

Mr. SMITH: Your proscribed group goes out of that.

The WITNESS: It is included in that, it is the great bulk of the amount. Real enemy properties, which may or may not be confiscated and is more or less dependent on the treaties of peace, aggregate at the moment something over \$20,000,000.

Mr. FLEMING: Mr. Chairman, these figures do not include the property of Canadian Japanese and the illegal organizations.

The WITNESS: No, no.

Mr. FLEMING: This is just the enemy schedule.

The WITNESS: That is what I am dealing with. Now, Mr. Burton also asked me to state whether we felt it was necessary that we should have these extended powers. I endeavoured to cover that but perhaps I did not make myself clear by alluding to the fact that if there had been treaties of peace reached and ratified a year or two after the war and before the orders under the War Measures Act expired, we would not have found it necessary to come here at all but we had to in view of the existing situation. The fact that there does not seem to be a treaty with Germany in particular, and even with Japan, in the offing for a considerable period, made it desirable, on the advice of the law officers of the Crown, to continue the matter. One reason it was felt desirable that the substance of the regulation should be continued was to avoid the possibility of falling between two stools. There are a great number of powers here which are still in force in the United Kingdom or substantially the same powers are still in force in the United Kingdom today which we feel are necessary to preserve. There is litigation pending. There is always litigation pending. There is litigation threatened, and something which might appear unimportant at first glance may prove to be very important in determining the custodian's rights. The whole object of the custodian, I am sure the committee realizes, is to get as much genuine enemy property as we can for the state and have it available anyway, because of the claims which are already being put forward by Canadians—although the custodian only records them, and has no power and has no intention of seeking power as far as I am aware to settle them, that would be a matter of government policy which remains to be determined—greatly exceed the assets of the enemy in his hands. Mr. Fleming asked if I could indicate that revision which took place in the first regulations which came into force, became effective on the 2nd December, 1939. Well, as a result of these studies they were necessarily rather hastily thrown together, and I may say after consultation with financial officials, the department of insurance, and the Bank of Canada and other departments and agencies of the government which had a particular interest in this matter. But as time went on it was realized that there were weaknesses until there was considerable amendment I think made in 1941; there was a consolidation in 1943, which is the blue book generally used; and then when it was decided that it would be desirable to have legislation the officers of the department with the custodian and the other departments of government concerned we arrived at what we thought might be recommended to the Governor in Council in January with the result that there was the deletion of a very considerable number of regulations which appear in the schedule under the heading of items revoked. That was to avoid renumbering. I propose to deal with them at the proper time, but if you like I can deal with that one which we revoked as a particular example. Take for instance the one defining "enemy", that is on page 2 of your draft bill.

Mr. FLEMING: I do not know, Mr. Chairman, that we want that much detail at this particular stage. I thought just a general statement as to the reasons for the action taken.