

Particulars regarding the payment of the first dividend are contained in the following Board of Trade announcement, dated 5th January, 1923 :—

The Controller of the Clearing Office announces that a first dividend will be paid upon all awards of the Mixed Arbitral Tribunal for compensation under Article 297 (e). Awards of £50 and under will be paid in full. Claimants whose awards exceed that amount will receive £50 on account and a dividend of 2s. 6d. in the pound on the balance. Payable orders will be issued by the Clearing Office on the 15th instant to all claimants who have obtained awards up to that day. The dividend upon subsequent awards will be paid on the fortnightly pay-day next after the date of such awards.

It has been decided to make payment to New Zealand claimants out of the proceeds of German property realized by the Custodian of Enemy Property, in conformity with the foregoing decision.

CLAIMS FOR INHERITANCES IN GERMANY.

42. Several claims for amounts due to British subjects in New Zealand under the wills or intestacy of German subjects who died in Germany during the war have been lodged for settlement through this Office. As these sums were not payable before the war, or, becoming payable during the war, did not arise out of transactions or contracts of which the total or partial execution was suspended on account of the declaration of war, this Office has been advised that such claims do not fall within the Clearing Office procedure laid down by Article 296 of the Treaty of Versailles.

Inquiries were then made to ascertain whether the amounts due to these claimants were included within the meaning of the term "cash assets" referred to in paragraph (h) (2) of Article 297 and paragraph 11 of the Annex to Section IV of Part X of the Treaty.

43. A brief summary has now been received of the case of the Executors of Katherine Saunders v. German Government, in which the Anglo-German Mixed Arbitral Tribunal refused to award valorization of a legacy in marks which had not been the subject of an exceptional war measure on the ground that "cash assets" to be dealt with under Article 297 (h) are only such as have come into the hands of an official of the German Government as the result of an exceptional war measure.

Further inquiries are being made to ascertain whether any assistance or relief can be afforded to such claimants.

CLOSING-DATE FOR ACCEPTANCE OF CLAIMS UNDER ARTICLE 297 OF THE TREATY OF VERSAILLES.

44. The following announcement was published in *New Zealand Gazette* dated 31st May, 1923, p. 1559 :—

The Public Trustee, as Controller of the New Zealand Clearing Office, announces that he is in receipt of information that upon representations made by the British Clearing Office, London, to the Anglo-German Mixed Arbitral Tribunal for an extension of time for the lodging of claims for proceeds of liquidation of property in Germany and/or for compensation under Article 297 and 300 (b) of the Treaty of Versailles in respect of damage inflicted upon their property rights and interests in Germany by the application of exceptional war measures, measures of transfer or measures of execution, the Tribunal has fixed the 31st December, 1923, as the final date for such claims to be sent into the local Clearing Offices, after which date no further extensions of time will be granted for the registration of such claims.

CLAIMS BY NEW ZEALAND NATIONALS STILL OUTSTANDING.

45. In regard to the claims by New Zealand nationals which have not yet been admitted by the German Clearing Office, the following is an extract from a memorandum dated 13th February, 1923, from the High Commissioner for New Zealand to the Right Hon. the Prime Minister which sets forth the position :—

I have the honour to inform you, for the information of the Dominion Controller, that a number of claims lodged by New Zealand nationals against German nationals under the provisions of Article 296 of the Treaty of Versailles are still outstanding, and great difficulty is being experienced by this office in obtaining from the German Clearing Office not only the admission of these debts, but also any definite statement regarding the German attitude towards them. This office has repeatedly communicated with the German Clearing Office requesting that these outstanding New Zealand claims be settled as soon as possible, but this procedure appears to have had little effect, for admissions in connection with the claims in question have subsequently been made in only a very few cases. On 30th November last a list, setting forth the present position of several of the outstanding New Zealand claims, in which large amounts are involved, was forwarded to the Berlin representative of the British Clearing Office, with a request that he might be so good as to endeavour to obtain a settlement of same by the German authorities.

From inquiries made here at both the Central and Australian Clearing Offices it would seem that the only effective method of obtaining an early settlement by the German Controller of these outstanding claims is for the creditors in New Zealand (in cases where they are certain their claims are in order) to bring the matter before the Mixed Arbitral Tribunal for a decision. As instances of the effectiveness of this procedure I would draw your attention to the two following cases :—

1. *Claim No. 580014, by — against — £142 19s. 9d.*—Settlement of a part of this claim, amounting to £137 7s. 2d., could not be obtained from the German authorities, although correspondence between the German Controller and this office had been going on for over eighteen months. On the 4th October last notice of the creditor's intention to take this claim before the Tribunal, if not settled within twenty days from 27th September last, was served on the German Controller by this office. The result was that on 4th November last the German Controller admitted the debt, plus interest, without the matter being referred to the Tribunal for a decision.

2. *Claim No. 500108, by — against —, £443 7s.*—This claim was also outstanding for some considerable time. In December, 1921, the matter was taken up by —, who, after making several communications with the German Controller through this office and not being able to obtain a reply thereto, duly requested me, on 5th July last, to serve notice on the German authorities that the claim was being submitted to the Tribunal. This notice was served on the German Controller on 20th July last, and the result was that on 28th October an admission for the greater part of the debt was received by this office, together with a contest for the balance, without the matter coming before the Tribunal for their decision.

The attitude taken up by the Controller of the Central Clearing Office regarding the delay in settlement of outstanding British claims is outlined in the following extract from page 7 of his Annual Report, dated 22nd September last :—

"*Complaints* : Frequent complaints are still made by creditors of the delay in payment of their claims, and for this delay they blame the British Clearing Office. As explained in my previous report, once a claim has been notified to the German Clearing Office it is out of the control of this Department. Upon the receipt of notice from the