

The chief work has consisted in the disposal in accordance with the terms of the Treaty of Peace of the enemy property seized and liquidated under the war legislation of New Zealand, and the settlement of debts between British nationals resident in New Zealand and German nationals resident in Germany. These matters are governed by Articles 296 and 297 of the Treaty of Versailles. The latter article provides that the proceeds of property in New Zealand belonging to enemy nationals may be retained and liquidated by the Government. The amounts so derived are liable for the payment of debts substantiated by British nationals against Germans, and any balance remaining will be set off against the amounts due by Germany as war reparations.

Article 296 sets up the necessary machinery for the settlement of debts between subjects of the late belligerents. Direct settlement of such debts is forbidden. All such transactions must be dealt with by the Clearing Offices set up in each country under the terms of the treaty.

The New Zealand Clearing Office transmits to Germany claims submitted by British nationals resident here against German nationals. It also receives from the German Clearing Office claims by Germans against British nationals resident in New Zealand. The proof and adjustment of such debts is a matter of great complexity and difficulty, and it will probably be some considerable time before the work can be completed. In the meantime immediate payment is made by the Controller to any person in New Zealand who establishes his claim against a German national. In the same way the Controller immediately collects from New Zealand debtors any claims established against them by German nationals.

A further report dealing fully with the work of the New Zealand Clearing Office during the year just closed will be presented to Parliament by the Hon. the Attorney-General during the present session.

ADMINISTRATION OF ESTATES.

47. During the year a total of 2,450 new estates came into the Office. The estates were of the following classification :—

Wills estates	..	..	..	..	..	707
Trust estates	..	..	..	..	..	197
Intestate estates	..	..	..	..	..	612
Mental patients' estates	..	..	..	..	..	350
Miscellaneous	..	..	..	..	..	584

2,450

The estates closed during the year numbered 2,259. In the case of no less than 461 of these estates the administration was completed in the year in which the estate was accepted by the Office.

In deciding as to the realization of assets the Public Trustee is guided by the wishes of the beneficiaries, the state of the property-market, and the circumstances of the particular estate. Where beneficiaries desire properties to be held, or where the markets are unfavourable, the Public Trustee is often enabled to arrange finance from the Office funds and thus avoid forced or unprofitable realizations. In other cases, however, early realization is desired by beneficiaries, and the promptitude in the completion of the administration and the distribution of available funds in such cases has been the subject of favourable comment on the part of those interested.

48. On the 31st March, 1923, there were 9,779 estates under administration. These are classified as follows :—

	Number of Estates.				Value of Assets. £
Wills estates	..	..	..	2,169	5,950,704
Trust estates	..	..	..	1,848	5,287,187
Intestate estates	..	..	..	2,018	1,384,200
Mental patients' estates	..	..	..	1,077	1,274,694
Miscellaneous	..	..	..	2,667	15,008,013
Totals	..	..	..	9,779	£28,904,798