

INQUIRY FROM REPARATION COMMISSION AS TO THE FINAL BALANCE IN FAVOUR OF GERMANY
ARISING UNDER ARTICLES 296 AND 297 OF THE TREATY OF VERSAILLES.

(New Zealand.—No. 175.)

MY LORD,—

Downing Street, 14th September, 1922.

With reference to my predecessor's telegrams of the 8th November, 1920, and to Your Excellency's telegram of the 4th December, 1920, I have the honour to transmit to you, to be laid before your Ministers, a copy of a letter from the British Delegate on the Reparation Commission, communicating an inquiry from the Commission as to the final balances in favour of Germany arising under Articles 296 and 297 of the Treaty of Versailles.

I should be glad to learn what reply your Ministers would wish to be returned to this inquiry as regard New Zealand and Western Samoa.

I have, &c.,

WINSTON S. CHURCHILL.

Governor-General His Excellency the Right Hon. Viscount Jellicoe, G.C.B., O.M., G.C.V.O., &c.

(Report No. 305.—Enclosure.)

British Delegation, Reparation Commission, 131 Avenue des Champs-Élysées, Paris, 27th July, 1922.

MAY IT PLEASE YOUR LORDSHIPS,—

Adverting to previous correspondence in regard to the liquidation of ex-enemy property under Article 297 of the Treaty of Versailles, I have the honour, in Sir John Bradbury's absence, to transmit herewith, for Your Lordships' information, a copy of a letter dated the 30th ultimo from the Finance Service of the Reparation Commission, requesting information with a view to the eventual establishment of the credits to be given to Germany under Article 243 (a), as to the probable or actual amounts of any final balances in favour of Germany under Article 296 or Article 297 of the Treaty, throughout the British Empire, India, &c.

Your Lordships will observe the special request which is made by the Finance Service, in pursuance of Article 297 (h), in the case of Egypt.

I shall be glad if I may be favoured in due course with Your Lordships' instructions as to the reply which should be returned to the Finance Service's inquiries.

I would add that I am in agreement with the conclusion arrived at by the Finance Service in the penultimate paragraph of its letter regarding South Africa.

Copies of this letter and of its enclosure have been communicated to His Majesty's Embassy, Paris.

I have, &c.,

B. M. KIMBALL-COOK.

(No. 13/72.)

SIR,—

Reparation Commission, Finance Service, 30th June, 1922.

I am instructed by the Managing Board of the Finance Service to refer to previous correspondence addressed to you with regard to the application of Article 297 (h) of the Treaty of Versailles, in which you were requested to furnish information in respect of the liquidation of ex-enemy property and the amount of its proceeds.

Article 243 of the same Treaty states: "The following shall be reckoned as credits to Germany in respect of her reparation obligations: (a.) Any final balance in favour of Germany under sections 3 and 4 of Part X (economic clause) of the present Treaty."

Under these provisions the Reparation Commission has therefore to credit to Germany—(1) Any final balance in favour of that country arising out of settlement of debts through the Clearing Offices under Article 296 of the Treaty of Versailles; (2) any final balances in favour of Germany resulting from the net proceeds of the liquidation of ex-enemy property dealt with by the Clearing Offices as provided for by Article 297 of the Treaty of Versailles.

In order that the Reparation Commission may be in a position to fulfil its duty under Article 243 (a), I am to request you to furnish the Finance Board with an estimate of the final balance in favour of Germany resulting from the operations of the Clearing Offices in regard to both Articles 296 and 297 (h). Should these operations be already completed, the Board would be glad to obtain a statement showing the actual final balances in question.

It is also requested that the same information be furnished in regard to Australia, New Zealand, Newfoundland, India, and Canada, as well as in regard to colonies, protectorates, and those territories mandated to Great Britain under Article 22 of the Treaty of Versailles.

The Finance Board further points out that in regard to countries not adopting the Clearing Office arrangement under Section III, Part X, the Reparation Commission, has in accordance with the Article 297 (h), to credit to Germany the cash value of ex-enemy property retained by the interested and Allied Governments and not disposed of according to provisions of Article 297 (h) 2—i.e., not applied in payment of claims and debts in respect of damage inflicted upon the property of nationals of the Government in question situated in German territory by the application of German war legislation. The Board understands that this is the case with Egypt, which did not adopt the Clearing Office arrangement.

In regard to the Union of South Africa, which is in the same position, the case has already been explained in the British Delegation's letter of 26th February, 1921. It is recalled that the Reparation Commission decided on 2nd June, 1921, that the action of the Union Government of South Africa did not constitute a retention of the property for which credit should be given to Germany. Unless new factors are brought to the knowledge of the Commission, this decision appears to settle the question with regard to the Union of South Africa in so far as the Reparation Commission is concerned.

I am accordingly to request you to furnish the Finance Board with the estimate of the value of ex-enemy property retained by the Government of Egypt, or, in case the operations of liquidation are now completed, with definite figures showing the value of the property in question which is to be placed to the credit of Germany on Reparation Account.

I am, &c.,

A. ANTONNES.

The National Secretary, British Delegation.