

SESSION 1947
HOUSE OF COMMONS

29 May

STANDING COMMITTEE
ON
PUBLIC ACCOUNTS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

BILL No. 22—AN ACT TO CONTINUE THE REVISED
REGULATIONS RESPECTING TRADING WITH
THE ENEMY (1943)

THURSDAY, MAY 1, 1947

WITNESS:

Dr. E. H. Coleman, C.M.G., K.C., Deputy Custodian of Enemy Property

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1947

ORDER OF REFERENCE

WEDNESDAY, April 30, 1947.

Ordered,—That the said Committee be empowered to inquire into, and report upon, the administration of all regulations respecting Trading with the Enemy made since the tenth day of September, 1939.

Attest.

ARTHUR BEAUCHESNE.

MINUTES OF PROCEEDINGS

THURSDAY, May 1, 1947.

The Standing Committee on Public Accounts met at 11.30 o'clock a.m., the Vice-Chairman, Mr. Gordon B. Isnor, presiding.

Members present: Messrs. Boucher, Burton, Cleaver, Cote (*Verdun*), Dechene, Fleming, Fraser, Gladstone, Golding, Isnor, Marshall, Probe, Richard (*Gloucester*), Rinfret, Stuart (*Charlotte*), Warren, Winkler.

In attendance: Dr. E. H. Coleman, C.M.G., K.C., Deputy Custodian of Enemy Property.

The Committee resumed consideration of the Schedule to Bill 22, An Act to continue the Revised Regulations respecting Trading with the Enemy (1943).

Paragraph 6: Adopted with the exception of subparagraph (2), which stood over.

Paragraph 7 stood over.

Paragraph 8: On motion of Mr. Stuart, subparagraph (f) (i) was amended by the deletion of the words *or enemy subject* in the second and third lines thereof.

Paragraph 8, as amended, and paragraphs 9 and 10 were adopted.

Paragraph 11: On the motion of Mr. Probe, subparagraph (2) was amended by the deletion of the words *or enemy subject* in the sixth line thereof.

Paragraph 11, as amended, and paragraphs 12, 13 and 14 were adopted.

Paragraph 15 stood over.

Paragraph 16, on motion of Mr. Fleming, was deleted and the following substituted therefor:—

16. Where, on the application of the Secretary of State, it appears to a Judge of the Exchequer Court of Canada that a contract entered into prior to or after the commencement of the present war with an enemy or with a person in respect of whose business an order has been made under regulation fifteen of these Regulations is injurious to the public interest, the judge may by order cancel or determine the contract either unconditionally or upon such conditions as he deems proper, and thereupon such contract shall be deemed to be cancelled or determined accordingly.

Paragraphs 17 to 24, inclusive, were adopted.

Paragraph 25, on motion of Mr. Cote, was deleted.

Paragraph 26 was adopted.

Paragraph 27 stood over.

Paragraphs 28 to 35, inclusive, were adopted.

Paragraph 36 stood over.

Paragraphs 37 to 44, inclusive, were adopted.

Paragraph 45: On motion of Mr. Fleming, subparagraph (2) was amended by the deletion of the word *will* in the third line thereof and the substitution therefor of the word *shall*.

Paragraph 45, as amended, and paragraphs 46 to 67, inclusive, were adopted.

Paragraph 68 stood over.

Paragraph 69 was adopted.

Paragraph 70 stood over.

At 1.15 o'clock p.m. the Committee adjourned until Tuesday, May 6, at 11.30 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 1, 1947.

The Standing Committee on Public Accounts met this day at 11.30 a.m. The Vice-Chairman, Mr. Gordon B. Isnor, presided.

The VICE-CHAIRMAN: Gentlemen, now that we have our quorum we will proceed to business. At our last meeting we had reached section 6, "The Custodian". If I remember rightly, Mr. Fleming wished to speak to that particular section. I might mention that section 1, subsection (k) stood over, and Dr. Coleman has asked me to allow that section to stand for a further period so as to give him an opportunity during the week-end to further consider the matter.

Mr. FLEMING: The point I raise on that section, Mr. Chairman, relates to the second clause. Shall I proceed with that clause or has anyone anything to say with regard to the first clause?

The VICE-CHAIRMAN: Shall clause 6(1) carry?
Carried.

Mr. FLEMING: Now, under clause (2):—

Any power or duty conferred or imposed by or under these regulations upon the Secretary of State or the Custodian may be delegated by him to such person or persons as he thinks proper.

My point is that the language is too broad; there should be some narrower confinement of power or delegation to senior officials of the department. It says, "any power or duty conferred or imposed by or under these regulations upon the Secretary of State" may be delegated by him or the custodian to such person or persons as he thinks proper. Now, actually as I understand it, nearly all of those powers were delegated by the Secretary of State to the Under Secretary of State during the war, and there was some further delegation to the deputy.

Dr. E. H. Coleman, C.M.G., K.C., Under Secretary of State and Deputy Custodian of Enemy Property, recalled:

The WITNESS: Assistant deputy; and limited in specific matters to the director in Vancouver; that is about all. I have discussed the suggestion with the present Secretary of State, and I think he feels that he is responsible. He would deprecate any amendment; but it is a matter of policy upon which he might like to be heard. I might say that I have served under seven custodians and they have been exceedingly jealous of parting with any of their authority.

The VICE-CHAIRMAN: Has the same policy been pursued during the full course of the seven custodians?

The WITNESS: Yes.

The VICE-CHAIRMAN: And you have not run into any obstacles or troubles because of that power?

The WITNESS: No; and if the matter is being proposed I think it is desirable—

The VICE-CHAIRMAN: I am hoping we may be able to clear this up as we go along.

The WITNESS: —that you see Colonel Gibson. He would have been here this morning but he was called to a committee of the cabinet. He may be in later in the morning, sir.

Mr. GOLDING: It might be wise to let this stand for the time being. On the other hand, I think, after all, the Secretary of State or any minister must take the responsibility for what he does, and I would not imagine that he would do anything very foolish in the discharge of his duties as minister. I do not think anything has happened that would cause any trouble in leaving the matter as it is, would you?

Mr. FLEMING: I think the reason for that is this, that the need for such broad power or delegation does not exist in the light of the experience in the custodian's office during war. If, in the stress of war it was not necessary to delegate any powers beyond the Under Secretary of State to the assistant Under Secretary of State then that is as far as the power of delegation need extend now, surely; that is my point.

The WITNESS: I do not wish to interrupt you, but I find that this clause is taken word for word from the Treaty of Peace order of 1920.

Mr. FLEMING: We had some correspondence quite recently in the House of Commons and objection was taken to these wide powers or delegation; maybe we had better leave this matter open, Mr. Chairman, until the minister comes.

The VICE-CHAIRMAN: Section 6(2) stands. Now 6(3), "Establishment of Custodian's office".

Carried.

Mr. FRASER: There are wide powers given there also. I feel that they would not open more offices than they should. Would they have to open any more offices now?

The VICE-CHAIRMAN: I doubt very much if it is necessary to open further offices, but I would think it would be a necessary clause to have there in the event that action along those lines became necessary.

By Mr. Fraser:

Q. Can we have Mr. Coleman's views on that? Is there any chance of any more offices being opened?—A. No, there would be no more established.

Q. Is there any chance of any offices being closed?—A. Yes.

Q. What offices are going to be closed?—A. We hope in a reasonable time to be able to close the Vancouver office. As you will see from our report tabled in parliament the number of employees has been very substantially reduced. Only the Japanese, really, I think, would be taken at a later stage; but the expectation is that that office will wind up as promptly as possible.

By Mr. Boucher:

Q. There is the other point where they may hire such officers and advisors and pay such remuneration as the custodian determines. Now, I think the feeling is that this bill, once it is passed, will continue on for probably many years, and bearing in mind your statement recently whereby we are still working on previous wars, do you not think that the officials—officers and clerks—appointed under this section should be under the Civil Service Commission so that there will be some limitation?—A. That, of course, is a matter of policy; I do not wish to make observations on that matter. I can simply state that the

vast bulk of the work is of an entirely transitory nature, and had there been treaties of peace at the end of the war, which would have enabled the bulk of the work to be completed, I have not any doubts that by now it would be down to skeleton proportions.

Q. My point is that with regard to clerks who hold tenure of office for any considerable length of time they should be appointed by the Civil Service Commission so that they could get the same rates, privileges and benefits as other civil servants, rather than be taken out of the Act. If this were only a matter of temporary employees I could see some justification for it, but as far as the permanent employees or employees with considerable service are concerned I do feel that this matter should be limited there.

Mr. CLEAVER: Do you think they should be permanent?

Mr. BOUCHER: I think they should be employed in the same manner as other civil servants. This Act will continue for a considerable length of time; it is not limited to a short period.

Mr. GOLDING: There will be a large number—

The VICE-CHAIRMAN: Now, gentlemen, we got along very nicely at our last meeting because we were a little more formal. I requested members to stand when they spoke. I disregarded that instruction this morning; but if you are going to talk to one another I shall have to ask you to accept that instruction again for the sake of keeping order.

Shall the subsection carry?

Carried.

Subsection (4): "Department of Government."

Carried.

Section 7:

Mr. FLEMING: This subsection brings us into a major problem under the whole of the regulations. Under this section, as you will see, very wide immunity is given to the Secretary of State or custodian.

No person has any rights or remedies and no action lies or may be brought against any person in respect of:

- (a) an act or omission that was required by the Secretary of State or Custodian;
- (b) an act or omission that the person acting in good faith reasonably believed to have been required by these regulations or any regulations heretofore in force with respect to trading with the enemy or enemy property; or
- (c) property transferred, delivered or paid to the Secretary of State or Custodian or pursuant to his direction either before or after these regulations came into force.

Now, obviously, people who act on the instructions of the custodian must have some immunity if they come within the scope of the instructions of the custodian, otherwise I should think there would be a complete breakdown. The custodian could not hope to have co-operation from people like the banks and trust companies from whom the custodian has need of co-operation at all times. It seems to me that this goes too far in curbing the rights of other persons where those rights have been, perhaps, negligently interfered with—perhaps interfered with by officials exceeding their powers. My criticism is that those regulations go too far in restricting the rights of individuals whose property or other rights have been seized or taken in possession or otherwise interfered with by the custodian. Now, what redress has he got? There are two other regulations which bear on this question: 27 and 36. No. 27 refers to court proceedings. It says:—

Where a dispute or question arises as to whether property is subject to these regulations, the Custodian may proceed in the Exchequer Court of Canada or in any superior court of record for a declaration as to whether the property is subject to these regulations.

That is a proceeding on the part of the custodian. Then clause (2) of that section reads:—

Any person may, not less than ninety days after giving the Custodian notice of his claim . . .

The time limit is not particularly important because I believe the custodian has never taken advantage of his technical position as to time limit. Clause (2) then reads:—

Any person may, not less than ninety days after giving the Custodian notice of his claim, proceed in the Exchequer Court of Canada for a declaration that he is not an enemy and

- (a) that property held or controlled by the Custodian is not subject to these regulations and he is the owner thereof or of an interest therein; or
- (b) that he was the owner of property or manages any enemy property immediately prior to its vesting in the Custodian under these regulations.

I direct your attention to the fact that right given to the person there to apply to the court is confined to an application for a declaration in the first place. In the second place, it is confined in this way, that he can only apply for a declaration that he is not an enemy. Then, in (a) and (b) it has to be on the basis of his not being an enemy.

The other regulation is 36, and it has to do with recovery by the minister, by the custodian, in the event of any person's failure to pay to the custodian any money payable to him under the regulations and it reads as follows:—

In the event of failure by any person to pay to the Custodian any money payable to him under these regulations the Custodian may take action in the Exchequer Court of Canada or in any superior court of record to recover such money.

I notice there that if the custodian takes action, under section 36, for the recovery of money that he contends is payable to him there is no provision made for any kind of counter-claim where the person who is being sued considers that he has rights which, if the custodian were a private person suing in an ordinary action, he would be entitled to set up by way of counter-claim. It seems to me that while we want to see the custodian clothed with ample power to do everything in the way of taking property under the Act for the protection not only of the state but of the rights of individuals whose rights might otherwise, perhaps, be lost or prejudiced, these regulations do not leave enough right in the person whose property may have been seized or taken in possession by the custodian. Suppose an individual feels that he is not an enemy and that property has been improperly taken from him, what can he do? There is nothing in these regulations to say that the declaration is binding on the custodian. I have no doubt that as a matter of practice the custodian would honour a declaration of the Exchequer Court, but it is only a declaration of the court; it is not a judgment.

Now, take another case where the issue is not simply as to whether a man is or is not an enemy, but he contends that he has an interest in property that has been taken by somebody else. He has not got any right to go to the courts. Now that we are in peace times I think this is the sort of provision that does admit of amendment with a view to restoring more equality toward two individuals in the matter of access to the courts where, at the present time,

they certainly are not in a position of equality with the custodian, since they may want to have access to the courts, and having got into the courts they may want to find themselves in the position of equality before the courts with the custodian.

Mr. BURTON: After listening to Mr. Fleming's presentation of that case and after checking over that section, it appears to me that the only resort that person would have would be, first, to prove that the person acting on behalf of the custodian had not acted in good faith. That is what it says in (b). The whole matter is put in the position that the person who feels aggrieved would first have to prove that the official did not act in good faith. It says: "(b) an act or omission that the person acting in good faith reasonably believed to have been required . . ."

Mr. FLEMING: Mr. Chairman, I think that these clauses in section 7 are disjunctive; the person has no rights or remedies in any of these cases; in other words, a claimant cannot bring an action or cannot succeed in an action if the defendant can prove that he satisfies the requirements of any one of these clauses.

The WITNESS: I think the purpose of (a), to which Mr. Fleming objected, is to protect the debtor to an enemy who had paid over the amount of his debt. He turned over the property which he held for the enemy to the custodian. It is an essential protection for the Canadian debtor or trustee for the enemy. It is not the intention by section 7 to protect—which I think Mr. Burton had in his mind—officials of the custodian's office at all; this is simply a protective measure for the people who have, acting under the regulations, paid over moneys which they have held for enemies. That deals with (a). Clause (b) protects them in a wider way. Perhaps it might be modified. We will be ready to consider any practical suggestion along those lines. Clause (c) is really a part of (a). I do not know why they put in "before or after these regulations came into force," unless there was a consolidation in 1943. Usually it applied back to 1939. There was no property turned over before the war in 1939. If it is agreeable to the committee to allow the matter to stand—Mr. Henry is here—we will be glad to consider the points raised and see what we can do. Would any member of the committee care to make any important suggestion?

Mr. FLEMING: I appreciate Mr. Coleman's willingness to consider this matter. I do not want to anticipate any discussion that we might wish to have on these sections. I think section 27 will have to be considered.

The WITNESS: Yes, I think section 27 will have to be considered along with it; and I confess in section 36—

Mr. CLEAVER: Shall we carry section 7 and deal with Mr. Fleming's point?

Mr. FLEMING: There may be an amendment to 7(b); possibly not to (a), but to (b) or (c).

Mr. CLEAVER: I judge from your remarks that your point could be adequately covered by an addition to section 27.

Mr. FLEMING: That may be; but I think it will be necessary to leave section 7 to be considered by Dr. Coleman and Mr. Henry.

The VICE-CHAIRMAN: Section 7 will stand.

Section 8: "Appointment of inspector."

Mr. BURTON: In (c) I notice the words "the commencement of the present war." You let that one stand before—the one dealing with the commencement of the present war—(k) of the first section.

The WITNESS: That was the definition section.

Mr. BURTON: Consequently, if there should be any change in the other you have to make the necessary change here.

The VICE-CHAIRMAN: No, I doubt that very much. (k) is the definition of the commencement of the war, while this deals with that section as it might be revised or amended.

Mr. FLEMING: Are you going to call these in order. I was going to ask a question about (f).

The VICE-CHAIRMAN: Shall (a), (b), (c), (d) and (e) carry?

Carried.

Mr. FLEMING: The power is given the Secretary of State in writing to appoint an inspector to inspect the affairs of a person, firm or company or the administration of the property. I was wondering how often it has been necessary to use that power and if reports were made in all such cases, and in what form, and how the reports were kept.

The WITNESS: It would depend on the individual file. As far as the office is concerned we are quite willing that they be deleted, and I think they are amply covered by (a), (b), (c), (d) and (e).

Mr. FLEMING: This provision applies to the cases in 8(f) inclusive in any of these cases: "the Secretary of State may appoint an inspector." My opinion perhaps, bears on the use of the section rather than the terms of the section itself.

The WITNESS: We have appointed a great number of inspectors, and if when a report is received it appears necessary to appoint a controller or supervisor, that has been done. As I say, they were related mostly to the very early stages of the war when there were suggestions that certain firms had substantial enemy interests, and in the great majority that provision did prevail and nearly all controllers were then appointed and some of them are still acting.

Mr. FRASER: May I ask a question Mr. Chairman? In the case of a person not being satisfied with the inspector or whatever they call him, the supervisor, is there any chance of having that party changed?

The WITNESS: Well, he would have the right, if he held enemy property, to apply under section 27 (2) to have it declared by the court as non-enemy property and we would not interfere.

By Mr. Fleming:

Q. Well, what would happen in the case of an individual or firm or company who might feel the inspector himself was not a suitable person and was not conducting himself properly?—A. Well, in no case that I can recall have the people concerned made the slightest objection to the inspector. In fact some of them have been very grateful for his help.

Q. Mr. Chairman, perhaps it is not like me to object to having powers which are not broad but in line 32 I raise such a question. The secretary of state may appoint an inspector to inspect any business to ascertain "whether the business is carried on for the benefit or under the control of an enemy or enemy subject."—A. We would like to delete the words "enemy subjects."

Q. I suppose there must be very few cases now where new discoveries would be made.—A. It was mentioned in my preliminary statement the other day and we are not completely able but we are beginning to get a little access to the records of business concerns in Germany to verify or perhaps disprove the explanations made to us by agents of Canadian enterprises in that country.

Q. That brings me to my question. This would only apply to the extent where business is carried on at the present for the benefit or under the control of an enemy. What about the case, if it is found now, that during the war the business was carried on for the enemy but it is not so carried on to-day. We will say it has either been transferred, the ownership has been transferred, or the

company has not been functioning latterly. Would it not be well to provide in broader terms for the company which has been carried on for the benefit of or under control of the enemy.—A. The enemy interest was vested under section 21.

Q. There is a similar expression elsewhere in the regulations, for instance 11 (2). You have the same expression on page 7, line 13, and again in section 15, clause 1 on page 8, line 25.

The VICE-CHAIRMAN: Well, Mr. Fleming the suggestion is three words in subsection 1 and 2, lines 33 and 34, and in one case in 37 and 38, be eliminated. Those words are "or enemy subject". Is it agreed?

Moved by Mr. Stewart seconded by Mr. Fraser those words be struck out. Agreed?

Agreed.

Subsection 2, the inspector's authority.

Carried.

Section 11, shall it carry?

Carried.

Section 12, appointment of controller by court.

Mr. FLEMING: Mr. Chairman, in this one, at line 34 "there is power for the secretary of state to apply to the same court within the province wherein the said person owns property or carries on the said business or trade have jurisdiction to appoint a receiver or liquidator".

I would like to ask first if it is necessary to resort to this power very often, and secondly whether the regulation is clear enough, what the effect would be on property located in other provinces than that in which the court has jurisdiction.

The WITNESS: I can only recall one appointment of a controller by the court and that was in the province of Quebec. It related to very extensive properties owned by a resident in an occupied country and in that particular case, I mean there was no suspicion of enemy tie-ups, but in view of the involved state of this man's affairs and his very wide interests it was thought expedient to have a controller appointed by the court. The controller was a gentleman whom he had sent out himself immediately prior to the war to represent him, should it become necessary in order to preserve certain of his assets and real property still there. We felt that a controller of his own selection or his own executive might be appointed by the court so that he could apply to the court with respect to certain of those assets in order to conserve others. That was the only instance.

Br. Mr. Fleming:

Q. Well in that case no question arose about the effect on property in any other province?—A. No, it was all property in the province of Quebec and the appointment was made by the Superior Court of Toronto.

Q. May I ask, Doctor Coleman, if he interprets this regulation 12 in such a way that the jurisdiction of the court in which application is made will be confined to the appointment of a receiver for property located within the province?—A. I would think so.

Q. Say for instance a firm had property in the six provinces you would have to make the application to the courts of all six provinces.—A. Yes.

The VICE-CHAIRMAN: Shall rule 12 carry?

Carried.

Gentlemen, may I revert to section 11(2), line 14, it is moved by Mr. Probe seconded by Mr. Marshall that the words "enemy property" be struck out.

Carried.

Section 13.

Mr. PROBE: In connection with 13, Mr. Chairman, I should like to ask Doctor Coleman if he can give any statistics on the number of times that the secretary of state has presented a petition.

The WITNESS: We have not had any.

Mr. PROBE: Then may I ask has the secretary of state investigated any alleged cases where this clause might be applicable?

The WITNESS: Many.

The VICE-CHAIRMAN: They have investigated many.

The WITNESS: Investigated many.

By Mr. Probe:

Q. I recall during the war there was some reference to the sale, by a very large nickel corporation, of interests in Petsamo, Finland, to an enemy corporation or an enemy government. Now on the surface, a deal of that nature would constitute trading with the enemy. —A. It does not come within the scope of the regulations.

Q. Wherein does it differ?—A. The regulations apply but now you have said there has been a sale to an enemy. I know only what was reported in the House of Commons and to the members at that time. Was it not the Falconbridge nickel company?

Q. I thought it was International Nickel.—A. It was sold to the government of the USSR, which was of course not an enemy. I think what you had in mind is this. It was characterized by the *Times* as a very stupid statement by the president of the company or some officer of the company.

Q. It was in the annual report.—A. Yes, that they had property in Finland at the time, and Finland was at war but had not been interfering with their property and they rather congratulated the shareholders.

Q. I recall it that way.—A. There was no suggestion there was any act on the part of the Canadian company to turn over the plant to the enemy. He simply made what I would call a very foolish statement, that is the term I would use. The statement was to the effect that the enemy, although they had control of it, had not destroyed the assets of the company.

Q. A satisfactory arrangement had been entered into?—A. I do not think it went that far.

Q. You do not think so? As I recall the annual report it raised a big query in my mind, although I was not thinking in terms of this bill at that time. You would say however, that what took place did not contravene section 13.—A. If the Canadian company had entered into a transaction or contract with the enemy that would have been an infringement of the trading with the enemy regulations. I recollect, and again I am subject to correction on examination of the records, that it was foolishness. That was what you might term it.

Q. Indiscretion?—A. I think they went a little further than indiscretion.

Q. I do too.—A. They congratulated the shareholders of the company on the fact that the enemy had maintained their plant intact although they were presumably using it for the productions of materials with which to wage war.

The VICE-CHAIRMAN: I think he wanted to build up the assets of this company.

The WITNESS: After Finland made the treaty with Russia, and Russia occupied that area, Russia made a contract as I recall it with the Canadian company and they acquired the property.

Mr. PROBE: Then, in so far as the secretary of state was concerned, it was a bona fide transaction and did not involve dealing with the enemy.

The WITNESS: It did not.

The VICE-CHAIRMAN: Mr. Stewart, did you have something to say to us about fish oil?

Mr. STEWART: I do not think it comes in there.

The VICE-CHAIRMAN: Shall section 13 carry.

Carried.

Section 15, the appointment of controller.

Mr. FLEMING: Mr. Chairman, under subsection 1, I draw attention to the fact there is very wide power given to the secretary of state where it appears to him that "the business is carried on within Canada by any person wholly or mainly for the benefit of or under the control of an enemy. The secretary of state may make an order either:— (a) prohibiting such person from carrying on business except for the purposes and subject to the conditions if any specified in the order, or (b) requiring the business to be wound up." Now again that provision may have been required in time of war to meet the urgency of conditions then existing. I wonder whether the power should be continued in peace time. It is a very drastic power to confer on an official, the right to just step and prohibit somebody from doing business and require that the business be wound up. Now I am not suggesting for one minute this power would be used arbitrarily or improperly but it is a thing we have to consider in legislating. I raise the question now as to whether or not that power should not be transferred to the court on application by the secretary of state or the custodian. It seems to me in time of peace it is a power much broader on the face of it, than can be justified.

The WITNESS: Well that might still apply but I do not think it is likely to be invoked. Its purpose was for speedy action. If we got some information from Germany and made application to the court, quite likely some assets would disappear while the proceedings were going on. I think the department is willing to place themselves in the hands of the committee.

The VICE-CHAIRMAN: It is a protective measure as far as the assets are concerned.

Mr. FLEMING: What Doctor Coleman has said might be justification for power to suspend, the carrying on of business by an individual but I do not think it should be sufficient to put him out of business and require the business to be wound up without reference to anybody. It is putting that power in the hands of the custodian.

The WITNESS: As I have said, if the committee will let this stand I will see what we can do with it over the weekend. I do not want to make a snap judgment that it might not be needed but we would be disposed to the suggestion of the committee to delete some items which might not be suitable to the committee.

The VICE-CHAIRMAN: That will stand.

Mr. RINFRET: Another thought has arisen in my mind. This definition of "enemy" seems to include only those presently our enemies due to the war but this Act may want to continue after we are not officially at war with the countries we are assuming are enemies. It just occurred to me that point might be considered in order to include those countries who were enemies during the war after a state of war has ceased to exist.

The WITNESS: You would have to make new regulations in accordance with the treaties of peace or whatever statute is made then.

Mr. FLEMING: As I understand it, the intention is, and it is so indicated by section 3 of the bill, to provide separate regulations to deal with property after peace has been ratified.

The WITNESS: We will have to.

Mr. RINFRET: You are quite satisfied with that position?

The VICE-CHAIRMAN: Section 16.

Mr. FLEMING: Just before you come to section 16, I wonder if Doctor Coleman would include in his consideration of section 15 over the week-end, clause 11. "The secretary of state may from time to time prepare and publish in the *Canada Gazette* lists of the persons as to whom orders have been made under this regulation."

The WITNESS: I would be prepared to change it to "shall" in the first line. I think it was worded in that way for security reasons. I think that was the purpose.

Mr. FLEMING: We could change that now.

The VICE-CHAIRMAN: Rule 16, cancellation of contract.

Mr. FLEMING: I do not want to be doing all the talking.

The VICE-CHAIRMAN: Doctor Coleman advises me, Mr. Fleming, before you go on, that there is a modification in that section.

The WITNESS: This is our proposal for section 16:—

16. Where, on the application of the secretary of state, it appears to a judge of the Exchequer Court of Canada that a contract entered into prior to or after the commencement of the present war with an enemy or with a person in respect of whose business an order has been made under regulation fifteen of these regulations is injurious to the public interest, the judge may by order cancel or determine the contract either unconditionally or upon such conditions as he deems proper.

We are proposing to delete 16 and substitute what I have just read to you. The idea there was to substitute "court" for "the minister".

Mr. FLEMING: That amendment meets the point I was going to raise.

The VICE-CHAIRMAN: To bring it before the meeting, it is moved by Mr. Fleming, seconded by Mr. Golding, that the amendment as read be substituted for 16.

Mr. FLEMING: May I ask Doctor Coleman about the last clause of section 16 which is not carried over. "And thereupon such contract shall be deemed to be cancelled or determined accordingly".

The WITNESS: We are agreeable to have those words added.

The VICE-CHAIRMAN: Is it agreed?

Carried.

Section 17, notice to enemy.

The WITNESS: That is a necessary provision. There are companies with enemy shareholders or with shareholders residing in enemy territories and they could not hold their meetings unless they had some authority to direct their statutory notices to the custodian.

Mr. FLEMING: Has it been the practice of the custodian to endeavour to communicate to persons under such circumstances.

The WITNESS: Now that postal communications are restored to most of the countries we direct the company to send the notices in the usual way. There are, however, still areas where there are no postal facilities that I know of, such as Japan and in some areas of Germany.

The VICE-CHAIRMAN: Shall section 17 carry?

Carried.

The VICE-CHAIRMAN: Shall section 18 carry?

Carried.

The VICE-CHAIRMAN: Shall section 19 carry?

Mr. BURTON: May I ask Doctor Coleman under what circumstances would the secretary of state exercise the power given to him here.

The WITNESS: Well there have been very few cases of that and I think I can only remember one where we did allow the company to retain an Italian director for a considerable period.

Mr. BURTON: Here it says "except by leave of the secretary of state". Apparently the secretary of state has the power to say that someone might act as a director.

The WITNESS: Yes, but as I say, I can only recall one case where there was a very large board and there had been an Italian who had founded that particular business and they allowed him to remain on the board because there were eight others who could perform functions. It subsequently developed, I may say, at the end of the war, we received information from certain British authorities that the Italian in question had been an anti-Fascist.

Mr. PROBE: Did you have that information at the time the decision was made?

The WITNESS: No, we did not, but he was only one of eight and he could not attend and there was a quorum to carry on.

The VICE-CHAIRMAN: Shall section 19 carry?

Carried.

Section 21?

Mr. RINFRET: I am sorry I could not attend the first meeting where the vesting of the enemy property was discussed. Does the word "enemy property" cover the case of a company incorporated by persons who are not enemies, within the meaning of the Act, operating in a country which is not presently at war but which becomes at war and the territory is occupied at a later date.

The WITNESS: Yes, it would apply if the company is incorporated in either enemy territory as defined in regulation 1 or in proscribed territory, the definition (c).

The VICE-CHAIRMAN: Page 2, Mr. Rinfret.

By Mr. Rinfret:

Q. Yes, but suppose a Canadian incorporated a company in Holland, before it was occupied by Germany. The office of the company, the head office moves ahead of the Germans and the head office is never in occupied territory.—A. You mean it is a Dutch corporation.

Q. One which was incorporated in Holland and Holland was not at war at that time and its territory was not occupied by the enemy.—A. I know. And this company under the law of the incorporating country, which is Holland, has effectually transferred its head office to—

Q. Paris. And before Paris was occupied, to Portugal.—A. Well, it would not come under this, would it?

Q. I do not think so, but your department seems to think so.—A. Well in connection with the case you have in mind I do not think you really appreciate our point but I could not say offhand without refreshing my memory and looking at the file.

Q. I would like to look at the file with you.

The VICE-CHAIRMAN: Shall rule 21 carry?

Carried.

Section 23, real estate.

Carried.

Section 24, patent copyrights, trade mark or design. I believe this was the section you referred to Mr. Stewart.

Mr. STEWART: I think I gave you a pretty good outline at our last meeting of the matter I have in mind. There is some information I would like to have. It was in connection with a patent which exists at the present time in Norway for the refining of fish oil and it is used in the canning of sardines and that sort of thing. I cannot say whether the information I have is correct and I was hoping to get some confirmation here. I remember that a short time ago, a year ago, the Honourable Henry Wallace made a statement and he said that scientists from England, Russia, and the United States had carried on an investigation in Germany and were bringing back to their respective countries hundreds of new inventions covering processes practically unknown heretofore outside of Germany, and that these new processes and inventions would be the basis for starting new business enterprises in our countries. This oil today is being offered for sale in Canada even with the great shortage of oil that is worldwide to-day. Now as I stated the other day there is only ten per cent of the fish oil of the world produced in Norway. Ninety per cent of the fish oil in the world is being used for other purposes not nearly as essential as food. I believe in this country fish oil is used in the manufacture of cheap paints and so on. Now, if we had that patent for the refining of fish oil it would be a very great help to the canning industry in Canada. I do not know how many other industries it would affect but it would be of great benefit to the fish industry in Canada. The question I would like to ask is this. Is there any reason why these patents should not go to the allied nations? Why should one country monopolize a German patent?

The VICE-CHAIRMAN: I think Dr. Coleman can give you an answer.

The WITNESS: This question was raised in February. We have had communication with the Department of Finance and a search was made, first in our own records and there is no patent in Canada covering this Norwegian fish oil and its process. I have a note from the commissioner.

A search of our records fails to disclose any patents to a resident of Norway or Germany since 1930. I have also searched the issues of the Bibliography of Scientific and Industrial Reports issued by the office of technical services, United States Department of Commerce without finding anything. The reports referred to, contain technical information received from civil and military agencies of the United States government and co-operating foreign governments. Many of the reports cover information captured in enemy countries.

I am writing the officer in charge of patents in the United States Alien Property Custodian's office for his assistance in locating the process and on receipt of his reply will notify you.

And then the commissioner writes to us further on the 10th of March.

Further to my letter of February 18, 1947, respecting Senator A. N. McLean's enquiry *re* fish oil treatment I am now in receipt of a letter from the United States Office of Alien Property in which they suggest that United States Vested Patent No. 2,021,562 may be of interest. This patent was granted on November 19, 1935, to Dietrich Hildisch, Oslo, Norway, for Process of Improving the Taste of Hydrogenated Oils. The United States Official Gazette shows that a patent was applied for in Germany on January 5, 1932. Fish oils are specifically mentioned in this patent.

A search of our indexes under the name of Hildisch does not disclose a corresponding Canadian patent.

From the point of view of the custodian's office, there being no patent in Canada, and from the point of view of the Patent Office, there being no patent in Canada, it is not a matter with which we have to deal. Now, if it were a German patent, an enemy patent in Norway, as Norway is a party to the Patent

Accord which was signed last summer or last autumn, under which enemy patents are dedicated to the public it would be a different matter. Now the first point is that there is no patent in Canada. Therefore, if anyone acquired the knowledge of the process and proceeded to manufacture this oil, the Norwegian holder of the patent could not bring an action for infringement because he was never protected himself by patenting the process under Canadian law.

Mr. STEWART: I would like to know whether it is a German patent or a Norwegian patent?

The WITNESS: I beg pardon?

Mr. STEWART: Is it a German patent or a Norwegian patent?

The WITNESS: Well according to the only trace we can find there is a patent in the United States by a man in Norway and it would appear therefore that it is a Norwegian patent but they have never applied here.

Hon. Mr. GIBSON: They also said he applied for a patent in Germany.

The WITNESS: But when we are referring to German patents we are referring to patents owned by Germans and which are being used by countries which are members of the Accord.

The VICE-CHAIRMAN: I trust that will give you the information you wanted, Mr. Stewart.

The WITNESS: I may also say the commissioner of patents will be very glad to show a copy of the United States patent. We have got a copy of the United States patent.

Mr. GLADSTONE: I do not know if the question I would like to ask has any relevancy. What I have in mind is the property of Canadians who were located in countries overrun by the enemy as for instance Singapore, overrun by the Japanese, where property of Canadians was destroyed. I understand in such cases details of the destroyed property were filed with the custodian and I am wondering what the situation is with respect to probable settlement.

The WITNESS: Well that is not a custodian matter, Mr. Gladstone. There being no other agency of the government with facilities, the custodian was instructed at the beginning of the war and it is provided here, to record the details. The first point is when the treaties of peace are made with the enemy who presumably destroyed the property, it will rest with those who negotiate those treaties to determine whether the enemy will be required to make reparations for damages done to the property of allied citizens and their country. After that is done it will rest with the countries which execute the treaty to determine what machinery will be set up to deal with the claims. I think you will see by the report which was submitted and placed on the table of the House of Commons that the recorded claims vastly exceed in amount the enemy property in Canada. There will have to be set up some machinery to deal with that and it will not be a custodian matter at all. The government will have to consider whether they will set up a body authorized to examine those claims in order to see what will be presented to the enemy, and, after that, what amount can be collected. It does not, however, touch the work of the custodian.

Mr. GLADSTONE: There is a machinery here for recording.

The WITNESS: There is machinery for recording. It is under section 45 which the committee has not reached.

The VICE-CHAIRMAN: Will you make a note of that, Mr. Gladstone?

Shall section 25 carry?

Carried.

Mr. COTE: Mr. Chairman, this section 25 seems to have lost its purpose in the light of section 21 which we have passed. Would the judgment or the ruling of the exchequer court be retroactive? Section 21 (1) says, "all enemy property

is hereby vested in and made subject to the control of the custodian whether or not the property has been disclosed to the custodian as required by these regulations." Now, if the exchequer court decides that any such property is owned by an enemy what would happen if any transaction or dealing may have taken place since the entry into force of the regulations and until such judgment is rendered.

The WITNESS: I think it has never been resorted to. Section 21 is dealing with enemy property and gives the power of applicants to apply to exchequer court in cases of suspicion but it has never been invoked.

Mr. FLEMING: Do you need the power?

The WITNESS: I think we do need it, but the departmental officers are inclined to think we might agree to delete it. It has never been applied.

The VICE-CHAIRMAN: Do you wish it struck out?

Mr. COTE: I do not see any purpose if it has never been used.

The VICE-CHAIRMAN: Moved by Mr. Cote, seconded by Mr. Rinfret that section 25 (1) and (2) be struck out.

Carried.

Mr. COTE: Then passing to the next section, Mr. Chairman. This point should have been raised by me under section 21 and 23. What happens if the business operated between the entry of the regulations and the date of disclosure of the owning of any such property by an enemy.

The WITNESS: I do not quite get your point, Mr. Cote, I am sorry.

Mr. COTE: Well, this refers to the point which I think should be discussed with regard to section 25. I know I am out of order, but as a matter of information "all enemy property is hereby vested in and made subject to the control of the custodian whether or not the property has been disclosed to the custodian as required by these regulations".

What happens with bona fide third persons who happen to deal with agents or proxies of enemies owning any property in Canada in that interval.

The WITNESS: We have never had an instance.

Mr. FLEMING: I suppose, Mr. Chairman, the vesting took effect in any event from the date the regulations came into effect. You did not have to wait for an order of the court. This is an additional power under section 25 if the property belongs to, or if it is enemy property within the regulations, it was vested automatically on the date the regulations came into effect.

The WITNESS: Yes.

The VICE-CHAIRMAN: Are we agreed on 25?

Carried.

Shall section 26 carry?

Carried.

Shall section 27 carry?

Mr. FLEMING: That had better stand.

The VICE-CHAIRMAN: Section 27 will stand. Section 28?

By Mr. Rinfret:

Q. Mr. Chairman, in connection with this, if a bank decides what they hold is enemy property does that make it enemy property? If a bank is holding some property which, in its judgment, it decides is enemy property, does that make it enemy property?—A. Enemy property is defined.

Q. Yes, but would the person who holds the property or manages it, decide whether it is enemy property?—A. Well he has to interpret the Act in the same manner he would have to interpret any other duty imposed upon him by law.

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

or at such rate as may be fixed by the Foreign Exchange Control Board. Now I assume that the first part of that has not been applied for a good many years now, and that the Foreign Exchange Control Board has been fixing a rate from time to time.

The WITNESS: Well, practically all debts which were due to the enemy have long since been paid and they were cleared at this rate of exchange as provided here, a rate of exchange equal to the average cable rate of exchange prevailing in Canada.

Mr. FLEMING: Does that provision serve any useful purpose in 1947?

The WITNESS: I think we still might run across an old debt and one of our problems was the situation regarding the rate of exchange. I think it is necessary.

Mr. FLEMING: What rate has the Foreign Exchange Control Board been applying in more recent transactions?

The WITNESS: Well I would have to inquire about that.

The VICE-CHAIRMAN: Have you any particular country in mind with your question?

Mr. FLEMING: No, but it would be very difficult to strike a rate on some of those currencies.

The VICE-CHAIRMAN: I would judge that it is safeguarded in that paragraph. I will have to trust to the controller.

Will we pass on to section 34?

Carried.

Shall section 35 carry?

Carried.

Shall section 36 carry?

The WITNESS: That was the one that was standing along with 27.

The VICE-CHAIRMAN: Oh yes, section 36 shall stand. Shall section 37 carry?

Carried.

Section 38?

Mr. FLEMING: Mr. Chairman, on section 38. The minister, when the question of the disposal of the Japanese property was up in the House, said that no further real estate owned by persons of the Japanese race in Canada, in which they had an interest, would be disposed of without their consent.

The WITNESS: That applies to people of the Japanese race.

Mr. FLEMING: Yes.

The WITNESS: The evacuated Japanese.

Mr. PROBE: Has the present custodian power over the Japanese Canadian?

The WITNESS: Yes, but it is not under this bill, it is bill 104.

Mr. FLEMING: But bill 104 applies to the custodian "mutatis mutandis" the regulations under this schedule.

The VICE-CHAIRMAN: Shall section 38 carry?

Carried.

Section 39.

Carried.

Section 40.

Carried.

Section 41.

Carried.

Section 42.

Carried.

Section 43.

Carried.

Shall section 44 carry?

Mr. FLEMING: Mr. Chairman, 44 is the section prescribing the fee that may be charged by the custodian that may not "exceed 2 percentum of the value of the property including the income therefrom". I would like to ask what variations there have been from that maximum of 2 per cent. I am not asking for it in detail now but it might throw some light on the wisdom of continuing that particular form.

The WITNESS: I think there is a provision exactly similar to that in the United Kingdom. I think it is 3 per cent in the United States. It was not collected with respect to property of British subjects, Canadian and other British subjects residing in parts of the British Commonwealth which might have been invaded. As you well know, for five years the Channel Islands were under the control of the enemy. Similarly, Singapore, and certain parts of the far east. That is no charge was made with respect to those people who had been under the protection of the Union Jack or its local equivalent when their country or a particular area was overrun by no fault of theirs. In respect of British subjects who had elected to live in a foreign country which happened to be overrun the general rule is to charge approximately one per cent.

The VICE-CHAIRMAN: Shall section 44 carry?

Carried.

Mr. FLEMING: Well the second clause there, Mr. Chairman, provides that "the custodian may employ such part of the property vested in him or the proceeds therefrom as may be necessary the expenses incurred in the administration of these regulations". I do not want to ask any questions about that but it is just this sort of thing that we will have to watch in our review of the accounts later because these accounts have been outside the scope of public accounts entirely. The custodian under this provision was asking his own fees and expenditures.

The VICE-CHAIRMAN: Yes, well our reference is broad enough to cover that.

By Mr. Rinfret:

Q. Am I correct in saying this 2 per cent is charged on all properties vested in the custodian whether it is declared later on that it is not enemy property?—A. If it were declared later not to be enemy property it would not have to be paid.

Q. The Rothschild case in the Supreme Court decided against that. They decided that Rothschild was responsible for 2 per cent even if his property was not declared enemy property.—A. Well I would not go quite that far.

Q. It is not the custom of the department to charge it when it is not declared enemy property.—A. No.

The VICE-CHAIRMAN: Shall section 45 carry?

Mr. FLEMING: There is one line that bothers me, "the action of the custodian will be confined". That is odd language.

The WITNESS: That was just to make it clear that he just has to keep the record. I think the intention was to make it quite clear that he was not, by recording, admitting any liability.

Mr. FLEMING: Well, should it not be imperative?

The VICE-CHAIRMAN: It is, practically.

Mr. FLEMING: Do you not think it should be "shall"?

The WITNESS: We will be quite willing to accept "shall".

The VICE-CHAIRMAN: Moved by Mr. Fleming, seconded by Mr. Winkler that the word "will", in line 38, shall be changed to "shall".

Shall section 46 carry?

Carried.

Shall section 47 carry?

Mr. PROBE: With respect to 47, I presume that when this clause became effective, that is when war was declared there was some opportunity for persons who had claims for passage for relatives to record their claims against German transport companies.

The WITNESS: That is precisely the point I raised the other day in connection with the Hamburg-American line and the North German Lloyd, and I then pointed out these ticket offices, principally in Montreal and Toronto, were mere agents for the collection of money and they remitted payments which they took in each day to the New York office of the German lines. When the custodian came in, all they had was a lease of the premises and a few odd sticks of office furniture which was not sufficient to pay the rent and claims for wages. Well, in most cases they did have enough to pay the rent and wages and under the Bankruptcy Act we did make some representations to the Alien Property Custodian in the United States concerning these Canadian people who had prepaid their money for passages and he pointed out that under an Act of Congress he was precluded from entertaining claims from persons outside the United States. I have since heard unofficially that the custodian's staff in Washington is trying to obtain legislation which would enable them to deal with claims of that nature.

Mr. PROBE: As far as your department is concerned you were willing and are willing to entertain a record of the claims even beyond the thirty days prescribed under the Act.

The WITNESS: Yes.

The VICE-CHAIRMAN: Shall section 50 carry?

Carried.

Section 51.

Carried.

Section 52.

Carried.

Section 53.

Carried.

Section 54.

Carried.

Section 55.

Carried.

Section 56.

Carried.

Section 57.

Carried.

Shall section 58 carry?

Mr. FLEMING: Mr. Chairman, the shifting of the onus of proof here to the person claiming an interest in the property gives the custodian an advantage and I think we should have some evidence of substantiating the need of this in time of peace.

The WITNESS: I think this is really more important now than in time of war because the claims are only beginning to come in. People are claiming this property was not enemy property at all and it is really owned by someone in a neutral country and I would think the only way you could deal with it is having them substantiate the fact that it is Swiss property or Portuguese property and not German.

The VICE-CHAIRMAN: Shall section 58 carry?

Mr. FLEMING: How about subsection 2?

The WITNESS: That is evidence that they submit in respect to making an application or petition. They shall present certified copies or photostatic copies to satisfy us that it is not enemy property. The idea was those should be on the file for the future if any question ever arose about it.

The VICE-CHAIRMAN: Shall section 58 carry?

Carried.

Section 59.

Carried.

Section 60.

Carried.

Section 62.

Carried.

Section 63.

Carried.

Section 64.

Carried.

Section 65.

Carried.

Shall section 68 carry?

Mr. FLEMING: 68, Mr. Chairman, why is that required now?

The WITNESS: I will have to look into that, if it might stand over with the others.

The VICE-CHAIRMAN: Section 68 will stand.

Shall 69 carry?

Carried.

Shall 70 carry?

Mr. FLEMING: Is it desirable to designate the regulations in that form now that the statutory provisions take effect?

The WITNESS: I think section 70 could stand, we would like to talk that over.

The VICE-CHAIRMAN: Gentlemen, shall we adjourn until this afternoon at 4.00 o'clock or will we carry over and give Doctor Coleman an opportunity of reviewing these sections?

Mr. FLEMING: Doctor Coleman suggests he might have the weekend.

Mr. STEWART: I suggest Tuesday morning.

Mr. FLEMING: At our next meeting, Mr. Chairman, we were going to confine ourselves to the sections that are being held over and start on these other matters afterwards?

The VICE-CHAIRMAN: We hope to do both.

Mr. FLEMING: I was wondering if it would not be better at the next meeting to finish up the bill and at the next following meeting we could be prepared to discuss the other matters.

The VICE-CHAIRMAN: I suggest we clean up the schedule.

Mr. FLEMING: Yes, but I was thinking our next main task is the reviewing of the accounts of the custodian and I would think we might save time if the steering committee met and discussed that point. We could easily waste a lot of time on that kind of an enquiry. My suggestion would be at the next meeting we clean up the schedule and the bill, and the steering committee might plan the next phase of our program.

The VICE-CHAIRMAN: That is what I had in mind. We will follow that procedure.

The meeting adjourned at 1.10 p.m. to meet again next Tuesday May 6.