

10. *Action required by the Treaty of Peace Order, 1920.*—The necessary powers for retaining and liquidating enemy property in New Zealand in accordance with the various Treaties of Peace are contained in Part II of the Treaty of Peace Order, 1920, and its amendments. It is declared therein that all moneys in the hands of the Public Trustee as Custodian of Enemy Property are vested in the Public Trustee in trust for His Majesty, and that such moneys and property so vested are to be retained and liquidated in accordance with the provisions of the treaty. This right to retain and liquidate enemy property in New Zealand may be exercised at the discretion of the New Zealand Government, which has decided as a matter of policy to follow as a general rule the practice of the Imperial Government in connection with similar cases in the United Kingdom. In regard to the amounts collected in pursuance of the War Regulations, the principal actions required to be taken by the Public Trustee may be stated as follows :—

- (1.) To peruse carefully all papers relating to each case to ascertain whether there are reasonable grounds for suspecting that the owner is not of former enemy nationality, or that there are any special factors on account of which it may not be desirable to retain and liquidate such property.
- (2.) In cases where there is any doubt concerning the ownership of the property, to take such action as may be necessary to ascertain the facts.
- (3.) If there are no special reasons why the property should not be credited (and the onus of proof is on the person seeking to establish grounds for the release of the property), the amount is credited to the German Liquidation Account, or the Liquidation Account of the appropriate other former enemy Power, on a schedule containing the name and address of the enemy owner, a short description of the property for identification purposes, the gross proceeds, the expenses and commission of the Custodian of Enemy Property, the amount (if any) released for direct payment to the owner, and the net amount carried to the credit of the German Liquidation Account.

RELEASE OF PROPERTY OF PERSONS WHO HAVE ACQUIRED THE NATIONALITY OF AN ALLIED OR ASSOCIATED POWER UNDER ONE OF THE PRINCIPAL TREATIES OF PEACE.

11. The Treaties of Peace with Germany and Bulgaria expressly stipulate that the term “national” as used in connection with the right to retain and liquidate property as mentioned in the foregoing paragraph does not include any person who acquires *ipso facto* under the provisions of the treaty the nationality of an Allied or Associated Power—e.g., an inhabitant of Alsace-Lorraine. In the case of Austria and Hungary the term “national” does not include any person who within six months of the coming into force of the respective Treaties of St. Germain and Trianon shows that he has *ipso facto* acquired in accordance with the provisions of those treaties the nationality of one of the new States, or of any State receiving territory which was formerly part of Austria-Hungary.

12. As regards New Zealand, very few applications on the foregoing grounds for the release of property in New Zealand have been received, but the Administrator of Austrian Property, London, reports that between three and four thousand property-owners have lodged claims with him for the release of their property on the ground that they have acquired Czecho-Slovak, Serb-Croat-Slovene, Polish, Roumanian, or Italian nationality. In order to review these claims, and to detect any fraudulent attempts to obtain the release of property on fictitious grounds, the Administrator has found it essential to create a special Nationality Section, acting under the supervision of experienced and trained lawyers, for the purpose of carefully scrutinizing the evidence on which these claims are based. In all cases where property in New Zealand has been released under this heading the claimants have supplied to the satisfaction of the British authorities proofs of the acquisition of Allied or Associated nationality. The following paragraph, taken from the first report of the Administrator of Austrian Property (p. 17), shows the necessity for the exercise of special care in this connection :—

It is a matter of common knowledge that, between the date of the Armistice and before and even after the signature and ratification of the Treaty, a large number of Austrians whose right to citizenship were located in German Austria purported to acquire rights in transferred territory, and by virtue of these recently acquired rights they are now attempting to establish claims to the release of property here. These claims are being resisted, and it is expected that the inquiries and investigations of the Nationality Section will result in preservation of property to which it was intended that British and Allied nationals should be entitled to look for satisfaction of their claims.

RELEASE OF PROPERTY HELD UNDER THE PROVISIONS OF THE WAR REGULATIONS.

13. *Persons of British, Allied, or Neutral Nationality.*—In order to prevent any remittances being forwarded from New Zealand which might inure to the assistance of a former enemy Power, the War Regulations defined “alien enemy” so as to include all persons who were resident in enemy territory, irrespective of their nationality. In accordance with the War Regulations dated 3rd April, 1916, the Public Trustee, as Custodian of Enemy Property, collected moneys belonging to persons resident in the former enemy territory who have now supplied satisfactory evidence that they are of British, Allied, or Neutral nationality. In such cases a summary of the position is submitted to the Hon. the Attorney-General in order that he may formally authorize the release of the property.

14. *Persons destitute of Nationality.*—It is possible that prior to the outbreak of war a former German national may have lost his German nationality without acquiring the nationality of any other country. It was held by Mr. Justice Russell in the Chancery Division of the High Court of Justice, in the case of *Stoeck v. The Public Trustee and Attorney-General* (1921, II Ch. 67), that a denaturalized German was not a German national within the meaning of the Treaty of Versailles as regards the retention and liquidation of property. Several applications for the release of property in New Zealand have been received under this heading.