

the German Clearing Office is advised to that effect. If, however, the claimant still maintains that he is entitled to payment his further statements in support of his claim are forwarded to the German Clearing Office. If, however, the Clearing Offices are unable to bring the debtor and creditor to agreement, the creditor will then be required to take proceedings before the Anglo-German Mixed Arbitral Tribunal under the following provisions of the Treaty (paragraphs 16 and 17 of the annex to Article 296) :—

“ 16. Where the two Clearing Offices are unable to agree whether a debt claimed is due, or in the case of a difference between an enemy debtor and an enemy creditor or between the Clearing Offices, the dispute shall either be referred to arbitration, if the parties so agree, under conditions fixed by agreement between them, or referred to the Mixed Arbitral Tribunal provided for in Section VI hereafter.

“ At the request of the creditor Clearing Office the dispute may, however, be submitted to the jurisdiction of the Courts of the place of domicile of the debtor.

“ 17. Recovery of sums found by the Mixed Arbitral Tribunal, the Court, or the Arbitration Tribunal to be due shall be effected through the Clearing Offices as if these sums were debts admitted by the debtor Clearing Office.”

(2.) *Debts owing by New Zealand Nationals.*—On receipt of claims through the German Clearing Office it is necessary for the Public Trustee to compare same with the records of the amounts received under the War Regulations, to ascertain whether the claim is in regard to any amounts which have been collected by the Customs Department subsequent to the outbreak of war, or by the Custodian of Enemy Property in pursuance of the War Regulations dated the 3rd April, 1916, or the Enemy Property Regulations dated the 5th August, 1919. If the amount has not been collected the statement of claim is forwarded to the debtor, who is requested to advise within seven days whether he admits or disputes the claim. If the claim is disputed a protest setting out the grounds for the rejection of the claim is forwarded to the German Clearing Office. In many cases the claims were paid to banks in connection with drafts received from the German claimants, but the proceeds of such drafts were held in London owing to the outbreak of war. In such cases the High Commissioner for New Zealand at London is requested to ascertain the position and notify the German Clearing Office accordingly. Schedules of debts paid to this Office and admitted under the Treaty are forwarded to the German Clearing Office from time to time.

(xxiii.) *Limitation of Right of Action.*—Article 300 of the Treaty provides that all periods of prescription or limitation of right of action, whether they began to run before or after the outbreak of war, shall be treated in the territory of the high contracting parties, so far as regards relations between enemies, as having been suspended for the duration of the war.

Section 17 of the Treaty of Peace Order provides that the time at which the period of prescription or limitation of right of action referred to in Article 300 of the Treaty shall begin again to run shall be on the expiration of six months after the coming into force of the Treaty.

Paragraph 23 of the annex to Article 296 provides that the presentation of a claim to the Clearing Office suspends the operation of any period of prescription.

(xxiv.) *Territory of Western Samoa.*—The powers of the Public Trustee as Controller of the New Zealand Clearing Office, in so far as such powers relate to the territory of Western Samoa, have been delegated to the Commissioner of Crown Estates at Western Samoa. All correspondence with the German Clearing Office in regard to the collection or payment of debts under Article 296, or the liquidation of German property in Samoa, is made through the New Zealand Clearing Office.

PART III.

PROPERTY, RIGHTS, AND INTERESTS (a) OF BRITISH NATIONALS, (b) OF ENEMY NATIONALS.

15. BRITISH PROPERTY, RIGHTS, AND INTERESTS IN GERMANY.

(i.) *General.*—Claims by British nationals under the Treaty of Versailles fall under two main headings :—

(a.) Claims for the payment of debts due by German nationals to British nationals (Article 296) :

(b.) Claims by British nationals with respect to their private property, rights, and interests in Germany (Article 297).

The procedure in connection with claims falling under the first heading has already been described in the preceding portion of this report. It is now proposed to summarize the position in regard to claims belonging to the second category.

(ii.) *British Subjects not entitled to Restitution in Specie.*—Persons who have made application for the restitution in specie of their property which has been subjected to measures of transfer in Germany have been advised that in view of the terms of paragraph (g) of Article 297 it is not in accordance with the intention of the Treaty that restitution in specie should be accorded to British nationals under the circumstances described in paragraph (f) of Article 297.

(iii.) *Claims by British Nationals for Compensation.*—Such persons retain the right to claim, through the Clearing Office, payment of the proceeds of the liquidation of their property, and compensation for any damages which have been sustained by reason of such liquidations.

(iv.) *General Provisions of Article 297.*—The net proceeds of the sale of British property, rights, and interests, wherever situated, carried out under German war legislation, and in general all cash assets, must be credited to the British Government through the Clearing Office. The British nationals are entitled to compensation in respect of damage or injury inflicted upon their property, rights, and interests, including all companies or associations in which they are interested, in German territory as it existed on the 4th August, 1914, by the application of exceptional war measures or measures of transfer, in so far as such compensation is not met by the proceeds of liquidation which have been credited to the British Government as stated above. Claims under Article 297 should be for the total