

of the Annex to Section III. of Part X. of the Treaty, and includes any sum which under the Treaty is to be treated or dealt with in like manner as an enemy debt :

The expression "nationals" in relation to any State includes the subjects or citizens of that State and any company or corporation incorporated therein according to the law of that State and in the case of a Protectorate the natives thereof :

The expression "Custodian" means the Custodian of enemy property appointed under the Trading with the Enemy (Amendment) Act, 1914.

The Interpretation Act, 1889, applies for the interpretation of this Order in like manner as it applies for the interpretation of an Act of Parliament, and as if this Order were an Act of Parliament.

3. This Order shall apply to the whole of His Majesty's Dominions and Protectorates, except the Dominion of Canada, the Commonwealth of Australia (which for this purpose shall be deemed to include Papua and Norfolk Island), the Union of South Africa, the Dominion of New Zealand, Newfoundland, and India, but in its application to the parts of His Majesty's Dominions outside the United Kingdom and to British Protectorates shall be subject to such modifications as may be made by the legislatures of those parts or those Protectorates for adapting to the circumstances thereof the provisions of this Order.

Provided that such of the provisions of this Order as give effect to Section III. of Part X. of the Treaty shall not apply to Egypt.

4. This Order shall come into operation on the date when the Treaty of Peace comes into force, but so much of this Order as relates to Section III. of Part X. of the Treaty and the Annex to that section shall cease to be in operation after the expiration of one month from the deposit of the ratifications of the Treaty by His Majesty, unless in the meantime the notification referred to in paragraph (e) of Article 296 has been given to Germany by His Majesty.

5. This Order may be cited as the Treaty of Peace Order, 1919.

ALMERIC FITZROY.

SCHEDULE.

SECTIONS III. TO VII. OF PART X. OF THE TREATY.

SECTION III.—DEBTS.

ARTICLE 296.

There shall be settled through the intervention of clearing offices to be established by each of the High Contracting Parties within three months of the notification referred to in paragraph (e) hereafter the following classes of pecuniary obligations.

1. Debts payable before the war and due by a national of one of the Contracting Powers, residing within its territory, to a national of an Opposing Power, residing within its territory.

2. Debts which became payable during the war to nationals of one Contracting Power residing within its territory and arose out of transactions or contracts with the nationals of an Opposing Power, resident within its territory,

of which the total or partial execution was suspended on account of the declaration of war.

3. Interest which has accrued due before and during the war to a national of one of the Contracting Powers in respect of securities issued by an Opposing Power, provided that the payment of interest on such securities to the nationals of that Power or to neutrals has not been suspended during the war.

4. Capital sums which have become payable before and during the war to nationals of one of the Contracting Powers in respect of securities issued by one of the Opposing Powers, provided that the payment of such capital sums to nationals of that Power or to neutrals has not been suspended during the war.

The proceeds of liquidation of enemy property, rights, and interests mentioned in Section IV. and in the Annex thereto will be accounted for through the clearing offices, in the currency and at the rate of exchange hereinafter provided in paragraph (d) and disposed of by them under the conditions provided by the said Section and Annex.

The settlements provided for in this Article shall be effected according to the following principles and in accordance with the Annex to this Section :—

- (a) Each of the High Contracting Parties shall prohibit, as from the coming into force of the present Treaty, both the payment and the acceptance of payment of such debts, and also all communications between the interested parties with regard to the settlement of the said debts otherwise than through the clearing offices.
- (b) Each of the High Contracting Parties shall be respectively responsible for the payment of such debts due by its nationals, except in the cases where before the war the debtor was in a state of bankruptcy or failure, or had given formal indication of insolvency or where the debt was due by a company whose business has been liquidated under emergency legislation during the war. Nevertheless, debts due by the inhabitants of territory invaded or occupied by the enemy before the Armistice will not be guaranteed by the States of which those territories form part.
- (c) The sums due to the nationals of one of the High Contracting Parties by the nationals of an Opposing State will be debited to the clearing office of the country of the debtor, and paid to the creditor by the clearing office of the country of the creditor.
- (d) Debts shall be paid or credited in the currency of such one of the Allied and Associated Powers, their colonies or protectorates, or the British Dominions or India, as may be concerned. If the debts are payable in some other currency they shall be paid or credited in the currency of the country concerned, whether an Allied or Associated Power, Colony, Protectorate, British Dominion, or India, at the pre-war rate of exchange.

For the purpose of this provision the pre-war rate of exchange shall be defined as the average cable transfer rate pre-