

years after the close of the last war there should be even such a small staff as three or four people engaged in that task; but I have been told by my distinguished predecessor, the late Mr. Mulvey, that when he was in England in 1934 or 1935, he was visiting the Board of Trade Offices and remarked that he was rather worried that we had not been able to complete all transactions. An official of that department took him into an adjoining room and pointed to two or three gentlemen working away at ledgers and said, "You will be interested to know that these gentlemen are winding up affairs relating to the Crimean war which ended seventy-four years ago".

I think we have already remarked in our report, Mr. Chairman, that the Canadian government did not wait until the outbreak of war to pass under the War Measures Act regulations respecting trading with the enemy. You may recall that the War Measures Act provided a power in the governor in council to take measures in the case of war or apprehension of war, and that a proclamation was issued I think about the last day of August, 1939, declaring that there was a period of apprehended war, and various orders in council of great importance touching on the security of the state were passed before the actual declaration of war on September 10.

In 1938 the Hon. Mr. Rinfret, then Secretary of State and Custodian, and I happened to be in Europe at the time of the trouble which ended in the short settlement of Munich. I think he knew, and I knew, the shape things were taking and we were impressed with the possibility of the outbreak of war, with the result that we gave some earnest thought to measures which might be necessary in connection with property of enemies, the economic phases of war. As members of the committee know there were set up various interdepartmental committees to advise the government as to measures and steps which it might be desirable for them to take in the event of a sudden outbreak. I happened to be chairman of the interdepartmental committee on enemy property and trading with the enemy. We discovered in examining the records of the war 1914-18 that the code, if you might so describe it, which was in force at the end of the war had been built up by piece-meal orders as necessity arose, and the consequence was that after looking at these carefully, as experts could,—and the committee comprised experts from the various branches of the government—it was decided that we should endeavour to avoid that policy and to recommend that whatever necessary powers should be taken should be taken in one order following the outbreak of war.

There were during the war several amendments and consolidations of the orders, but the basis of them are the orders in council which were in force in 1918 in the light of the experience of that war. There were certain features however in which the order brought in in December of 1939 differed. One feature was the provision for the automatic vesting in the Custodian of Enemy Property, there was a provision which still is in, that enemy property is vested in the custodian without any necessary procedures or steps being taken. The only other country in the war which has this feature is India, which copied the Canadian regulations. Now, there is no provision for automatic vesting in the legislation of the United Kingdom or in the legislation or regulations of the United States, but the difference is more nominal than real because the United Kingdom regulations conferred on the President of the Board of Trade, who is a minister, the power to make a vesting order; and the regulations respecting trading with the enemy in the United States confer a similar power on the custodian of alien property, permitting him to make a similar order, and many of these orders have been made; that is, there is no recourse in other countries to any outside authority. Our regulations, of course, also provide an additional one, that the custodian may, if he desires and there is question, apply to the Exchequer Court for a vesting order. There is a great advantage