

No. 14.

New Zealand, No. 93.

SIR,—

Downing Street, 12th May, 192

With reference to Your Excellency's despatch, No. 259, of the 3rd October, 1927, I have the honour to state that Dr. A. W. Hill has asked that an expression of his thanks may be conveyed to your Prime Minister and to all those in New Zealand who carried out the excellent arrangements by which he was able to see so much that was of value during his recent visit. Dr. Hill is very grateful for the interest which was taken in his mission.

I have, &c.,

L. S. AMERY.

Governor-General His Excellency General Sir C. Fergusson, Bart.,

LL.D., G.C.M.G., K.C.B., D.S.O., M.V.O., &c.

No. 15.

New Zealand, No. 99.

SIR,—

Downing Street, 23rd May, 1928.

With reference to my telegram, Circular A No. 12, of the 26th March, I have the honour to transmit, for the information of His Majesty's Government in New Zealand, the accompanying copies of a Memorandum on Financial Resolution relating to Naval Prize (Transfer of Fund), (Cmd. 3089); together with copies of the House of Commons Official Report of the 7th May containing the debate on the Resolution (columns 126–146).

I have, &c.,

L. S. AMERY.

Governor-General His Excellency General Sir C. Fergusson, Bart.,

LL.D., G.C.M.G., K.C.B., D.S.O., M.V.O., &c.

Enclosure.

NAVAL PRIZE: MEMORANDUM ON FINANCIAL RESOLUTION.

THE Naval Prize Act, 1918 (8 & 9 Geo. V, c. 30), provided (*inter alia*) (1) that, if His Majesty should be pleased by Proclamation or Order in Council to make a grant of prize-money to the Fleet, the sums received in respect of ships and goods captured during the Great War, being droits of the Crown, should be paid into a separate fund to be called the Naval Prize Fund and to be controlled by the Admiralty; (2) that, subject to costs, expenses, &c., the first charge on the Naval Prize Fund should be the payment of prize-money to the Fleet in such manner as might be determined by Proclamation or Order in Council; (3) that the residue of the Fund should be applied to the purpose of Naval charities and for the benefit of members and dependants of members of the Naval Forces of the Dominions; (4) that a tribunal should be set up to determine what sums should be payable into or out of the Naval Prize Fund in accordance with the provisions of the schedule to the Act.

II. His Majesty, by His Proclamations of 15th August, 1918, was pleased to make a grant of prize to the Fleet, to be dealt with in accordance with the above Act, and by a Proclamation of 10th of February, 1919, to order prize-money to be distributed to those qualified by service on a share basis laid down.

III. The main function of the tribunal was to determine which prizes were droits of Admiralty (which are payable to the Exchequer) and which were droits of the Crown, and as such payable into the Naval Prize Fund.

Distributions of prize-money have been made, and the work is substantially completed; it is desirable, therefore, that the Prize Tribunal and the Prize Fund should be closed down, and that any other contingent liabilities outstanding against the Fund should be transferred to the Exchequer. A considerable amount of administrative trouble and expense would thereby be saved, and, subject to provision being made to meet such contingent liabilities, there appears to be no reason why that step should be longer deferred.

The Treasury and the Admiralty have agreed that the sum of £126,500 will be sufficient to meet any such contingencies, and that this amount should accordingly be transferred from the Prize Fund to the Exchequer.

IV. It is proposed to introduce legislation to provide for the dissolution of the tribunal and for the custody of its records, &c., to authorize the agreement arrived at between the Admiralty and the Treasury, and to effect the consequential amendments of the Naval Prize Act, 1918.