

REPORT.

To the Hon. the Attorney-General, Wellington.

SIR,—

I have the honour to submit a report on the work performed during the year ended 31st March, 1922, in connection with the duties imposed on the Public Trustee as Custodian of Enemy Property and as Controller of the New Zealand Clearing Office. In my last report (H. 25, 1921) made under the above heading a comprehensive survey was supplied of the general development of the policy of the Government in connection with the registration, control, and disposal of enemy property in New Zealand, and of the procedure adopted in accordance with the provisions of the various Treaties of Peace for the settlement of debts between British nationals resident in New Zealand and the nationals of former enemy States.

2. In order that the general trend of the work carried out during the period under review may be more readily understood, it is necessary to refer briefly to many of the matters which are explained in greater detail in my previous report. Although every effort is being made to bring this work to a conclusion at the earliest possible date, it is apparent that in many cases final action cannot be taken until further information or documents are received from the German Clearing Office in response to requests made by this Office.

3. In some cases several communications between the German Clearing Office and the New Zealand Clearing Office will probably be involved before the items concerned can be adjusted in terms of the Treaty. Before action can be taken in certain other cases it is necessary to wait until particulars come to hand of the policy adopted in the United Kingdom in regard to certain special classes of property, rights, or interests of enemy nationals. After carefully considering the present position I am of the opinion that this work will not be concluded for at least another two years, although it is reasonable to expect that the present volume of correspondence, both inwards and outwards, will shortly decrease.

4. The special powers and duties conferred or imposed on the Public Trustee are now contained in the Act and in the Orders in Council mentioned below :

(a.) The War Regulations Continuance Act, 1920.

(b.) Treaty of Peace Order, 1920, and the Treaty of Peace Amendment Order, 1922.

5. For the purpose of convenience this report has been divided into two main parts, as follows :—

Part I, which contains a summary 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 as required by Part II of the Treaty of Peace Order and its amendment.

Part II, which contains a brief account of the procedure adopted in connection with the settlement of debts and claims between British nationals resident in New Zealand and German nationals resident in Germany, together with a statement of the position regarding the debts due by or to the nationals of the other ex-enemy Powers.

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

6. During the war period various regulations were issued under the War Regulations Act, 1914, and its amendments, empowering the Public Trustee as Custodian of Enemy Property to exercise supervision over enemy property in New Zealand, and, where deemed necessary, to collect the amounts due to all persons and firms resident in enemy territory, and to realize the property of enemy subjects, in order that the transmission of such moneys out of New Zealand might be prevented, and in this way effectively block any financial aid reaching the enemy from sources in the Dominion. The various provisions under which action has been taken are set forth briefly in the following paragraphs.

SUPERVISION AND LIQUIDATION OF ENEMY FIRMS.

7. In pursuance of the War Regulations dated 25th November, 1914, the Attorney General, by warrant dated 28th November, 1914, appointed the Public Trustee as controller of the Continental C. & G. Rubber Company (Limited). The above-mentioned regulations did not require the Public Trustee to wind up this business over which he had been appointed controller, although he had power to do so if such a course was considered desirable.

8. Amended regulations were issued on the 11th May, 1916, under which the Public Trustee was appointed by the Attorney-General as controller of the undermentioned companies, firms, or persons : Markwald, Son, and Ross ; G. Hardt and Co. ; Eugene Schroeder ; Rhodius and Co. (Limited) ; Continental C. & G. Rubber Company (Limited). Under the new regulations the powers and the duties of the Public Trustee were amended so as to permit the carrying-on of the business only so far as he deemed necessary for the winding-up of such business and the realization of the assets thereof. A complete statement of the steps taken to realize the assets of these firms is contained in paragraph 2 (i) to (vii) of my previous report, which was laid on the table of the House of Representatives in September last.