

given, together with the particulars required by that clause to the Controller of the Local Clearing Office

2. For the purposes of this Order—

The expression "enemy debt" has the meaning assigned to it by paragraph 2 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 "British national in India" includes any person who being a British national resides or carries on business in India and any subject of a State in India:

The expression "Custodian" means a Custodian of enemy property appointed under the Indian Enemy Trading Act, 1915, the provisions of which Act in regard to Custodians are hereby continued for the purposes of this Order.

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 India and shall come into operation at once.

4. The Governor-General in Council may, by notification in the *Gazette of India*, provide by regulations for all matters incidental to or consequential on the provisions of this Order and in particular may make regulations for the purpose of enforcing the charge created by this Order and for making such arrangements as may be required for establishing and assessing the claims and debts for the payment of which the property charged is rendered liable and for payment in whole or in part of the sums due.

5. This Order may be cited as the India Treaty of Peace Order, 1920

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 (c) 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 pay-

ment 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 prevailing in the Allied or Associated country concerned during the month immediately preceding the outbreak of war between the said country concerned and Germany.

If a contract provides for a fixed rate of exchange governing the conversion of the currency in which the debt is stated into the currency of the Allied or Associated country concerned, then the above provisions concerning the rate of exchange shall not apply.

In the case of new States the currency in which and the rate of exchange at which debts shall be paid or credited shall be deter-