

20. It frequently happens that a New Zealand claimant who originally lodged a claim under Article 296 of the Treaty has ascertained as a result of the investigation of his claim by the German Clearing Office that his correct remedy lies under Article 297. Although time-limits have been imposed within which other claims falling for settlement under Article 297 of the Treaty must be notified to the Clearing Office, no time-limit had been imposed within which claims of this description must be advised.

21. The original claim under Article 296 might be disposed of in the following manner :—

- (a.) By withdrawal by the claimant.
- (b.) By final rejection by the opposing Clearing Office, in which event two positions might arise, namely :—
 - (1.) The claimant might appeal to the Anglo-German Mixed Arbitral Tribunal under Article 296 within the time provided ; or
 - (2.) The claimant might not appeal to the Tribunal under Article 296 and allow his claim to lapse.

22. With a view to securing finality in regard to the claims under Article 297 arising out of claims originally lodged under Article 296, the following periods were suggested in the United Kingdom within which the claims under Article 297 were to be lodged :—

- (a.) Where the claimant withdraws the claim under Article 296, within sixty days from the date of withdrawal.
- (b.) Where the claim has been finally rejected, then—
 - (1.) Where the claimant appeals to the Tribunal under Article 296, a time-limit of sixty days running from the date of the Tribunal's decision or a withdrawal of the claim from the Tribunal by the claimant.
 - (2.) Where the claimant does not appeal to the Tribunal, a period of sixty days from the expiration of the period prescribed for lodging his claim with the Tribunal.

23. After consideration it was decided to adopt the suggestions for application to the New Zealand Clearing Office, with suitable provision on account of the time which necessarily elapses in the transmission of communications between the United Kingdom and the Dominion. The High Commissioner will make the necessary arrangements in this respect.

CLAIMS IN TERMS OF PARAGRAPH 4 OF THE ANNEX TO SECTION IV OF PART X OF THE TREATY OF VERSAILLES.

24. In paragraph 34 of my report for 1925 I referred to the position then existing in regard to claims under the above Treaty provisions. Since that date particulars have been received of an agreement which was entered into between the British and German authorities with a view to expediting the settlement of claims of this description. The agreement provides, briefly, that the facts relating to each ship in regard to which claims have been received shall be jointly investigated by the British and German Government Agents, and offers in settlement of the claims submitted by the German Government Agent at stated proportions according to whether it is agreed that the case falls or does not fall within a category in which the Arbitrator has decided that a claim is entitled to succeed in principle. Provision is further contained in the agreement that where the Government Agents are not in agreement as to whether a ship falls within the principles laid down by the arbitrator, endeavours shall be made to agree upon a proportion of the claim for which an offer of compensation will be made by the German authorities.

25. As a result of an investigation in accordance with the provisions of this agreement, an offer in settlement of the only claim of this description within the control of this Office was received from the German authorities, and it has been accepted conditionally by the claimant.

DECISIONS OF MIXED ARBITRAL TRIBUNALS.

26. I have reprinted hereunder a summary of the recent decisions of the various Mixed Arbitral Tribunals. The summaries are derived from the report of the Legal Adviser to the Central Clearing Office, appended to the last report of that Office. The references to the volumes of the *Recueil des Decisions des Tribunaux Arbitraux Mixtes* have been inserted by me in regard to cases which have been reported in those publications.

27. Immediately following is an extract from the last report of the Controller of the Central Clearing Office, explaining difficulties which have arisen and are likely to arise as a result of conflicting decisions which have been given by the various Divisions of the Anglo-German Mixed Arbitral Tribunal.

“In his summary of the decisions of the Mixed Arbitral Tribunals during the past year, Mr. Chetham Strode, the Legal Adviser to the Department, draws attention to various conflicting decisions of the different Divisions of the Anglo-German Mixed Arbitral Tribunal on points of law. It would be difficult to exaggerate the embarrassment which has been and is being caused to litigants and their advisers and to the Department by this conflict of jurisprudence. The points of Treaty law which have been the subject of varying decisions are vital to the issue in a large number of cases now awaiting trial. Each Division has so far adhered to the decisions which it has already given, and, as such decisions are final and cannot be appealed from, the rights of litigants are largely dominated by the element of speculation, for success or failure may depend solely upon which Division of the Tribunal tries the issue.

“The inconvenience to the Department resulting from this state of uncertainty is twofold. In nearly every case of dispute the advice of the Department is sought by the British party, who is anxious to obtain the view of the Legal Service as to whether a claim by or against him can be successfully pursued or defended before the Tribunal. When, as frequently happens in such a case, the issue is