

(c.) *Claims by New Zealand Nationals against Germany under Article 297 of the Treaty of Versailles.*

	£	s.	d.	£	s.	d.
11 claims forwarded to the German Clearing Office through the Central Clearing Office				52,725	1	3
Claims acknowledged in part by the German Clearing Office or established before the Anglo-German Mixed Arbitral Tribunal and credited to the New Zealand Clearing Office	17,584	8	4			
Compensation awarded by the Anglo-German Mixed Arbitral Tribunal either by consent of the parties or in course of formal judgment..	2,189	16	4			
Claims withdrawn in part on acceptance of German offers of compensation or in accordance with judgment of the Mixed Arbitral Tribunal	29,338	17	9			
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				49,113	2	5
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Balance, being five claims under action				£3,611	18	10

The sum of £17,584 8s. 4d. admitted by the German Clearing Office as shown above includes an admission of £16,209 13s. 7d. awarded by the Anglo-German Mixed Arbitral Tribunal in regard to a claim by two New Zealand beneficiaries in an estate in Germany which was sold by the German authorities during the war.

Claims under this heading amounting to £47,436 14s. 8d. have been disposed of either by admission or by withdrawal during the year.

As under the terms of the Treaty payment of compensation awarded against the German Government is postponed in favour of claims in respect of debts and proceeds of liquidations payment in full of compensation is not at present being made except in the case of awards of £50 and under. Claimants who have been awarded sums exceeding £50 receive that amount on account, and are entitled to a dividend of 7s. 6d. in the pound on the balance of their awards. In this matter the practice of the Central Clearing Office is followed by the Dominion Controller.

41. From a perusal of the foregoing figures it will be seen that a substantial proportion of the registered claims has been disposed of either by admission or withdrawal during the period under review. There is, however, ample evidence that considerable delay is still occurring in the German Clearing Office. The Controller of the Central Clearing Office in his last report refers to this delay in the following terms :—

The progress in the work of this Department since the date of my last report has been disappointing. This has arisen from the reluctance of the German Clearing Office voluntarily to admit the claims of British creditors. It was hoped that the German Government would accept as conclusive, decisions of the Mixed Arbitral Tribunal determining questions of principle at issue between the two Departments, and a number of test cases involving such principles were submitted to the Tribunal for adjudication. It was anticipated that the decisions in these test cases would dispose of a large number of outstanding claims to which the same principles applied, but in many cases the German Clearing Office declined to accept these awards as binding upon it in other similar cases, and it was necessary, therefore, to advise claimants to refer all contested cases to the Tribunal. This resulted in seriously congesting the Tribunal's list, and of the consequent delay in adjudicating upon the claims referred to it full advantage was taken by German agents. Claimants were approached and efforts were made to induce them to accept wholly inadequate offers of settlement upon the representation that it would be many years before their cases came on for trial. When these offers were refused the German Clearing Office in many cases maintained its contest until the eve of trial, when it notified this Department that the claim was admitted. This method of procedure not only delayed payment of the claim, but put the claimant to the needless expense of preparing his case for trial.

42. It is to be regretted that it is frequently necessary for this Office to exercise pressure upon alleged debtors in New Zealand in order to obtain replies for transmission to the German Clearing Office. Various reasons are advanced for the tardiness with which these replies are forthcoming. Naturally any delay in dealing with German claims against New Zealand debtors will tend to militate against any representations made to the German Clearing Office for expedition in dealing with claims by New Zealand nationals.

FINAL DATE FOR THE ACCEPTANCE OF CLAIMS UNDER ARTICLE 296 OF THE TREATY OF VERSAILLES.

43. The Central Clearing Office has forwarded through the High Commissioner a translation of an agreement reached in November, 1923, at a Conference of Delegates of the British, Belgian, and French Clearing Offices on the one hand and of the German Government on the other hand, under which the 1st May, 1924, has been fixed as the last date upon which notification of a claim must actually reach the debtor Clearing Office in order to come within the provisions of Article 296 of the Treaty of Versailles. After that date the debtor Clearing Office shall have the right to refuse any new notification of a claim or an increase of the principal amount of claims previously notified whatever may be the date on which the said claims have been notified to the creditor Clearing Office.

44. Claims which have been the subject of a notification to the opposing Clearing Office before the 1st May, 1924, under Article 297 or of a memorial lodged with the Mixed Arbitral Tribunal before that date shall be considered as having been notified to the debtor Clearing Office in due time if the Mixed Arbitral Tribunal decides that the claim the subject of the memorial ought to be settled by the Clearing Office procedure. Notifications which the creditor Clearing Office may make after the 1st May, 1924, regarding a change of debtor or of creditor in a notification made to the debtor Clearing Office before that date shall not be considered as new notifications within the meaning of this agreement.