competent authorities had taken a definite decision to that effect.

The German Delegation, furthermore, wishes for a charge to be made, should the Allies prevent measures being taken to improve the financial results of lines operated at a loss. Without wishing to deny that cases of this kind which would warrant a debit might arise, the insertion of such a vague provision as that desired by the German Delegation is undesirable. In view of the fact that the Occupying Authorities and the managements of light railways and tramways are in constant contact, the practical consequences of such a provision cannot be foreseen. It would be liable to become a source of friction and trouble. Moreover, the Assessment Commissions would be continually called upon to decide disputed points, since they would have to decide whether and to what extent the measures proposed by the Germans and which the Allies prevented would actually have contributed to an improvement in the financial results of the concern.

In view of the above considerations, I consider it necessary to restrict the provision to be inserted to the case mentioned by the German Delegation.

I therefore consider that the following provision should be inserted at a point to be indicated subsequently by the Drafting Sub-Committee.

"Should the Allies demand that the working of a line or a portion of a line on a light railway or tramway be continued after the competent authorities or the management of the operating company had decided to discontinue the service, an amount corresponding to the costs incurred as a result of the continuance of the service shall be debited, less any direct or indirect financial benefits accruing therefrom. This regulation shall only apply in cases in which it shall have been clearly established that the service would actually have been discontinued, had the Allies not prevented it."

March 25, 1925.

(Signed) Patijn.

ANNEX No. 10.

MINUTES

OF THE MEETING OF THE ORGANISATION COMMITTEE OF THE GERMAN RAILWAY COMPANY.


The Organisation Committee of the German Railway Company met at The Hague on December 18 and 19, 1924, to discuss the following questions:

(1) The rates applicable to military transport for the Armies of Occupation (this question having been submitted to the Committee by the Conference of Ambassadors and the German Government);

(2) Various questions which had arisen in connection with the transfer of the railways from the Régie to the new company.
I. Rates for the Transport of the Armies of Occupation.

Having heard the views of the Armies of Occupation as expressed by Colonels Libaud and Manton, Major Van Buylaere, Intendant Dumont and Monsieur Giscard, and the opinion of Monsieur Sommerlatte representing the company,

The Committee took the following decisions:

Transport of the Armies of Occupation shall not be subject to tax; further, it shall be Exempt from Verkehrsteuer, and this tax shall be deducted primarily from the existing tariffs.

(a) Transport of Troops.

A two-thirds reduction shall be made in the normal fares in each class, in the case of officers and men travelling by ordinary trains.

In the case of troops travelling in special trains the reduction in the fares shall be only fifty per cent.

Transport of luggage accompanying the troops shall be effected with a corresponding reduction in the rates.

The Committee called the attention of the Army representatives to the desirability of not reserving coaches or compartments for the troops except in cases in which it was absolutely necessary, since this practice might cause unnecessary loss of revenue to the company and inconvenience to the public.

(b) Transport of stores for the Armies

The Committee was of opinion that an average reduction of one-third should be made in the normal rates. The Committee instructed the representatives of the company and of the Armies to collaborate in the drafting of military rates on a simpler basis than that of the normal rates and giving an average reduction of 33 1/3 %.

Should any difficulties be encountered in drafting these rates, they might be submitted at a meeting of the Committee when the members were in Berlin about January 20.

(c) The new tariffs should apply to military transport over the German State Railways subsequent to September 1, 1924, and over the Régie system subsequent to October 28, 1924.

An attempt should be made to fix lump sums and steps should in any case be taken to avoid delay in the payments to the company for transport effected.

(d) Payment for work done on behalf of the Armies.

The Company should be entitled, in respect of such work, to payment for the cost of material and personnel and with two-thirds of the percentage charged to the public for overhead charges.

ANNEX No. II.

(Transport contributions furnished by the German Railway Company.)

AGREEMENT OF MARCH 17, 1925,

fixing a Lump Sum for the Period September 1, 1924, to March 31, 1925.

PARIS, March 17, 1925.

The following is this day hereby agreed between the German Railway Company and the representatives of the Allied Armies:

I. Transport contribution for the Occupying Forces in the territories originally occupied; passenger traffic including supplements for express trains, luggage and saloon.
coaches, shall be valued at the lump sum of

2,700,000 marks (two million seven hundred thousand marks).

II. The German Railway Company shall assess for each Army, on the basis of transportation supplied during the month of January 1925, and taking into account the bases agreed upon for the future, the goods traffic for the Armies of Occupation in the territories originally occupied.

By the middle of April, a proposal for a monthly lump sum on the said bases shall be made to each Army (and supported by vouchers), whereby a lump sum for goods traffic in respect of the period September 1, 1924, to March 31, 1925, shall be assessed.

III. The cost of personnel, and contributions in kind supplied to the Allied Armies during the period September 1, 1924, to March 31, 1925, in the territories originally occupied, that is to say:

- Private sidings,
- Mileage of empty rolling stock belonging to the Armies,
- Special shunting,
- Telegraph and telephone charges,
- Contributions in the form of personnel,
- Premises,
- Repairs in Workshops,
- Construction work,
- Hire of rolling stock,
- Supply of fitting and consumable stores, including heating, lighting and water supply,
- Supply of statistics,

shall be valued at the lump sum of:

300,000 marks (three hundred thousand marks).

(Signed) SOMMERLATTE.  
(Signed) PRINS.  
(Signed) LIBAUD.  
(Signed) MANTON.  
(Signed) VAN Buylaere.