

DESPATCHES FROM THE SECRETARY OF STATE.

No. 274.

CIRCULAR.

DOWNING STREET,

4th May, 1915.

SIR,—In my telegram of the 21st of April, I had the honour to apprise you of the decision of His Majesty's Government that all equitable claims made by British, allied, or neutral third parties against ships or cargoes detained or condemned by Prize Courts in His Majesty's oversea dominions other than self-governing Dominions should be dealt with by the Prize Claims Committee in London.

2. This Committee was appointed "to receive and consider claims made by British, allied, or neutral third parties against ships or cargoes which have been condemned or detained by order of Prize Courts and to recommend to what extent, in what manner, and on what terms such claims should be met or provided for out of the Prize Funds". It has already dealt with claims of this nature in the United Kingdom.

3. The alternative of leaving all claims of the kind in question to be dealt with by the various local and Colonial governments has been fully considered; but it is felt that, although delay may from time to time be caused by bringing such cases before the Committee in this country, *e.g.*, where the papers, books, and evidence are in India or one of the Colonies, delay of a similar nature must occasionally occur whatever procedure is adopted; nor does it follow that in the case of a ship or cargo in an Indian or Colonial port all the evidence necessary to the enquiry will also be available in or near that port.

4. It has been suggested that the place selected for the enquiry into every claim of this kind should be the one which would be likely to prove most convenient in each case. But it would be difficult, prior to investigation, to arrive at certainty on this point, and considerable correspondence would be necessary before it could be decided where the investigation should be held, while there might be cases in which the question would be the subject of controversy.

5. There would also be cases in which the port of condemnation would have no connexion with the intended destination of the ship or cargo. In such cases none of the evidence would be available at the port of adjudication. For instance, a ship captured in the Atlantic might, for convenience, be taken either to a British port or to Gibraltar, Malta, or Halifax, and in none of the three last named places would it be as convenient to deal with claims in respect of such a ship as in London.

6. It has also been suggested that, should separate bodies in different parts of the world be charged with the duty of dealing with these cases, general principles might be laid down for their guidance. It would, however, be very difficult, if not impossible, to lay down such principles until a large number of cases had formed the subject of enquiry.

7. The difficulty of formulating general principles at the present stage increases the risk, which must in any case exist, that the adjudication of such cases by separate bodies would result in diversity of decisions. In my opinion, uniformity in the decision of these claims, which in many cases involve very large sums of money, is of the utmost importance, and it is doubtful if any satisfactory degree of uniformity can be secured unless all these cases are adjudicated on by the Committee in England.

8. In all the circumstances, therefore, I am satisfied that it is advisable to refer these cases to the Prize Claims Committee in London.

I have, &c.,

L. HARCOURT.

The Officer Administering the Government of
HONGKONG.