

AMALGAMATION OF ACCOUNTS UNDER ARTICLES 296 AND 297 OF THE
TREATY OF VERSAILLES.

169. The Treaty of Versailles required Germany to effect cash settlement of any balance owing by her under the clearing system in regard to claims under Article 296. In September, 1922, however, Germany made default in the payments in respect of the Clearing Office operations, and since that time no further payments have been made, with the exception of some small amounts received in 1924. In consequence of the Dawes Report and the Spa Agreement, it became clear that no further payments could be expected from Germany under Article 296 of the Treaty. In terms of this report and agreement comprehensive annuities to cover all claims under the Treaty, including the Clearing Office balances, were collected from Germany. The Allied Governments all held considerable funds resulting from the liquidation of German property, rights, and interests in their territories, and it was apparent that the Reparations Committee would not consent, whilst the proceeds of German property were available in sufficient amounts to meet the Clearing Office obligations, to make, from the amounts paid to it by Germany, any payments on account of the balances owing under Article 296 of the Treaty. As a consequence an agreement regarding Clearing Office matters was negotiated between His Majesty's Government in Great Britain and the German Government, and was adopted by the New Zealand Government as at the 30th April, 1925, with some modifications not applicable to the matters dealt with in this report. One of the provisions of this agreement was for the amalgamation of the accounts under Articles 296 and 297 of the Treaty—that is, the amalgamation of the accounts relating to the claims under Article 296 of the Treaty with the accounts relating to the liquidation of German property mentioned in paragraph 165 above. The effect of this amalgamation is that balances due by Germany under Article 296 of the Treaty are set off against the net proceeds of the realization of German property. The General Liquidation Account with Germany, after giving effect to this amalgamation, is as follows :—

GENERAL LIQUIDATION ACCOUNT WITH GERMANY.

	£	s.	d.		£	s.	d.
Payments in respect of admissions and offers of compensation <i>re</i> claims under Article 297	21,495	18	5	Net proceeds of liquidation of German property rights and interests in New Zealand credited to Liquidation Account, less withdrawals therefrom	266,731	18	8
Interest paid on awards of compensation under agreement of 1st May, 1925		4	6	German claims under Article 296 admitted by New Zealand Clearing Office during period 1st May, 1925, to 31st December, 1929	2,995	17	5
Balance due by Germany as at 30th April, 1925, in respect of Clearing Office transactions under Article 296	2,495	2	6	Cash paid by German Clearing Office during 1924	153	14	9
New Zealand claims under Article 296 admitted by German Clearing Office during period 1st May, 1925, to 31st December, 1929	3,001	7	1				
Balance in favour of Germany carried down	242,884	16	9				
	<u>£269,881</u>	<u>10</u>	<u>10</u>		<u>£269,881</u>	<u>10</u>	<u>10</u>
				Balance in favour of Germany brought down	£242,884	16	9

CLEARING OFFICE DUTIES : PROGRESS REGARDING THE DISPOSAL OF CLAIMS.

170. The claims received for settlement through the New Zealand Clearing Office to date are as follows :—

Claims under Article 296—

	£	s.	d.	Total.
(a) Claims by New Zealand nationals against German nationals	53,034	3	8	
(b) Claims by German nationals against New Zealand nationals	211,408	15	4	

Claims under Article 297—

(c) Claims by New Zealand nationals against the German Government	53,103	8	5	
	<u>£317,546</u>	<u>7</u>	<u>5</u>	