

is hereby vested in and made subject to the control of the custodian whether or not the property has been disclosed to the custodian as required by these regulations." Now, if the exchequer court decides that any such property is owned by an enemy what would happen if any transaction or dealing may have taken place since the entry into force of the regulations and until such judgment is rendered.

The WITNESS: I think it has never been resorted to. Section 21 is dealing with enemy property and gives the power of applicants to apply to exchequer court in cases of suspicion but it has never been invoked.

Mr. FLEMING: Do you need the power?

The WITNESS: I think we do need it, but the departmental officers are inclined to think we might agree to delete it. It has never been applied.

The VICE-CHAIRMAN: Do you wish it struck out?

Mr. COTE: I do not see any purpose if it has never been used.

The VICE-CHAIRMAN: Moved by Mr. Cote, seconded by Mr. Rinfret that section 25 (1) and (2) be struck out.

Carried.

Mr. COTE: Then passing to the next section, Mr. Chairman. This point should have been raised by me under section 21 and 23. What happens if the business operated between the entry of the regulations and the date of disclosure of the owning of any such property by an enemy.

The WITNESS: I do not quite get your point, Mr. Cote, I am sorry.

Mr. COTE: Well, this refers to the point which I think should be discussed with regard to section 25. I know I am out of order, but as a matter of information "all enemy property is hereby vested in and made subject to the control of the custodian whether or not the property has been disclosed to the custodian as required by these regulations".

What happens with bona fide third persons who happen to deal with agents or proxies of enemies owning any property in Canada in that interval.

The WITNESS: We have never had an instance.

Mr. FLEMING: I suppose, Mr. Chairman, the vesting took effect in any event from the date the regulations came into effect. You did not have to wait for an order of the court. This is an additional power under section 25 if the property belongs to, or if it is enemy property within the regulations, it was vested automatically on the date the regulations came into effect.

The WITNESS: Yes.

The VICE-CHAIRMAN: Are we agreed on 25?

Carried.

Shall section 26 carry?

Carried.

Shall section 27 carry?

Mr. FLEMING: That had better stand.

The VICE-CHAIRMAN: Section 27 will stand.

Section 28?

*By Mr. Rinfret:*

Q. Mr. Chairman, in connection with this, if a bank decides what they hold is enemy property does that make it enemy property? If a bank is holding some property which, in its judgment, it decides is enemy property, does that make it enemy property?—A. Enemy property is defined.

Q. Yes, but would the person who holds the property or manages it, decide whether it is enemy property?—A. Well he has to interpret the Act in the same manner he would have to interpret any other duty imposed upon him by law.