

Mr. SMITH: I heard you say that. Are there any additional reasons for keeping them in force?

The WITNESS: No, I cannot see that there are. There is one to which I might call attention. On the original order property vested in the custodian was not subject to any tax. You will find that on page 50 of the blue book, regulation 43. As a matter of policy the custodian has paid municipal taxes as they fall due out of funds accruing, and it was felt that that might be modified as it was in the revision of January:—

50. Property vested in the custodian is liable for any tax, mortgage, lien, charge, rent, interest or payment thereon but the custodian is not liable with respect thereto.

It was felt that that was an unfair burden on the municipalities and other people and that where funds were available it should be charged against the property.

*By Mr. Fleming:*

Mr. Chairman, if Doctor Coleman has completed his answer; that raises the question about the form of the schedule. The schedule as printed indicates in each case where a particular regulation from the 1943 revision has been removed. The amendment in regulation 50, to which he has just referred, is not noted.—A. No.

Q. As having been amended in the schedule by them. Are there any other cases? For my part, in reading the bill, I would assume—A. There are three noted.

Q. That are amended?—A. Yes. Regulation 38 of 1943; and the second one is on page 16. The other one is on page 20 of the 1943 printed blue book; and regulation 50 of 1943 was revoked and the present No. 50 which appears on page 18 was substituted; and regulation No. 51 was revoked and the present No. 51 substituted. Those are the three.

Q. I think it would be well if Dr. Coleman would add a word to his answer to this question as to the line followed in connection with the revision of 1947. Would it not be fair to say that the department is proceeding cautiously and if there is any thought at all that the power might be required under any circumstances it is retained in the schedule?—A. That being that in keeping with the tenor of public opinion. Whenever possible the regulations should be relaxed, and if, as I say, there had been peace treaties negotiated by the powers and ratified by parliament we would be very near repeal of the whole lot of it, providing some measures could be taken to carry on the necessary winding up. We are very anxious, for example, to get rid of the property belonging to the people in former occupied countries providing necessary evidence can be obtained to show that they are not holding any part of it for or on behalf of an enemy; which is a very important thing. Only in February of this year I was in one of the European capitals, although we do not hear very much about this here, when a person of considerable prominence, a Mr. Drayton—they were conducting trials of people in those countries—he had acted as an alleged agent and collaborated with the enemy. We have to have assurance in some way that property claimed by persons in one of these countries is his own property and not held for or on behalf of an enemy. Possibly I could not give the committee any better example than the late Field Marshal Hermann Goering. He would not have accumulated the vast wealth which he is reputed to have accumulated without having taken the precaution of taking at least some of it out of Germany, as he may very well have done, and deposited it in another name. He would have a front, probably; a resident at least, if not a national, of the country concerned. That is a very simple illustration. But when you have a