

reason to dispose of such goods, the Attorney-General was empowered by the War Regulations dated the 24th July, 1916, to authorize the Public Trustee as Custodian of Enemy Property to take possession of such goods or merchandise and to sell the same (paragraph 17). The Enemy Property Regulations dated the 5th August, 1919, empowered the Attorney-General, by order signed by him and gazetted, to vest any enemy property in the Custodian of Enemy Property, and the Attorney-General might direct the Public Trustee to sell the same (paragraph 18). The above powers of sale have been continued in force by the War Regulations Continuance Act, 1920.

(vi.) *Disposal of Proceeds of Enemy Goods.*—The New Zealand Treaty of Peace Order, 1920, vests all moneys received from the sale of such enemy property in the Public Trustee in trust for His Majesty, to be dealt with and disposed of in accordance with the provisions of the Peace Treaties (paragraphs 30 and 32).

#### 4. REGISTRATION OF ENEMY PROPERTY IN NEW ZEALAND.

In order that the Government of New Zealand might be in possession of accurate information regarding the amount of enemy property in New Zealand, the War Regulations dated the 3rd April, 1916, required every person who, on the coming into operation of those regulations, held or had the possession, management, or control of any enemy property to communicate the fact, together with full particulars of such property, to the Custodian of Enemy Property at the Public Trust Office, Wellington. Considerable work was involved in recording the information received. The definition of "enemy" for the purpose of these regulations was wide, and included the following classes:—

- (a.) All persons, firms, or companies resident or carrying on business in enemy territory (Trading with the Enemy Proclamation of the 9th September, 1914).
- (b.) Persons and bodies of persons of enemy nationality resident or carrying on business in China, Siam, Persia, Morocco, Liberia, or Portuguese East Africa (subsequent Proclamations).
- (c.) Named persons, firms, or companies with whom correspondence, and therefore trading, was prohibited by the Postmaster-General under clause 2 of the War Regulations of the 17th December, 1914.
- (d.) Persons, firms, or companies declared by name to be enemies under the War Regulations of the 3rd April, 1916, by notice gazetted by the Attorney-General.

A similar provision directing that every person who held any enemy property should communicate the fact to the Custodian of Enemy Property on or before the 1st September, 1919, was contained in the Enemy Property Regulations dated the 5th August, 1919. For the purpose of these regulations a narrower meaning was given to the term "enemy." Both of the above provisions have been continued in force by the War Regulations Continuance Act, 1920.

#### 5. COLLECTION OF ENEMY MONEYS BY CUSTODIAN OF ENEMY PROPERTY.

(i.) *Income due to an Alien Enemy.*—In pursuance of paragraph 11 of the War Regulations dated 3rd April, 1916, the Public Trustee as Custodian of Enemy Property collected all rents, dividends, interest, shares, profits, or other income owing or payable to an enemy, or to any person on behalf of an enemy, by any person in New Zealand, of which notification had been given in pursuance of these regulations.

(ii.) *Money other than Income due to an Alien Enemy.*—Paragraph 12 of the foregoing regulations empowered the Custodian of Enemy Property to collect all moneys due and payable to an enemy other than income (see (i) *supra*) if the Custodian of Enemy Property considered it expedient in the public interest. As a general rule all amounts due to enemy firms or persons were collected by the Custodian of Enemy Property; and in many cases time for payment was given, as it was not considered desirable to force any company into liquidation or to cause serious financial embarrassment to a New Zealand trader in regard to the collection of such moneys. Similar powers, with certain restrictions and modifications, were contained in the Enemy Property Regulations dated the 5th August, 1919.

#### 6. SEQUESTRATION AND DISPOSAL OF ENEMY SHARES.

(i.) *Sale of Enemy Shares.*—As it was considered desirable in the public interest to eliminate all enemy interests from companies incorporated in New Zealand, the War Regulations issued on the 2nd May, 1916, provided that if the Attorney-General was satisfied that any share in a New Zealand company belonged at law or in equity to an enemy, or to an enemy company, or to an alien enemy (other than a natural-born British subject) the Attorney-General might, by order signed by him and published in the *Gazette*, order and declare that such shares should vest in the Custodian of Enemy Property. The Public Trustee was required, as soon as reasonably practicable after the vesting in him of any such shares, to sell them. On the 28th August, 1916, a further provision was made that no sale should take place without the consent of the Attorney-General. Vesting orders as to enemy shares in the Drapery and General Importing Company of New Zealand (Limited) and in Hallenstein Bros. (Limited) were published in the *New Zealand Gazette* on the 13th September, 1916, page 2991. Small parcels of shares in a number of other New Zealand companies have also been sold from time to time in accordance with the above regulations.

(ii.) *Power of a Company to purchase its own Shares which belonged to an Alien Enemy.*—On the 24th July, 1916, special provision was made that where shares in a company had been vested in the Custodian of Enemy Property in pursuance of the foregoing regulations, it should be lawful for the company to buy such shares and to become registered as the owner thereof, and to resell such shares, anything in any Act or in the constitution or regulations of the company to the contrary notwithstanding.