

REPORT.

To the Hon. the Attorney-General, Wellington.

SIR,—

I have the honour to submit my Fifth Report on Enemy Property in New Zealand, setting forth the work performed during the year ended 31st March, 1925, in connection with the realization of 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 laid down in the various Treaties of Peace.

2. Considerable progress has been made during the past year towards the finalization of the matters outstanding in connection with this work, but for various reasons, referred to at length in other portions of the present report, I do not anticipate that the end of the duties entrusted to me arising out of the various Peace Treaties will be reached for at least another twelve months. The stage has, however, been reached when practically no additional claims and no fresh notifications of property subject to the rights of retention and liquidation conferred by the various Peace Treaties are being received, and it only remains to secure the disposal of the outstanding matters.

3. This object is difficult—indeed, impossible—of speedy attainment so far as the enemy property is concerned, on account of the nature of the remaining property and interests involved, and, in the case of the Clearing Office claims, by reason of the fact that the Treaty provisions do not provide any adequate means for securing the final disposal of contested claims. Thus in regard to the outstanding Clearing Office claims by German nationals against British nationals resident in New Zealand, a considerable number of these claims, forming a large portion of the outstanding claims, have been contested by this Office upon very good grounds, and it is considered that in these cases the claims could not be established. In some cases the contests were made as long as four years ago. The German Clearing Office have failed to withdraw these claims or to forward advice of the grounds upon which the claimants maintain the claims in face of the contests. As, however, the cases of the German claimants are not prejudiced by the delays which have occurred, the claims cannot be disregarded, but must be treated as still subsisting.

4. If the New Zealand Clearing Office were to secure the power of rejecting the claims, with the proviso that the claims should become unenforceable if not litigated before the Anglo-German Mixed Arbitral Tribunal within a prescribed period thereafter, the speedier termination of the Clearing Office work, so far at least as concerns the outstanding German claims, could be anticipated. I refer in another portion of this report to certain proposals under discussion which, if ultimately adopted, are expected to secure the attainment of this object.

5. It is only fair to admit that during the past year the German Clearing Office has shown a growing tendency to deal expeditiously with communications despatched from this Office. The result of this is reflected in the large reduction which has been made during the past year in the number and value of the outstanding Clearing Office claims.

6. In many cases the New Zealand persons against whom claims in respect of pre-war transactions have been made through the Clearing Office procedure do not, or will not, fully recognize their responsibility in regard to the claims. It has often been difficult for this Office to obtain replies from such persons in regard to claims and communications received from the German Clearing Office, and when the replies are ultimately obtained they are not infrequently of an unsatisfactory nature. It is to be remembered that the onus of contesting a Clearing Office claim rests solely upon the person against whom the claim is made, the Clearing Office acting solely as a channel of communication and settlement. Moreover, persons claimed against should realize that the claimants have the right of taking their claims before the Mixed Arbitral Tribunal for adjudication, and that they will probably adopt this course if the contests made by the alleged debtors are incomplete or indefinite. Accordingly, even if the alleged debtor considers the claim quite groundless he must nevertheless ensure that an adequate contest is lodged, otherwise he may find himself called upon to defend a case before the Tribunal at his own expense, while the trouble and expense of defending the claim might easily have been avoided by his taking proper steps to contest the claim in the first instance. This Office has always gone to great trouble to assist alleged debtors with any information in its possession regarding the various provisions of the Peace Treaties, their operation, or their interpretation by the various Mixed Arbitral Tribunals, but it is obvious that it cannot go beyond that and assume the responsibility of framing the actual contest. This is solely a matter for the alleged debtor and his legal adviser, if he chooses to consult one.