

*Cancelled by P.C. 755-14 April 1920  
Repealed as affecting Austria n. Bulgaria  
by P.C. 1030-13 July 1919*

*Canada Gazette 14/12/18 p. 1977*

The Committee of the Privy Council have had before them a report, dated 7th November, 1918, from the Secretary of State, representing that the Enemy Debts Committee, established by the Treasury of the United Kingdom on the 13th of November, 1916, has by its preliminary Report dated the 4th of April, 1917, and reiterated in a further Report dated the 23rd of January, 1918, recommended as follows:

"(1) By agreement between the belligerent Governments, embodied in the Treaty of Peace, an arrangement should be made for the settlement by the intervention of the Governments of all the indebtedness arising out of commercial, banking and financial transactions which were not completed owing to the outbreak of war. The principle of such a scheme would be that each Government should be responsible for collecting the sums ascertained to be due from its own nationals, and would pay the sums ascertained to be due to its nationals the balance being settled between Governments.

"(2) The agreement should cover other matters, incidental to the settlement on which at present we do not make detailed recommendations. All settlement of indebtedness otherwise than through the agency thus provided by the Governments should be prohibited.

"(3)

*3 Copies to General 12 Nov 18  
to External Affairs 12  
(2) Secretary of State 12  
to High Commissions 12  
to Finance 12  
to Justice 12  
to the Privy Council 12  
to the Secretary 12*

"(3) The existing prohibitions of payments to enemies and of the restoration of enemy property should be maintained until a satisfactory arrangement has been concluded, including adequate assurance, in the form of tangible security or otherwise, for its execution.

"(4) The scheme to be adopted should apply to the British Empire as a whole, and should, if possible be concerted with our Allies."

These Reports state that there are serious objections to leaving creditors to recover their debts to recourse to the Courts of an enemy country, and that enemy debtors would be in a position to use the settlement of their debts as a means of bringing pressure to bear upon creditors to resume commercial relations. It was recommended that immediate steps should be taken to consult the Governments of the Dominions, of India, and of the other portions of the Empire, with the object of obtaining their concurrence in the proposals of the Committee. The Report further shows that no statement of enemy indebtedness to and claims against Canadians has been submitted, although a request therefor was made, and though similar statements have been received from all other parts of His Majesty's Dominions.

The Minister states that the Consolidated Orders respecting Trading with the Enemy, 1916, are administered by the Department of the Secretary of State in so far as investigations of enemy trading and all enemy property are concerned, and that under these Orders the Minister of Finance and Receiver General is the Custodian receiving all payments which, but for the war, would

would have been made to persons who are now alien enemies, and that to some extent the divided administration of the Orders has prevented such action from being taken in Canada as that taken and reported upon by the Enemy Debts Committee in the United Kingdom.

The Minister, therefore, recommends that a Committee be appointed consisting of the Secretary of State of Canada, the Under Secretary of State, an officer of the Department of Finance named by the Minister of Finance, and an officer of the Department of Justice named by the Minister of Justice, for the following purposes:--

To consider and report on the arrangements to be adopted for the liquidation of the commercial, banking and other financial transactions between Canadian and enemy persons the completion of which was prevented by the outbreak of war;

To consider the Reports of the Enemy Debts Committee of the United Kingdom, and to report upon the feasibility of action in Canada similar to that recommended by the said Committee;

To consider and report upon such steps as may be necessary in Canada to carry on an investigation of claims owing by alien enemies to Canadians and of alien enemy claims against Canadians, for the purpose of taking uniform action in the matter, if the Report of the Enemy Debts Committee is acted upon;

To consider and recommend such action as may be necessary to correlate the administration of the Government Departments in administering the Consolidated Orders respecting Trading with the Enemy, and

To

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To take such action as may be considered  
advisable and necessary to vest in the Custodian enemy  
debts as provided by the aforesaid Orders.

The Committee concur in the above recommenda-  
tion and submit the same for approval.

W. P. Russell

approved.

Devonshire

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PRIVY COUNCIL

OFFICE

CANADA