

### **Claim Categories**

It is rarely if ever possible to reach complete agreement on the validity and valuation of all the claims in question, and sooner or later the two sides recognize three categories of claim. The first are those that, after an exchange of information, prove to be insupportable; the second, those which appear to be valid; and the third, those on which there is agreement to disagree. This last category -- always the largest -- involves such matters as differences of view over legal and beneficial interests, the effective date of nationalization in relation to the date of acquisition of Canadian citizenship, and the effect of non-compliance with domestic legislation in the state concerned.

There comes a time, however, when the other side has pretty well exhausted its repertoire of arguments and has established in its own mind what it is prepared to pay. At this stage, the negotiations take on a political colouration and the whole spectrum of relations between the two states becomes relevant. It is at this time also that a number of other Canadian Government departments become more closely connected with the negotiations, including, in particular, the Department of Finance and the Department of Industry, Trade and Commerce. In point of fact, the final settlement serves to reflect the state of relations between the two states rather than the legal merits of the claims themselves.

In addition to such lump-sum claims settlements, the Claims Section of the Legal Division concerns itself with particular claims when espousal by the Canadian Government is appropriate under international law.