

PART II.—SETTLEMENT OF CLAIMS PREFERRED BY NEW ZEALAND NATIONALS
AGAINST ENEMY SUBJECTS.

42. The arrangements made by the New Zealand Government during the period of the war for the purpose of obtaining a record of the debts owing to British nationals in New Zealand by enemy nationals, and particulars of property in enemy territory belonging to British nationals, have been set forth briefly in paragraph 10 of my previous report.

43. When the Treaty of Peace with Germany was being drafted considerable care was taken to include provisions which would ensure the settlement of debts owing by German nationals to the nationals of the Allied or Associated Powers. As a result provision was made in Article 296 of the Treaty of Versailles for the establishment of a Clearing Office for the settlement of debts between German nationals and Allied nationals. Paragraph (c) of Article 296 enacts that the provisions of this article, and the annex thereto, shall not apply as between Germany on the one hand and any one of the Allied or Associated Powers, their colonies or protectorates, or any one of the British Dominions or India, on the other hand, unless within a period of one month from the deposit of the ratifications of the Treaty by the Power in question, or of the ratification on behalf of such Dominion or of India, notice to that effect is given to Germany by the Government of such Allied or Associated Power, or of such Dominion or of India, as the case may be. The Government of New Zealand decided to adopt the provisions of the above-mentioned article in regard to Germany.

44. In view of the insignificance of the claims against the nationals of the other enemy Powers it was considered unnecessary to establish Clearing Offices for the settlement of debts between British nationals in New Zealand and Austrian, Hungarian, Bulgarian, and Turkish nationals under the similar provisions contained in the treaties with these Powers. The Clearing Office scheme for the settlement of debts applies equally to claims by British nationals against German nationals, and to claims by German nationals against British nationals.

DUTIES OF THE PUBLIC TRUSTEE AS CONTROLLER OF THE NEW ZEALAND CLEARING OFFICE.

45. The principal duties being performed by the Public Trustee in his capacity of Controller of the New Zealand Clearing Office may be summarized as follows:—

(1.) *Claims by British Nationals against German Nationals.*

(a.) On the establishment of the New Zealand Clearing Office the Public Trustee was required to advise all persons who had registered claims in accordance with the War Regulations dated 28th February, 1918, of the provisions of the Clearing Office procedure, and to forward the Clearing Office forms for completion by the claimants.

(b.) The completed statements of claim, after being checked, have been forwarded under a covering schedule to the High Commissioner for New Zealand for transmission to the German Clearing Office through the Central Clearing Office, London.

(c.) On receipt of a reply from the German Clearing Office the claimant is notified of the position. If the claim is admitted, in whole or in part, the amount payable is at once remitted to the claimant from enemy moneys held by the Custodian. If the claim is contested by the German Clearing Office, or by the German debtor, the claimant is supplied with a translation of the grounds on which the claim is not admitted.

(d.) If the claimant considers that he has not an enforceable claim, or for any other reason decides not to proceed with the claim, a formal notification is sent to the German Clearing Office that the claim is withdrawn.

(e.) *Disputed Claims.*—The procedure in connection with disputed claims is set forth in paragraphs 16-21 inclusive of the annex to Article 296 of the Treaty of Versailles. If the creditor desires to maintain his claim the following courses are open to him: (i) To prepare for transmission to the German Clearing Office a further statement containing particular reference to the grounds on which the claim has been contested; (ii) to refer the dispute to arbitration if the parties so agree, under conditions fixed by agreement between them; (iii) to submit the dispute to the jurisdiction of the Courts of the place of domicile of the debtor; (iv) to refer the dispute to the Anglo-German Mixed Arbitral Tribunal (for further particulars regarding the Tribunal please see paragraph 65 and the appendix to this report).

(2.) *Claims by German Nationals against British Nationals.*

(a.) Claims received from German nationals against British nationals in New Zealand are compared with the records of the amounts received under the War Regulations.

(b.) If the claim is identified with an amount received prior to the 10th January, 1920, the claim is contested as not falling under Article 296. Debts collected prior to the 10th January, 1920, by the Custodian of Enemy Property require to be credited to the German Clearing Office under Article 297 of the Treaty of Versailles.

(c.) If the claim cannot be identified with an amount collected by the Custodian of Enemy Property, a notification is sent to the debtor requiring him to advise this Office within seven days whether he admits or contests the claim, either in whole or in part.

(d.) If the claim is admitted, in whole or in part, the amount due, plus Treaty interest thereon, is collected, and the amount is included on an admission schedule for despatch to the German Clearing Office.

(e.) In regard to the claims, or the portions thereof, which are not acknowledged as owing by the debtors, formal contests covering copies of the letters from the debtors showing the grounds on which the claim is not admitted are forwarded to the German Clearing Office.

(f.) In some cases it is necessary to request the German Clearing Office to supply further particulars of the claim in order that the debtors may look further into the matter.