

NAME

ERNEST M. MARG

NO.

11977

Form 8 in Securities Section Cabinet

11977



11977  
Legal Section  
CGB/LB

Victoria Building,  
7 O'Connor St.,  
Ottawa, Ontario,

January 15th, 1942.

Dear Sir:

Referring to the last paragraph of your letter of the 18th ultimo, your initials HJB:MHD, with reference to Banque Commerciale de Bale, Geneva, I have to advise you that the Custodian does not desire you to take up with the Banque Commerciale de Bale, the question of re-crediting the funds in question.

I thank you for your co-operation in this matter.

Yours truly,

(G. G. Beckett)  
For Assistant Deputy Custodian.

H. J. Bray, Esq.,  
Manager, Safekeeping Securities Dept.,  
The Royal Bank of Canada,  
MONTREAL, Que.

OFFICE OF THE  
CLERK  
RECEIVED  
JAN 9 1942  
PASS TO.....  
TRANSFER TO.....  
AND BY FILE

# Foreign Exchange Control Board

Ottawa, January 8, 1942.

WHEN REPLYING  
PLEASE GIVE THIS REFERENCE

RHT  
Your Reference  
11977  
Legal Section  
GGB/MG

The Custodian's Office,  
Department of the Secretary of State,  
Victoria Bldg., 7 O'Connor Street,  
Ottawa, Ont.

Dear Sirs,

Attention Mr. G.G. Beckett

We are in receipt of your letter of January 5 asking as to the Board's position concerning transfers from accounts in Canada of Swiss banks.

The Board's Instructions to Authorized Dealers in this connection are as follows:

1. No withdrawals may be permitted from Canadian dollar accounts in Canada of residents of Switzerland without reference to the Board with the following exceptions:

(a) Withdrawals for payment to accounts in Canada of residents of the same country;

(b) Withdrawals from personal accounts of crews of British and neutral-operated vessels;

(c) Withdrawals for payment to residents of Canada unless the Authorized Dealer has reason to suspect that the transaction is a device to conceal the ownership of the funds.

2. No withdrawals may be permitted from foreign currency accounts in Canada of residents of Switzerland without reference to the Board with the following exceptions:

(a) Withdrawals for credits to accounts in Canada in the same foreign currency of residents of the same country;

(b) Withdrawals for the purpose of selling any foreign currency other than that of a country of the sterling area to an Authorized Dealer provided the proceeds in Canadian dollars are to be credited to an account in Canada of the same non-resident or another resident of the same country.

(The Board would not, however, ordinarily raise any objection to a payment of United States dollars being made from a Swiss

11977



January 8, 1942.

account direct to a Canadian resident).

While in accordance with paragraph 1 above Canadian dollars may generally be transferred from Swiss accounts to Canadian residents, there are a number of cases under the Foreign Exchange Control Order and Regulations where a resident is not permitted to accept Canadian dollars from a non-resident who is not a resident of the sterling area. These cases, in which payment must be obtained in United States dollars (or in a foreign currency freely convertible into United States dollars) are as follows:

1. Payments for exports from Canada to countries outside Newfoundland and the sterling area.
2. Payments for the purchase of foreign securities by non-residents from Canadian residents.
3. Payments for services rendered by residents of Canada for non-residents with certain exceptions contained in Section 27 of the Order and Regulation 33.
4. Payment of all or part of any debt owing to a resident by a non-resident in United States dollars.
5. Payment of a legacy or distributive share of an estate or trust created by or arising on the death of a non-resident other than a resident of the sterling area or paid or payable by an executor, administrator or trustee who is a non-resident other than a resident of the sterling area.

In any case where a resident is required to obtain payment in United States dollars from a resident of Switzerland, the Board has no objection to such payment being made from a United States dollar account maintained in Canada by a Swiss resident.

We believe that the payments to which you refer from the account of the Banque Commerciale de Bale, Geneva, to Mr. Ernest L. Maag, delegate of the International Red Cross, were for the purpose of providing various comforts for German prisoners of war in Canada. The German Government requires similar payments by the International Red Cross for looking after British and Canadian prisoners of war in Germany to be made in United States dollars and the Department of External



The Custodian's Office

- 3 -

January 8, 1942.

Affairs therefore insisted that the International Red Cross in Canada obtain United States dollars for similar expenditures here. In accordance with this arrangement, the transfer of \$8,965 Canadian to Mr. Maag was not permitted but we do not believe that there was ever any question of not permitting the transfer of \$21,000 U.S. which was quite in accordance with the arrangements made.

Yours very truly,

*Robert H. Tarr.*

Secretary



MEMORANDUM FOR MR. MATHIEU

Re:- Ernest L. Maag

You will recall that recently you permitted the Royal Bank of Canada to transfer \$21,000.00 U.S. and \$8,965.00 Canadian from the account of Banque Commerciale de Bale, Geneva, to Mr. Ernest L. Maag, a delegate of the International Red Cross in Canada.

Mr. Bray of the Royal Bank of Canada then telephoned you that he had been advised by the Foreign Exchange Control Board that the payments to Mr. Maag should have been made by remittance from the Banque Commerciale de Bale, Geneva.

As the Bank had already made the transfer to Mr. Maag they have now written asking whether you wish them to take up the question with the Banque Commerciale de Bale, of recrediting these funds to the account of that Bank.

The Royal Bank, in their letter of the 31st ultimo, state that they would have to look to the Banque Commerciale de Bale, Geneva, for remittance of funds to recredit their account.

May I have your instructions as to what reply should be made to the Royal Bank.

*G. G. Beckett*  
G.G. Beckett.

GGB/A  
8/1/42  
11977

*If you have heard from F.E.C.B. on question, you put to them discuss this with me.*  
*12/1/42*



Victoria Building,  
7 O'Connor Street,  
Ottawa, Ontario,  
January 6th, 1942.

11977  
Legal Section  
CGB/A

Dear Sir:-


I have your letter of  
the 31st ultimo, your file HJB/MHD, with reference to  
funds paid to Mr. Maag.

The problem raised in the  
last paragraph of your letter of the 18th of December  
last, is now receiving attention and a further  
communication will be forwarded to you in due course.

Yours truly,

(G.G. Beckett)  
For Assistant Deputy Custodian.

H.J. Bray, Esq.,  
Manager,  
Safekeeping Securities Department,  
The Royal Bank of Canada,  
Montreal, Quebec.





PLEASE ADDRESS  
ALL COMMUNICATIONS  
TO THE MANAGER

# The Royal Bank of Canada

INCORPORATED 1869

CABLE ADDRESS "ROYALBANK"

REFER TO FILE  
HJB:MHD

*Montreal, Que.*

December 31, 1941.

Custodian of Enemy Property,  
Victoria Building,  
7 O'Connor Street,  
Ottawa, Ontario.



Dear Sir:

FILE 11977

We have your letter of the 30th December and wish to advise that the funds were paid to Mr. Maag and we presume disposed of by him.

We might add that the source of the funds was not disclosed to Mr. Maag and we would have to look to the Banque Commerciale de Bale, Geneva, for remittance of funds to re-credit their account.

Yours truly,

  
H. J. Bray, Manager  
Safekeeping Securities Dept.

11977



Victoria Building,  
7 O'Connor St., Ottawa, Ont.,  
January 5th, 1942

11977  
Legal Section  
GGB/MG

Dear Sir:

This office has had some correspondence with the Royal Bank of Canada with reference to the transfer of \$21,000 U.S. and \$8,965 Canadian funds from the account of the Banque Commerciale de Bale, Geneva, to Mr. Ernest L. Maag, delegate of the International Red Cross in Canada.

Following the approval of the payments by this office, the Royal Bank of Canada informed us that they had received advice from you to the effect that the payments to Mr. Maag should have been made by remittance from the Banque Commerciale de Bale, Geneva, Switzerland, in U.S. funds, and that under no circumstances should the funds be withdrawn from their accounts in Canada.

As this office receives from time to time similar requests, would you be good enough accordingly to advise me as to your position with reference to such requests indicating particularly out of what accounts in Canadian banks such payments may be made if approved by you.

An early reply in this connection will be greatly appreciated.

Yours truly,

(G.G.Beckett)

For Assistant Deputy Custodian

The Secretary,  
Foreign Exchange Control Board,  
OTTAWA, Ontario.



11977  
Legal Section  
CGB/LB

Victoria Building,  
7 O'Connor St.,  
Ottawa, Ontario,

December 30th, 1941.

Dear Sir:

I have your letter of the 18th instant, your file HJB:MHD, with reference to the Banque Commerciale de Bale, Geneva, and Mr. Ernest L. Maag.

Am I to understand that you have not permitted any withdrawals out of the items of \$21,000.00 U. S. and \$8,965.00 Canadian funds which you have transferred to Mr. Maag, delegate of the International Red Cross in Canada?

An early reply in this connection will be appreciated.

Yours truly,

(G. G. Beckett)  
For Assistant Deputy Custodian.

H. J. Bray, Esq.,  
Manager,  
Safekeeping Securities Department,  
The Royal Bank of Canada,  
MONTREAL, Quebec.





PLEASE ADDRESS  
ALL COMMUNICATIONS  
TO THE MANAGER

# The Royal Bank of Canada

INCORPORATED 1869

CABLE ADDRESS "ROYALBANK"

REFER TO FILE  
HJB:MHD

*Montreal, Que.*

December 18th 1941.

Custodian of Enemy Property,  
Victoria Building,  
7 O'Connor Street,  
Ottawa, Ontario.

Dear Sir:

YOUR FILE 11977  
ADMINISTRATION AHM/G



We have your letter in response to ours of the 9th instant covering the transfer of funds from the file of Banque Commerciale de Bale, Geneva, Switzerland.

We are holding the funds, which are at present in the account, subject to your control. Upon checking over the accounts, we find that the sum of \$8,965.00 Canadian was in their account prior to January 27th 1941. Out of the U.S. Funds balance transferred approximately \$10,000 consisted of dividends which was at credit of the said Bank's account prior to January 27th 1941.

We would appreciate your advising if you wish us to take up the question of recrediting the funds with the said Bank.

Yours truly,

  
H. J. Bray, Manager  
Safekeeping Securities Dept.

11977



11977  
Legal Section  
GGB/LB

Victoria Building,  
7 O'Connor St.,  
Ottawa, Ontario,

December 16th, 1941.

Dear Sir:-

I have your letter of the 9th instant, your file HJB/DS, with further reference to instructions received by you from the Banque Commerciale de Bale, Geneva, to pay certain sums to Ernest L. Maag, the delegate of the International Red Cross in Canada.

I note that the previous transfer of \$21,000 U.S. funds and \$8,965 Canadian funds have already been consummated.

The balance of these accounts including funds recently transferred to you from Dominick Corporation of Canada amounting to Canadian \$10,274 and U.S. \$1,375, on instructions of the Banque Commerciale de Bale, Geneva, should be blocked and held subject to the control of the Custodian, until this matter has been satisfactorily adjusted.

Yours truly,

(G. G. Beckett)  
For Assistant Deputy Custodian.

H. J. Bray, Esq.,  
Manager,  
Safekeeping Securities Department,  
The Royal Bank of Canada,  
Montreal, Quebec.



# The Royal Bank of Canada

INCORPORATED 1869

PLEASE ADDRESS  
ALL COMMUNICATIONS  
TO THE MANAGER

CABLE ADDRESS "ROYALBANK"

REFER TO FILE  
HJB/DS.

*Montreal, Que.*

December 9th, 1941.

Custodian of Enemy Property,  
Victoria Bldg., 7 O'Connor St.,  
Ottawa, Ont.

Dear Sir:

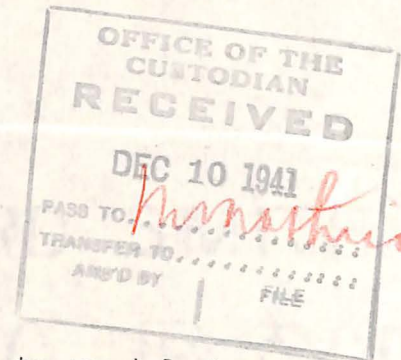
File 11977.

With reference to your letter of December 6th, and to our telephone conversation of yesterday's date, we have now been advised by the Foreign Exchange Control Board that the payments to Mr. Ernest L. Maag should have been made by remittance from the Banque Commerciale de Bale, Geneva, Switzerland in U.S. Funds, and that under no circumstances should the funds be withdrawn from their accounts in Canada. This is in line with instructions which the Foreign Exchange Control Board wrote Mr. Maag in their letter during the month of February last, and we have advised the Banque Commerciale de Bale, Geneva by cable.

Mr. Maag mentioned that he might take up the question of the delay in the payment with the Department of External Affairs and we pointed out to him that the error was made by the Banque Commerciale de Bale, Geneva instructing us to pay funds out of blocked accounts on our books. The previous transfers of \$21,000 U.S. Funds and \$8,965.00 Canadian Funds had already been consummated.

Yours truly,

*H. J. Bray*  
H. J. Bray, Manager.  
Safekeeping Securities Dept.



11977



11977  
Administration  
AHM/G

Victoria Bldg., 7 O'Connor Street,  
Ottawa, December 6th, 1941.

Dear Sir,-

Replying to your letter of November 29th, relative to a cable you received from the Banque Commercial de Bale, Geneva, Switzerland, transferring to the delegate of the International Red Cross Geneva the sum of Canadian \$36,662. debiting ordinary account \$19,080. special income account, I wish to state that the information contained in the cable quoted in your letter is not quite clear as to what this transaction is, and whether part is to be debited to an ordinary account and part to a special income account.

Mr. Jamieson of your Bank recently applied for permission to transfer the sum of \$21,000. U.S. funds and \$8,965 Canadian funds at debit of their relative accounts. Furthermore a further application has been received by telephone from another source to transfer a similar balance from Barclays Bank. Will you please check with Mr. Jamieson and give an explanation regarding these transfers, as it would appear to be irregular in view of the size of the amounts within such a short time.

On receipt of further advice from you the matter will be reconsidered.

Yours very truly,

The Manager,  
The Royal Bank of Canada,  
Montreal, P.Q.

(A. H. Mathieu)  
Assistant Deputy Custodian.



# The Royal Bank of Canada

INCORPORATED 1869

*Montreal*, November 29, 1941

Custodian of Enemy Property,  
Ottawa, Ontario.

Dear Sirs:

OFFICE OF THE CUSTODIAN	
RECEIVED	
DEC 1 1941	
PASS TO <i>M. Mathieu</i>	
TRANSFER TO .....	
AND BY	FILE

We have received the following cable  
instructions from Banque Commerciale de Bale,  
~~Genève, Switzerland~~  
Geneva, Switzerland:

"By order and for account  
International Committee Red  
Cross Geneva hold disposal  
their delegate Ernest L Maag  
726 Notre Dame St., West,  
Canadian \$38,662. debiting  
ordinary account \$19,080.  
special income account stop  
are covering cable immediately  
that all in order.

Please advise if these payments meet  
with your approval.

Yours truly,

*A. LaFontaine*

pro Manager.

DAL/BB



11977  
Administration  
AHM/G

Victoria Bldg., 7 O'Connor Street,  
Ottawa, November 22nd, 1941.

Dear Mr. Jamieson,-

Re: Banque Commerciale de Bale,  
Geneva.

I am in receipt of your letter of November 20th, relative to instructions received from the above Banque to pay Ernest M. Maag, a delegate of the International Red Cross in Canada, \$21,000 in United States funds, in payment for Christmas presents for German prisoners of war in Canada, and the sum of \$8,965 in Canadian funds to cover Canadian expenses of the International Red Cross.

I now wish to confirm our telephone conversation, during which I approved the above payment to the respective dollar accounts of the above Banque.

Yours very truly,

(A. H. Mathieu)  
Assistant Deputy Custodian.

A. B. Jamieson, Esq.,  
pro Assistant General Manager,  
The Royal Bank of Canada,  
Head Office,  
Montreal, P.Q.



11977  
Administration  
AHM/G

Victoria Bldg., 7 O'Connor Street,  
Ottawa, November 22nd, 1941.

Dear Mr. Rive,-

I am in receipt of your letter of November 19th, enclosing a copy of a letter received from Ernest W. Maag, Canadian Delegate of the International Red Cross Committee, relating to an internee who wishes to send \$5.00 to his aged mother in Zagreb.

Without defining any definite policy regarding this matter, I would say that the only reply to be made to the Delegate would be that there would be no objection to the payment referred to in so far as the Custodian is concerned, providing the Foreign Exchange Control Board approve.

It would be dangerous to set out any policy regarding these payments as it would undoubtedly create a precedent and a definite change to what has been the established rule in the past.

I presume that the International Red Cross Committee have facilities for remitting such amounts without actually transferring exchange out of the country.

Yours very truly,

(A. H. Mathieu)  
Assistant Deputy Custodian.

Alfred Rive, Esq.,  
First Secretary,  
Department of External Affairs,  
O T T A W A.



Victoria Bldg., 7 O'Connor Street,  
Ottawa, November 22nd, 1941.

11977  
Administration  
AHM/G

Dear Mr. Jamieson,-

Re: Banque Commerciale de Bale,  
Geneva.

I am in receipt of your letter of November 20th, relative to instructions received from the above Banque to pay Ernest M. Maag, a delegate of the International Red Cross in Canada, \$21,000 in United States funds, in payment for Christmas presents for German prisoners of war in Canada, and the sum of \$8,965 in Canadian funds to cover Canadian expenses of the International Red Cross.

I now wish to confirm our telephone conversation, during which I approved the above payment to the respective dollar accounts of the above Banque.

Yours very truly,

(A. H. Mathieu)  
Assistant Deputy Custodian.

A. B. Jamieson, Esq.,  
pro Assistant General Manager,  
The Royal Bank of Canada,  
Head Office,  
Montreal, P.Q.





# Department of External Affairs

REPLY TO BE ADDRESSED TO:  
THE UNDER-SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS.  
OTTAWA.

OTTAWA, November 19th, 1941.

Dear Mr. Mathieu,

I enclose copy of a letter of October 23rd from the International Red Cross Delegate in Canada relating to an internee who wishes to send \$5.00 to his aged mother in Zagreb.

The Delegate has asked me to provide him with a statement of the policy of the Canadian Government in cases like this. He realizes that it is not possible to send substantial amounts for the support of persons who are not Canadian nationals. On the other hand, he feels that very small remittances such as \$5.00 might be permitted without appreciably affecting the economic blockade.

I should be grateful for any help you might be able to give me in answer to the Delegate's letter. I am also writing to the Foreign Exchange Control Board.

Yours sincerely,

*Depd Line*  
*for the*

Under Secretary of State  
for External Affairs.

A. Mathieu, Esq.,  
Asst. Deputy Custodian of Enemy Property,  
O t t a w a .

*permit this  
one entry.*  
*MS*

OFFICE OF THE CUSTODIAN	
RECEIVED	
NOV 21 1941	
PASS TO.....	
TRANSFER TO.....	
ANS'D BY	FILE



COMITE INTERNATIONAL DE LA CROIX-ROUGE  
DELEGATION AU CANADA

Ernest L. Maag,  
Delegate

Montreal,  
726 Notre Dame St. West,  
October 23, 1941.

Department of the Secretary of State,  
Under Secretary of State for External Affairs,  
O t t a w a .

Attention: Dr. Alfred Rive

Dear Dr. Rive,

We have received a letter from Mr. Franz  
Rosenberg, Refugee Camp "N", who wishes to send the sum of  
\$5.00 to his 74 year old mother, Mrs. Amalie Rosenberg,  
at present living in Zagreb.

Please advise us if it will be possible to  
accede to Mr. Rosenberg's request.

Yours sincerely,

D.W. Maag,  
for the Delegate in Canada of the  
International Red Cross Committee.



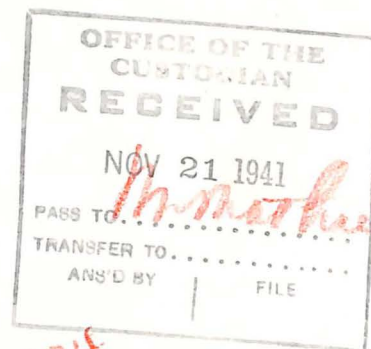
# The Royal Bank of Canada,

INCORPORATED 1869

*Head Office*

*Montreal,* November 20, 1941

A. H. Mathieu, Esq.,  
Assistant Deputy Custodian,  
Department of the Secretary of State,  
Victoria Building,  
Ottawa, Ont.



Dear Mr. Mathieu:

BANQUE COMMERCIALE DE BALE, GENEVA - 4004

We confirm our telephone conversation of today in which we advised you of having received cable instructions from the Banque Commerciale de Bale, Geneva, to pay Ernest M. Maag, delegate of the International Red Cross in Canada, \$21,000 in United States funds and \$8,965 in Canadian funds at debit of their respective accounts, the Canadian dollar payment being to cover Canadian expenses of the International Red Cross and the United States funds payment for Christmas presents for German war prisoners in Canada, and that the payments had been approved by the Foreign Exchange Control Board. We also confirm a subsequent telephone conversation in which you authorized the payments being made and asked us to place the facts before you in writing. We understand that Mr. Maag resides in Montreal where he maintains his Canadian headquarters. Please acknowledge receipt of this letter.

Yours truly,

A handwritten signature in dark ink, appearing to be 'J. G. Macdonald'.

pro Assistant General Manager



424

Administration

AHM/G

Victoria Bldg., 7 O'Connor Street,  
Ottawa, October 30th, 1941.

Dear Sir,-

I am in receipt of your Form C. 11,  
dated October 1, File No. Can. 10937, enclosing an  
intercepted letter mailed by M. Corni, Int. Red Cross  
Committee, Geneva, Switzerland, addressed to Ernest Maag,  
Canadian Delegate of the C.I.C.R., 726 Notre Dame Street, W.  
Montreal, P.Q., This letter may be allowed to proceed  
to destination in so far as this office is concerned.

The letter is returned herewith for  
disposal.

Yours very truly,

(A. H. Mathieu)  
Assistant Deputy Custodian.

The Chief Postal Censor,  
Post Office Department,  
O T T A W A.



MR  
**Canadian Postal Censorship**

OTTAWA, ONT.

C.73

Date October 1, 1941

~~Air Mail~~

INTERCEPTED LETTER

FROM M. Corni (?)  
 Int. Red Cross Committee  
 Geneva, Switzerland

TO

Ernest Maag--Canadian Delegate  
 of the G.I.C.R.  
 726 Notre Dame W.  
 Montreal, P.Q.

DATE OF LETTER June 27/41

LANGUAGE French

COMMENTS

Enclosed receipt attesting that payment of \$50.00 (2,096.80 francs) has been made to:

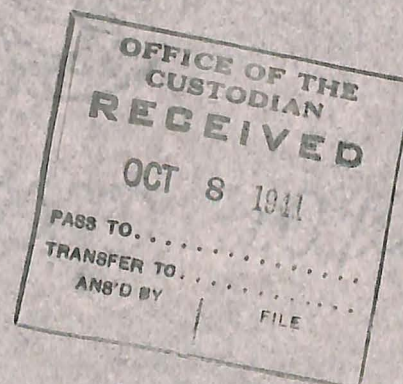
(Alter Scherman--C.45  
 (Camp Vernet--France

instead of \$15.00 as requested.

The writer is asking for a refund of difference by Mrs. Scherman in Montreal and return of enclosed receipt.

COPIES OF NOTES REFERRED TO

F.E.C.B.  
 Custodian  
 R.C.M.P.



DISPOSITION OF LETTER Custodian.

C. No. 11



