

on instalments whereby the company undertook to sell the machine and give credit, allow you to operate it and they undertook to service it and supply parts. The knotty question which the business comptroller had to determine was if you got a machine for which you agreed to pay \$1,000 and had been promised you could get the parts for it and that it would be serviced for you for five years, the question was, what is that covenant worth? What should you get knocked off if you only get the machine? Well we settled it as well as we could in the judgment of the comptroller. There were not many, but there were a few engines, deisel engines, which were sold by a company which had just opened in Montreal.

Mr. FLEMING: Mr. Chairman, Doctor Coleman has made it clear these regulations were made to deal with the case of enemy property and the property of persons in the proscribed territories. Now with the two latter adjuncts to his responsibility, namely the property of persons of the Japanese race in Canada and the property of organizations declared to be illegal, to what extent did he, in administering those estates, use any of the powers contained in the schedule.

The WITNESS: The evacuees and the illegal associations? Well we did not use them at all in the illegal associations for this reason. When the order was made by the Governor in Council putting out the list of illegal organizations, the police force, the Royal Canadian Mounted Police, took charge of the buildings and turned them over within a week or ten days after.

*By Mr. Fleming:*

Q. Where did the custodian derive his powers then to retain physical of those or to realize on them?—A. There was an extraordinary order in council which was repealed when the order in council prescribing these things was issued.

Q. Then none of the orders in council under which the custodian acted with reference to illegal organizations or the property of persons of the Japanese race were introduced by reference to any of the powers contained in the Act.—A. Yes, it said they were to be applied "mutatis mutandis".

Q. I was just wondering whether the committee, when it reviews the schedule would find a possibility of any of these powers being used today in the case of property of persons of the Japanese race or in the case of property of organizations that were declared illegal.

The VICE-CHAIRMAN: May I suggest, Mr. Fleming, that you bear your question in mind and apply it to the particular section.

Mr. FLEMING: I was just wondering whether there was some general answer that would apply and save us time.

The WITNESS: In relation to the Japanese evacuees the only real estate not liquidated consists of about 20 to 25 parcels. The Secretary of State in Bill 104 gave a specific undertaking he would not proceed to liquidate that without the consent of the owner. I do not think there is any other thing relates to that. There is nothing in relation to illegal organizations, and that no powers went with the repeal in October 1943. I must confess I am puzzled in looking at this report to see that there appears to be a balance of \$698.27 owing an illegal organization. I will look into that and find out what it is. There may have been one or two that were not taken off the list.

Mr. CASE: Mr. Chairman, may I ask Doctor Coleman a question? There was a seizure made of some Hungarian property in Toronto, was there not? And later it was cancelled, then some doubt arose and I believe the property has been returned. Just how was that handled?

The WITNESS: Well, I understood that I would not deal with particular cases today, Mr. Case. It is a long story about these illegal organizations and I would like to have the appropriate officer with me when I deal with it, together with the files.