

REPORT.

To the Hon. the Attorney-General, Wellington.

SIR,—

I have the honour to submit my Fourth Report on Enemy Property in New Zealand, which sets forth the work performed during the year ended 31st March, 1924, in connection with the realization of enemy property in New Zealand, and the disposal of claims lodged by or against British nationals resident in New Zealand for settlement in accordance with the Clearing Office procedure laid down in the various Treaties of Peace.

2. In my last report (H.-25, 1923) I expressed the opinion that, in view of the complicated nature of many of the outstanding claims and the long delays which were unfortunately occurring in the receipt of replies from the German Clearing Office, a lengthy period would elapse before the final settlement of all matters would be reached. From the results achieved during a further twelve months I see no reason to expect finality for at least another two or three years. While, as might reasonably have been anticipated, the volume of business to be transacted from day to day has shown a slight tendency to decrease, the problems arising for consideration and decision have proved to be of increasing difficulty.

3. It is pleasing to report that as regards the manner in which these special duties have been discharged there has been an entire absence of serious complaint. It is true that cases have arisen where some measure of hardship undoubtedly exists, but it is inevitable that the operation of such far-reaching provisions as the economic clauses of the Treaties of Peace while conferring immense benefit on the general business community should have the effect of placing some individuals in a less favourable position than if the provisions had not been incorporated in the law of the Dominion.

4. It will be readily realized how necessary it is for great care and skill to be exercised in those cases where losses have been incurred owing to the extraordinary conditions arising from the Great War, and how much difficulty is being experienced in determining whether under the expressed or implied terms of a particular contract the loss properly falls on, say, the German exporter or on the New Zealand consignee. In these and similar cases where the matter is not free from doubt it is the practice of this Office to advise the New Zealand firms concerned to consult their solicitors in regard to the preparation of the letters of contest for transmission through this Office to the German Clearing Office.

5. In order that the interests of New Zealand nationals may be adequately protected this Office has taken considerable trouble to bring to the knowledge of the New Zealand parties all the relative information which this Office may have gained while dealing with similar cases. For the most part this Office merely acts as a channel of communication and settlement, and consequently is unable to accept responsibility for any action which may be taken by the New Zealand national concerned. In accordance with requests originating in this Office the Controller of the Central Clearing Office and the Custodian of Enemy Property for the United Kingdom, who have had an unrivalled experience in all matters relating to enemy property and the clearing-office procedure, have supplied from time to time explanations and opinions which have proved of great value to this Office and to the New Zealand nationals concerned.

6. Letters of appreciation have been received from several firms and persons regarding the assistance received from this Office in the protection or enforcement of their interests. It is extremely satisfactory to record that in the main it has not been necessary to change the general procedure adopted on the establishment of the New Zealand Clearing Office when so many matters were surrounded by doubt and uncertainty. Of course, experience and decisions by the Courts and by the Mixed Arbitral Tribunals have shown that many modifications of the original views are necessary, and, like any other branch of law, there has been a gradual development of guiding principles, together with the inevitable special exceptions.

7. From the preceding table of contents it will be seen that the subject-matter of this report has been arranged under the following three main headings :—

- (I.) Realization and Disposal of Enemy Property in New Zealand.
- (II.) Settlement of Claims by or against British Nationals Resident in New Zealand.
- (III.) Miscellaneous.

In Part I a summary has been given of the action taken in connection with the registration and realization of enemy property in New Zealand in pursuance of the various War Regulations and the final disposal of the proceeds of such property in accordance with the terms of the various Treaties of Peace.

Part II deals with the settlement of claims between British nationals resident in New Zealand and German nationals resident in Germany which have been lodged for settlement through the New Zealand Clearing Office established in pursuance of Article 296 and the Annex thereto of the Treaty of Versailles. The position in regard to claims by and against Austrian, Hungarian, and Bulgarian nationals is also given.

Part III contains those matters of general interest and importance which could not be conveniently dealt with under the first two headings.

PART I.—REALIZATION AND DISPOSAL OF ENEMY PROPERTY IN NEW ZEALAND.

8. *Collection of Enemy Moneys and Realization of Enemy Property in pursuance of the War Regulations.*—For an outline of the steps taken during the war period in connection with the control and liquidation of enemy property in New Zealand reference should be made to my first report (H.-25, 1921), in which has been described at some length the duties imposed on the Public Trustee by the War Regulations issued under the War Regulations Acts of 1914 and 1916 and the amendments thereto, together with the action taken thereunder.