

Payment of moneys and delivery of chattels by the Public Trustee to foreign Consuls on behalf of foreign subjects residing outside of New Zealand.  
 Conditions of sale where the Public Trustee sells as mortgagee and the mortgagor is in possession.  
 Acceptance of rent after service of notice to quit.

#### CONTROL AND DISPOSAL OF ENEMY PROPERTY.

43. As stated in my previous reports, these matters are dealt with at length in special reports presented to Parliament (H.-25, 1921, 1922, 1923, 1924). The duties imposed upon the Public Trustee in this connection fall under two headings, viz. :—

- (1.) The settlement under the Clearing Office procedure established under Article 296 of the Treaty of Versailles of pre-war debts between British nationals resident in New Zealand and German nationals resident in Germany ;
- (2.) The control and liquidation of the property in New Zealand of nationals of all the ex-enemy States with the exception of Turkey.

Dealing first with the duties performed by the Public Trustee as Controller of the New Zealand Clearing Office (settlement of pre-war debts), it may be explained that the bulk of the outstanding matters comprise the settlement of claims lodged by German nationals against British nationals resident in New Zealand. These claims do not admit of speedy finalization for the reason that Article 296 of the Treaty of Versailles, which governs the Clearing Office procedure, does not contain any provision by which the Clearing Offices can compel the parties to a claim to submit it for final adjudication to the Anglo-German Mixed Arbitral Tribunal. Thus many German claims have been contested by the New Zealand Clearing Office upon grounds which are considered to be valid, but the German claimants, either through neglect or because they may still consider the claims valid, have failed to withdraw them. Under the present system there is no compulsory procedure for securing the final disposal of these claims, and for this reason the progress made in clearing the outstanding claims is somewhat slower than would otherwise be the case.

However, negotiations are now in train for the purpose of clothing the Clearing Offices with the right finally to reject claims lodged by the opposing Clearing Offices, thus making it necessary for a claimant to prosecute, within a limited time, the claim before the Mixed Arbitral Tribunal or to forgo it. Should these negotiations reach a satisfactory conclusion it is anticipated that the bulk of the outstanding claims will have been disposed of before my next report is presented.

Notwithstanding the difficulty to which I have referred, good progress has been made during the past year towards disposal of the Clearing Office claims, which have been reduced during that period from a total of £101,955 to £35,750.

Turning to the subject of the control and liquidation of the property in New Zealand of ex-enemy nationals, I am able to report that the end of the duties imposed upon the Public Trustee in this connection is now approaching. With the exception of three estates in which there are outstanding assets in the shape of mortgages or balances of purchase-money which have been running on as overdue under the moratorium or are not yet due and payable, all the property in New Zealand in which ex-enemy nationals have absolute interests has been realized. Practically the only ex-enemy interests not yet converted comprise life interests or reversionary interests in trust estates. It has not yet been found possible to formulate a satisfactory method of realizing these interests.

All property realized has been credited to the appropriate liquidation account, except where contingencies affecting the property have yet to be determined, or where applications by persons interested for the compassionate release of their property are awaiting a final decision. Litigation is pending in one case where the Custodian's right to the property is disputed.

A further report covering the work done during the year ended 31st March, 1925, will be presented to Parliament by the Hon. the Attorney-General, under whose direction the Public Trustee acts in carrying out the special duties associated with the Clearing Office procedure and the control and disposal of enemy property.