

in the automatic vesting procedure, and a great protection which we have now discovered, to the people of a friendly country which is over-run by the enemy. The Germans were quite well aware of that the time they over-ran Belgium, Luxemburg and Holland. The business man or banker in those countries who happened to have in his portfolio let us say for example 1,000 shares of International Nickel, a Canadian corporation, had nothing which would be any use to the enemy, and the enemy, Germany, knew that any shares registered in the name of a person in such countries were vested in the Canadian custodian and that the International Nickel company were precluded from recognizing any assignment which might be presented to them with respect to such shares. In other words, there was no use in putting a pistol to the head of a Netherlander, a Dutchman, or a Belgian, and compelling him to endorse a certificate and then endeavouring to pass it and realize on it through a neutral country.

I would not be candid with the committee if I did not say with all respect that in administering the regulations we had this difficulty between the years 1931 and December 1941. The United States was officially neutral and, as I think I will be able to explain in a moment, while we had shall I say suspicions of enemy interest in certain companies or firms operating in the United States yet at the head office we could not in any way interfere with the property of an enemy in a neutral country, unless we had very direct and definite proof which would satisfy United States authorities. After the war broke out in September, 1939, it was discovered that there was not a terrific amount of German enemy property in this country.

There is a point which I think perhaps I should make clear at this stage. The mere fact that a man living in Canada was a German national did not make him an enemy within the scope of these regulations, did not bring his property within the net of the custodian, because one of the orders made under the War Measures Act was one assuring enemy aliens who were peaceful and law-abiding and guilty of no misconduct while they were in this country of security of their person and property subject to regulations necessary under the circumstances. There has been not a great deal of German property directly in this country. I think there was only one operating plant; a plant which by the way operated during the war and supplied certain needed material for the armed services, and which it is now alleged at this late date is owned by a neutral, Switzerland; something which I fancy the claimant will have to prove very definitely before anything will be released to him. There were one or two machinery houses, particularly in the large cities of Canada, such as Montreal, Toronto, Winnipeg, Vancouver and the like, where they had started small businesses in the supply of engines and I think possibly some X-ray equipment, where they had sold these goods to purchasers in Canada, in many cases on credit instalments and with the undertaking that they would service the equipment for a period of five or ten years—that became an anomalous problem as it was quite apparent that they could not service the equipment nor collect payments from the purchasers. That has brought both the purchaser and the government a great deal of trouble.

Then there was another, and I mention it merely because it is a thing which is most likely to be mentioned to a number of members of parliament, and I quite understand it; the Hamburg-American and the North German Lloyd, two of the large German steamship companies had agencies in one or two Canadian cities and any residents of Canada who desired to bring let us say members of their family from the continent had entered into contracts with these large German steamship companies for the purchase of prepaid tickets. In some cases they had paid very considerable amounts of money for the prepaid tickets for relatives in some part of Europe to be brought out by one of the German ships. When we came in we discovered that these ticket agencies were mere