

7. I again have pleasure in reporting that the discharge of these special duties has been marked by a total absence of well-founded complaints, and that, on the other hand, it has been the subject of a number of letters of appreciation.

8. As in my previous reports the subject-matter of this report has been arranged under the following three headings :—

- I. Realization and disposal of enemy property in New Zealand.
- II. Settlement of claims by or against British nationals resident in New Zealand.
- III. Miscellaneous.

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

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

9. In section 16 of my previous report I explained the procedure by which the German Clearing Office was supplied with schedules setting out particulars of the property retained and liquidated by the New Zealand Government under the power conferred by Article 297 (b) of the Treaty of Versailles. These schedules pass through the High Commissioner for New Zealand in London, who on occasions makes deletions in cases where subsequent to the despatch of the schedules from the New Zealand Clearing Office he receives applications from the property-owners concerned for the release of their property upon grounds of their possessing non-enemy nationality, or for a compassionate release under the provisions of the special report of Lord Blanesburgh's Committee, or for other sufficient reasons.

10. The total amount credited to the German Liquidation Account up to the 31st March, 1925, in respect of German property rights and interests in the Dominion was £185,187 9s. 8d. Six credits, totalling £608 12s. 8d., have, with the concurrence of the German authorities, been withdrawn from the Liquidation Account.

11. Reference is made elsewhere in this report to the position regarding the property subject to the charge created by Article 297 of the Treaty of Versailles, which I have so far been unable to convert into money. In addition to the amounts set out above, I hold the sum of approximately £80,000, the bulk of which will probably be credited ultimately to the German Liquidation Account, such action being deferred for the present for various reasons. In certain cases the funds are the subject of outstanding claims under the provisions of Article 296 of the Treaty, which claims have been contested upon technical grounds that the amounts involved require to be credited under the provisions of Article 297. In other cases the persons entitled have made application for the compassionate release of their property, and a final decision upon their applications has not been reached. In one case to which I referred in my previous report the sum of £17,300 is the subject of proceedings in the Supreme Court to determine whether the amount may rightfully be retained.

12. In addition to the cash amounts held on behalf of German nationals which, for the reasons stated, have not yet been credited to the German Liquidation Account, there are various classes of property the liquidation of which cannot be completed at present. The following table gives brief particulars of the cash amounts held but not yet credited to the Liquidation Account, and the property not yet liquidated :—

<i>Cash.</i>	£	s.	d.
(1.) Amounts held subject to claims for compassionate releases	26,918	16	9
(2.) Amounts held subject to settlement of claims under Article 296	11,633	17	1
(3.) Amount held subject to determination of contingencies	24,038	8	11
(4.) Amount held subject to Court action	17,307	18	11
(5.) Amount held awaiting transfer to German Liquidation Account	58	1	8
	<u>£79,957</u>	<u>3</u>	<u>4</u>

Property (the values shown are approximate only).

(1.) Interests in estates consisting of assets not realized or not yet realizable— <i>e.g.</i> , unpaid purchase-money, mortgages not yet matured, &c.	20,650	0	0
(2.) Property held subject to the determination of contingencies	3,746	0	0
(3.) Property presenting inherent difficulties of realization, such as interests of German remaindermen, &c.	12,500	0	0
	<u>£36,896</u>	<u>0</u>	<u>0</u>

N.B.—In the above figures no deductions have been made on account of prior life interests.