

shells in that the custom was that the manager of that agency took the day's receipts which were paid to him by the customers, if you like, and immediately remitted them to the regional agency of the line in New York, in the United States, with the result that all the custodian had was a few sticks of office furniture and equipment, but absolutely no money because of their practice of remitting direct to the head office in New York instead of depositing with the local bank. We made representations through diplomatic channels and otherwise to the United States alien property custodian who took over the New York offices, suggesting that it would be a very gracious thing on his part if he could see his way clear to recognize the Canadian claims, in view of the fact that this Canadian money finally reached him. The alien property custodian, however, found his hands tied by virtue of the legislation of the United States which prevent him recognizing claims from anyone resident outside the borders of the United States unless they are American citizens, something over which we had no control.

In April 1940 came the invasion of Denmark and Norway over-night which made a considerable expansion of work; but it was relatively slight compared to the situation which arose on May 10, 1940, when members of the committee will recall the Netherlands were invaded and the despatches of the first few days indicated that the armies of Holland itself were resisting the invaders but there was no authentic information as to how much territory had been over-run or occupied by the enemy. On the other hand, it was realized, particularly in Amsterdam and in Brussels, there were people holding very considerable amounts of Canadian securities and it was decided rather than to describe these territories as enemy territories or enemy-occupied territories as they are under the English regulations to describe them under a new heading of proscribed territories. That is defined here as meaning:

(c) "Proscribed territory" means any area in respect of which the Governor in Council, by reason of real or apprehended hostilities or otherwise, has ordered the protective custody of property of persons residing in that area or the regulating of trade with such persons, or both.

In June of 1940 came the most severe blow in the fall of France, which as you all know had very extensive financial relations with Canadian enterprise; and Italy entered the war.

In the summer of 1941, the situation from our point of view was alleviated in that the United States made its freezing orders against Germany, and Japan,—Italy and Japan. In December of 1941 the attack on Pearl Harbor occurred, the United States entered the war and our declaration of war against Japan was made. We realized then that any business relations with Japan were very largely centered on the Pacific coast and it would be very inconvenient to the public and to everyone else, to have this work channelled entirely through the Ottawa office and therefore we set up a very small office in Vancouver. This office, I think, opened on December 10, 1941, Pearl Harbor having been attacked on December 7. An experienced officer was sent by air to open this small office. I want to make it clear that this office in Vancouver was not dealing entirely with enemy property of the type belonging to Japanese evacuees or Japanese who were later evacuated. That was extraneous matter of which you will hear more. What I wish to point out here is that the bill presently before the committee does not relate in any way to the property of those evacuated Japanese. The situation with respect to them is covered by legislation, by the order in bill 104 presently before the House of Commons.

In concluding these rather rambling and probably tedious remarks, Mr. Chairman, I think it is only right that I should tell the committee that the work of the custodian's office has been greatly facilitated by the cooperation which the officers had from banks, trust companies, business men, and individuals of all kinds throughout Canada.