

Q. If he does decide that it is enemy property and then afterwards decides it is not enemy property what becomes of the proceeds from any sale that might have arisen in the meantime?—A. Well I presume the custodian would, if it is decided that it is not enemy property, return what he gets as proceeds.

Q. Then, in the meantime if some of the property has been dissipated what happens?—A. What do you mean by that, that it has been sold?

Q. Well we have given to the custodian all the rights to this property.—
A. Yes.

Q. Now if between the moment the bank decides it is enemy property and vests it with the custodian, the custodian goes along and sells some of the property and afterwards it is decided it is not enemy property, what recourse is there for the man who has seen his property sold by the custodian? What is his relief?—A. Well he would be entitled to whatever relief would be given by the court, in the same fashion as anyone else.

Q. By the fact the bank has decided it was enemy property he would have to go to the courts.—A. Yes, well if the bank acted otherwise than in good faith and in accordance with the law he would have any rights of action for damages that were open to him under the law.

Q. That seems a pretty wide power to give a bank or any person who holds or manages.

The VICE-CHAIRMAN: You are not giving power to the bank.

Mr. RINFRET: You are giving the power to any person who holds or manages.

The WITNESS: You are imposing power, you are not giving power.

Mr. RINFRET: They have to decide whether it is enemy property or not.

The VICE-CHAIRMAN: They have to get advice from the legal department.

The WITNESS: Yes, if they had any doubt.

Mr. FLEMING: That brings you back to section 7 does it not?

Mr. COTE: Yes, that is right, what would be the effect of section 7?

The VICE-CHAIRMAN: That one is standing at the present time.

Mr. RINFRET: Section 7 is standing is it?

The VICE-CHAIRMAN: Yes. We will go on to 28. Shall section 28 carry?
Carried.

Shall section 29 carry?—payment of moneys to custodian.

Carried.

Section 31, payment of bearer securities, shall that section carry?

Carried.

Section 32, shall that section carry?

Carried.

Shall section 33 carry?

Carried.

Section 34.

Mr. FLEMING: Mr. Chairman, there is a point raised in the third clause of this section which deals with the currency which is paid to the custodian, "where any money is payable or becomes payable to any enemy by contract, law or custom or in any other manner in other than Canadian currency, it shall, unless the custodian allows or directs otherwise, be paid to the custodian in Canadian currency at the rate of exchange equal to the average cable transfer rate prevailing in Canada during the month immediately preceding the commencement of the present war." The question is, what rate is the prevailing rate? This provides that the rate at which money or currency is to be translated into Canadian currency is at the rate of exchange equal to the average cable transfer rate during the month immediately preceding the commencement of the present war