investment trusts, constituted monies and securities which, in a great many cases, were held in trust for undisclosed clients. In a few cases the Canadian Custodian and the British Custodian have been able to establish that the Netherlands corporate structure has been a mere shell and that the beneficial owners are enemies. It seems clear, therefore, that in relation to a very considerable proportion of the monies and securities held in Canada, nominally for Netherlands institutions and partnerships, the actual interest of Dutch subjects can scarcely at present be ascertained.[36]

There is a further difficulty which I have ascertained is present in the minds of the authorities in the United Kingdom. In the Netherlands financial world, many of the leading banking houses were partnerships. The securities in the names of these houses – securities which, as I have suggested, are held for clients in most cases – were deposited with banks and trust companies in Canada and in England, as well as in the United States, subject to withdrawal on the signatures of two or more specified partners. In the case of one of the large banking firms, two partners escaped from Holland and are now in the United States. My information is that there were six partners in this banking firm, which operated somewhat along the lines of the old firm of J. P. Morgan and Company. It happened that neither of the two partners who escaped is a signing partner. In 1941, the Netherlands Government in London, by decree, amended the partnership articles to confer on the two partners who had escaped the signing powers of the partnership. The banks and trust companies in England and in Canada, however, take the position that the decree of the Netherlands Government in London cannot, in law, discharge them from their contractual obligation to recognize only the signatures of the partners specified in the contract of deposit. Unless, therefore, they are bound by some legislative Act or an Order-in-Council, valid under Canadian law, which would be sufficient to protect them from actions for breach of contract, it is not probable that Canadian banks and trust companies would assume the risk of paying over either to the Netherlands Government or to persons nominated by that Government monies or securities held for Dutch holders and now vested in the Custodian under the Order-in-Council of May 11th, 1940, even if our control should be relinquished.

It must not be overlooked that by the Order-in-Council of May 11th, 1940, the Government of Canada took action to protect and preserve Dutch assets, and still maintains these assets. The effect of our action at that time has been that the Germans who have ransacked safety deposit boxes cannot, by duress, compel Dutch holders of shares in such companies as, for example, International Nickel, to execute transfers which will be recognized by the transfer officer of the Company.

I have recently been in New York and I have ascertained from responsible sources there that the attitude which may be taken by the Enemy Property

[36] La note suivante était écrite sur cette copie de la lettre:

[36] The following note was written on this copy of the letter:

We have not suggested transfer to Neth[erlands] Gov[ernment].