

certain restrictions resulted in considerable adverse criticism being levied against the Government and the Public Trust Office, which was considered to be acting as agent for enemy subjects. One of the duties cast on the Public Trustee was that of the collection of debts due to the company. Even when definite assurance was given that such moneys would not be permitted to reach the enemy countries, many debtors strongly objected to making payment, and evidently considered that they should have had the use of such moneys during the war. It was necessary for the Public Trustee to take legal proceedings for the recovery of several outstanding debts due to the company. (See also paragraph vii *infra*.)

(iv.) *Extension of Power to appoint the Public Trustee as Controller.*—Under the War Regulations dated the 3rd April, 1916, the power of the Attorney-General to appoint the Public Trustee as Controller of incorporated companies was extended to include any company or firm whatsoever if the Attorney-General was satisfied that the exercise of this power was advisable by reason of the existence of any interest or control possessed or exercised in regard to that business by an enemy, or by an alien enemy, or by an enemy company (paragraph 29). This paragraph was revoked on the 11th May, 1916, when amended regulations were issued.

The amended regulations provided that if the Attorney-General was satisfied that any company, firm, or person carrying on business in or out of New Zealand was carrying on such business exclusively, or to a substantial extent, for the benefit or under the control of alien enemies resident out of New Zealand, or of an enemy company, or was engaged in any business communication or undertaking injurious to the interests of His Majesty in respect of the war, he might by notice in the *Gazette* declare such first-mentioned company, firm, or person to be an enemy (paragraph 20 (a)). All lists of declared enemies under this provision have been revoked. This power was revoked as from the 6th October, 1920, by the War Regulations Continuance Act, 1920 (section 8).

The War Regulations dated the 2nd May, 1916, provided that if the Attorney-General was satisfied with respect to any company incorporated in New Zealand that any enemy, or any enemy company, or any alien enemy (other than one who was also a natural-born British subject) possessed or exercised any substantial interest or control in or over any company, the Attorney-General might by notice in the *Gazette* declare such first-mentioned company to be an enemy (paragraph 10 (1)). This regulation was revoked as from the 6th October, 1920, by the War Regulations Continuance Act, 1920.

(v.) *Change of Policy regarding Enemy Companies.*—On the 11th May, 1916, further regulations were issued revoking the regulations dated the 25th November, 1914, and authorizing the Attorney-General to appoint the Public Trustee as Controller of the business of any company, firm, or person declared to be an enemy (paragraph 11 (1)). The powers and duties of the Public Trustee were amended so as to permit the carrying-on of the business only so far as the Controller deemed necessary for the winding-up of such business and the realization of the assets thereof.

In accordance with the amended practice of the Imperial Government the general policy of the New Zealand Government was changed, and the foregoing regulations were issued to give effect thereto. The primary object of the Government in declaring firms and companies to be enemies within the War Regulations was to suppress as quickly and completely as possible all business which was being carried on in New Zealand for the benefit of alien enemies resident outside New Zealand.

(vi.) *Appointment of Public Trustee as Controller of several Enemy Firms.*—On the 15th May, 1916, the Public Trustee was appointed by the Attorney-General as Controller of the undermentioned companies, firms, or persons in pursuance of the War Regulations dated the 11th May, 1916: Markwald, Son, and Ross; G. Hardt and Co.; Eugene Schroeder; Rhodius and Co. (Limited); Continental C. & G. Rubber Company (Limited).

(vii.) *Winding-up of Enemy Companies.*—In winding up such enemy companies the Public Trustee was directed to use every endeavour, as far as was consistent with the main purpose, to avoid any action which would amount to confiscation or would cause unnecessary pecuniary loss to the persons concerned. On the 19th May, 1916, the manager of the Continental C. & G. Rubber Company (Limited) was notified that its business was to be wound up within three months from that date, and that to secure the rapid disposal of the stock he was authorized to make such reductions in price as might be reasonably thought necessary for that purpose. The enemy companies were instructed to cancel by cable all overseas orders which had not been shipped. Goods or shipments in transit were disposed of on their arrival in New Zealand. In the majority of cases very satisfactory prices were realized. The amounts received from enemy businesses have been held in the Common Fund of the Public Trust Office. The Public Trustee was authorized to pay the capital due to partners of British nationality after the debts due by such firms had been paid. The following table sets forth the receipts and amounts disposed of on behalf of enemy companies:—

Firm.	Total Receipts to 31st March, 1921.			Debts and Expenses of Liquidation.			Balance at Credit, 31st March, 1921.		
	£	s.	d.	£	s.	d.	£	s.	d.
Continental C. & G. Rubber Company (Limited) ..	104,919	0	4	13,994	10	10	90,924	9	6
Hardt and Co.	20,448	17	1	2,982	10	0	17,466	7	1
Markwald, Son, and Ross	6,154	15	7	2,209	10	9	119	0	0
Capital refunded				3,826	4	10			
Rhodius and Co. (Limited)	37	10	3	2	5	2	35	5	1
	131,560	3	3	23,015	1	7	108,545	1	8