REPORT.

To the Hon. the Attorney-General, Wellington.

SIR,—

I have the honour to submit my Seventh Report on Enemy Property, setting out the work performed during the year ended 31st March, 1927, in connection with the realization of ex-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 established under the provisions of Article 296 of the Treaty of Versailles, or in accordance with the provisions of Article 297 of that treaty.

2. There have been few developments of particular interest during the past year, and, in view of the fact that the bulk of the work has now been disposed of, it is not anticipated that there will be many developments of note in the future. The statistics published in the appendix to this report indicate that only a very small proportion of the Clearing Office claims now remain outstanding; also that the ex-enemy property still remaining to be disposed of is comparatively small in extent and value. In view of the various circumstances affecting these matters, early finality in regard to the outstanding matters cannot be anticipated.

3. The present report, it will be observed, is, apart from extracts of decisions of the Anglo-German Mixed Arbitral Tribunal, largely confined to statistics in regard to the duties imposed upon the Public Trustee. In future, therefore, it is proposed, with the Hon. the Attorney-General's approval, to discontinue the preparation of a special report for submission to Parliament. A survey of the position in regard to this work will, however, be included in the annual reports upon the working of the Public Trust Office presented to Parliament.

4. The report is set out in substantially the same manner as last year's report.

REALIZATION AND DISPOSAL OF EX-ENEMY PROPERTY IN NEW ZEALAND.

AMOUNT CREDITED TO THE GERMAN LIQUIDATION ACCOUNT BY THE NEW ZEALAND CLEARING OFFICE.

5. The amount credited up to 31st March, 1927, to the German Liquidation Account in respect of German property rights and interests in the Dominion retained and liquidated in accordance with Article 297 of the Treaty of Versailles is £249,856 4s. 7d. Credits totalling £1,451 10s. have been withdrawn from the Liquidation Account, leaving a net amount credited of £248,404 14s. 7d. During the past year an application was received for the release of an amount of approximately £12,000 credited to the Liquidation Account, on the grounds that the applicant was a non-enemy subject and had acquired the property liquidated by purchase prior to the outbreak of the war. The claim has not been admitted, but possibly the applicant may decide to litigate the matter.

6. Up to the date of this report amounts totalling £150,000 have been paid to the Treasury as payments on account of surplus funds arising from the liquidation of ex-enemy property in the Dominion. Further payments will be made when the work advances sufficiently.

7. Table I appearing in the appendix to the report gives particulars of the cash amounts held in respect of ex-enemy property which for various reasons cannot as yet be credited to the Liquidation Account, and of the ex-enemy property which it has not yet been found possible to convert into cash.

AMOUNTS CREDITED TO THE AUSTRIAN LIQUIDATION ACCOUNT.

8. The total amount credited up to 31st March, 1927, to the Austrian Liquidation Account in accordance with Article 249 of the Treaty of St. Germain-en-Laye was £1,629 16s. 8d. One amount of £66 16s. 3d. was withdrawn with the concurrence of the Austrian authorities, leaving a net amount credited to the Liquidation Account of £1,563 0s. 5d.

AMOUNTS RELEASED AND STATEMENT OF FUNDS HELD.

9. Tables II and III of the appendix hereto give particulars respectively of amounts which have been released from the provisions of the various war and treaty legislation relating to ex-enemy property, and of the balances still held in accordance with this legislation.

NEW ZEALAND SECURITIES AND PROPERTY IN THE UNITED KINGDOM.

10. An arrangement has been concluded with the British Administrator of German Property having for its object the defining of the respective rights of the British and Dominion Governments in regard to certain classes of ex-enemy property where there is doubt as to which administration is entitled to exercise the rights of retention and liquidation conferred by the peace treaties.

11. In terms of the arrangement reached it is admitted to be within the right of the Dominion Government to deal with New Zealand Government securities held in the United Kingdom, and also shares and securities held in the United Kingdom of companies incorporated in the Dominion and dividends and rights derived therefrom. Similar rights are conceded to the British authorities in regard to British securities and shares held in the Dominion, and necessary exceptions are made in cases where one Administration has prior to the conclusion of the agreement already dealt with property of this description, and in other cases for purposes of convenience or in order to avoid a conflict of policy between the two Administrations in dealing with assets of this nature.

12. As a consequence of this arrangement it is anticipated that New Zealand Government securities of a considerable total will be transferred to this Office for administration.