

## COMMENTARY: DUE DILIGENCE?

Like gold, public policy can be assayed — its purity tested and reported. This study has focused almost exclusively on the origin and disposition of six tons of gold in the vault of the Bank of Canada, gold that began the war as British property and ended the war in the accounts of the Portuguese and Swedish central banks. By the standards of Allied and Axis gold movements in World War II, this small cache of gold was relatively insignificant. The moral dimensions of this small flow of gold through Canada's central bank are, nonetheless, today possibly as momentous as the largest wartime transfers of Reichsbank gold across the Swiss border.

The issue of Nazi gold in Canada has never been one of absolute taint — the physical acceptance of looted gold and its subsequent legitimization. Nor have the recent controversies over dormant bank accounts and heirless assets touched Canada. Instead, the controversy over Canada's part in wartime gold movements has been defined in legalistic and bureaucratic terms — a questioning of the procedures by which ownership of gold was transferred on paper by one central bank to another. It involves an evaluation of the diligence that Canadian officials in Ottawa applied to overseeing the transfer of earmarked gold in Canada, in exchange for unknown commercial and financial transactions in Europe. At root, it is a matter of the morality and competence that Canada's wartime bureaucrats brought to one small aspect of their work. That competence must be weighed in terms of both the overall wartime context in which the transfers took place and the actual mechanics of the transfers.

### SIX TONS OF GOLD IN A BROADER CONTEXT

#### Overall Gold Movements in Wartime Ottawa

Some may fault this study for its excessive myopia — the dogged pursuit of six tons of earmarked gold through the course of the war. In war, one could point out, more than in most human endeavours, decisions are made in light of the broad context — the quest for survival and ultimate victory. This study has instead begun with the premise that in war the means, however seemingly insignificant, should measure up to the moral end of war. This said, there is every reason to set the gold transfers of 1942-45 in a broader context.

In this respect, it is crucial to place the gold trades of 1942-45 in the context of the Bank of Canada's overall activity as an earmarker of foreign gold during the war. The six tons of gold — 480 bars — that were traded from Switzerland to Portugal in 1942 and 1944, and then partially on to Sweden later, represent the smallest fraction of the foreign gold that the Bank of Canada handled during the war. Even if one broadens the focus of this study to embrace the 56 tons — 4,506 bars — of English gold transferred to Switzerland in 1942-43, the ratio remains very small. The careful reconstruction of the Bank of Canada's gold ledgers over the years 1935-56 that has accompanied this research has revealed that the Bank of Canada handled approximately *565,000 bar transactions*. A "bar transaction" measures the arrival and eventual shipping out of every bar. Defined more narrowly, between 1938, when the prewar scramble to earmark foreign gold in Ottawa began, and the end of the war in 1945 the Bank of Canada received 186,332 bars of gold, plus another 8,291,032 ounces of gold coins. Another perspective on the 1942-45 transfers is offered by the fact that, over the years

1939 to the early 1950s when the last vestiges of wartime earmarking were wound up, the Bank of Canada carried 39 earmark accounts, only four of which — England, Switzerland, Portugal and Sweden — were involved in the trades examined here. It is worth noting that only one further question about gold in Ottawa has emerged from the intensive scouring of wartime records that has taken place in Washington and Europe over the last year and a half.<sup>1</sup> Nor has the intensive search of the Bank of Canada archives since August 1997 revealed any further hint of improper transactions. Thus, the gold swaps of 1942-45 constitute only a tiny fraction of the Bank of Canada's overall gold transactions in World War II.

### Gold Swaps at the High Noon of War

The 1942 Anglo-Swiss agreement to swap gold for francs and the subsequent transfer of Swiss gold to Portugal came at the darkest hour of the war. As the preeminent historian of Canada's war effort, J.L. Granatstein, has noted, "...A pall of frustration hung heavily over Canada in 1941. The war was going from bad to worse."<sup>2</sup> The secret, coded cables that arrived from the Bank of England initiating the swap in March 1942 arrived just months after Pearl Harbour, an event that shunted the Allies into a two-theatre war. On the home front, the spring of 1942 saw Canada engaged in a national plebiscite campaign over the thorniest of Canadian issues — whether Canadian manpower should be conscripted to fight the Axis. There was a mood of political rancour and anxiety throughout the land. All this came after a year of desperate effort to gear up the Canadian economy for the immense challenge of beating the Axis on the economic front. While plans had been laid, there was still no assurance that Canada's economy could meet the challenge of total war. In the words of historian C.P. Stacey, "The harvest then sown [in 1940] began to be reaped on a large scale only in 1942....By the end of 1943, the Canadian effort, built up gradually through four years, was almost at its peak."<sup>3</sup>

Through these days of national strain, there was still no sense that victory was assured. Every day brought decisions of momentous import. There were decisions about war production, manpower allocation, rationing and price controls. The question of paying for the war was ever present. These decisions were often made by the same senior politicians and bureaucrats whose names appeared on the memoranda and cables that permitted gold to be earmarked in Canada — Bank of Canada Governor Graham Towers, Finance Minister J.L. Ilesley and Deputy Minister of Finance W.C. Clark. Every day in 1941-42, as Granatstein has pointed out, these so-called mandarins "came to solutions to the fiscal problems that threatened to destroy the Canadian war effort."<sup>4</sup> The Bank of Canada became the focal point of much of the nation's monetary war effort — the Foreign Exchange Control Board was administered under its umbrella of jurisdiction, the national War Bond drives were coordinated by its officials and Canada's public debt, including Canada's famous billion-dollar gift to Britain in early 1942, were orchestrated by the Bank of Canada. On occasion, Governor Towers abandoned his usually dry manner of communication to reveal the pressure under which he found

1 See "European Perspective," p. 18, footnote 45.

2 J.L. Granatstein, *Canada's War: The Politics of the Mackenzie King Government 1939-1945*, Toronto, 1975, p.159.

3 C.P. Stacey, *Men, Arms and Government: The War Policies of Canada 1939-1945*, Ottawa, 1970, p.51.

4 Granatstein, *op cit.*, p.160.

himself as wartime decisions crowded in upon him. “The administrative difficulties of the task which is being undertaken,” he confided to Bank of England Governor Montagu Norman after wage and price controls were introduced in Canada, “are, of course, terrific. I hope that a good job will be done — or perhaps it would be better to say that a good job must be done.”<sup>5</sup>

The Bank of England's request that the Bank of Canada facilitate a swap of its gold for Swiss francs thus arrived on the desk of a man besieged with worry. His counterpart in the Department of Finance, Deputy Minister W.C. Clark — whose assurance of the granting of an export licence was necessary before a foreign client would earmark gold in Ottawa — was similarly bowed under the burden of wartime decision-making. How diligent therefore were they in the face of yet another demand on their authority? Or did the pressures of war allow a series of gold transfers of questionable integrity to slip across the desks of Ottawa's fiscal and monetary mandarins without the exercise of due diligence? What conditioned their response to the transfer requests from England, Switzerland, Portugal and Sweden? Even before the war began, one factor clearly preconditioned Ottawa's response to England's needs in 1942.

### **Obliging the Motherland: Heeding Montagu Norman's Call**

Since its inception in 1935, the Bank of Canada had found itself in a filial relationship with the Bank of England. Not only was the Bank of England old, experienced and at the crossroads of global finance, but it was the central bank of the senior member of the new-born Commonwealth. “Not a day passes without my thinking of some question which I should like to ask you,” the deputy governor of the Bank of Canada wrote to a confrere at the Bank of England in 1935. “I must make a list of them and get your replies in a year or so when I next visit what is always referred to here as ‘the Old Country’.”<sup>6</sup> From the outset, relations between the world's newest central bank and its most seasoned practitioner were trusting, cordial and candid. Learning the ropes of central banking, one Canadian confided to London in 1936, was easier if “one has a friend from whom advice can be sought unofficially.”<sup>7</sup> The principal link in this bond was the friendship of Montagu Norman and Graham Towers. While Towers was always his own man, intellectually active and innovative, he was at the same time constantly reliant on his friend “Monty” in London. The opening of the Bank of England's earmark account in Ottawa in 1936 and the massive prewar transfers of gold across the Atlantic in 1938 and 1939 attested to the workability of this intimacy.

The advent of war drew the two banks closer together. When England was at war, so too was Canada. When England called, the inclination of the Bank of Canada was to heed. England's gold was welcomed into the Canadian central bank's vaults. Its senior officials were accommodated in the grim days of 1940, and there were even tentative plans to establish a “shadow” Bank of England in Ottawa if Hitler's army made it across the Channel. Not everybody in Ottawa shared Towers' instinctive trust of his British counterpart. Prime Minister Mackenzie King detected a colonialism

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5 Towers to Norman, November 5, 1941, file GFT75-9, Towers Papers, Bank of Canada Archives.

6 J.A.C. Osborne to G.F. Bolton, March 19, 1935, Bank of England file C43/284.

7 S. Turk to G.F. Bolton, March 22, 1935, *ibid.*



in the relationship, a closeness that he believed endangered the Canadian autonomy he had long sought to build up at England's expense. "It does seem to me," he wrote in his famous diary in late 1941, "particularly in matters that come from the Bank of England...that too much of our policy is being dictated purely in British interests and not sufficiently in our own."<sup>8</sup> King's principal foreign affairs adviser, O.D. Skelton, shared the prime minister's autonomist instincts. Together they had battled Towers in 1940 over the issue of whether France's earmarked gold in Canada should be applied to Allied needs or put under the custodian of enemy property. Towers had written in his own diary that Skelton had taken a "pretty inimical view" to obliging the Bank of England's request that French gold be pressed into the cause of war.<sup>9</sup>

In the end, the prime minister prevailed, illustrating that there were checks and balances on Canada's central bank relationship with England. Canada would not follow blindly if its own, in this case political, needs were put at risk. The governor of the Bank of Canada nonetheless remained attuned to London's wartime needs. Thus, when London asked Ottawa to assist it in operating the foreign-owned gold arrangement in Ottawa in September 1940, the Bank of Canada could see "no particular difficulty about the arrangement proposed." Similarly, when Montagu Norman's cable arrived in March 1942, outlining Britain's liquidity crisis with Switzerland, it was not surprising that Towers cabled back almost immediately that his Bank would facilitate the plan.

### **Cautious Policy from Careful Mandarins**

A preconditioned inclination to respond positively to the Bank of England's wishes did not, however, mean that Ottawa proceeded without careful consideration of its course of action. From the outset, Towers and his counterparts could see risk in the British proposal. It was not the risk that the Anglo-Swiss swap agreement might open the door to the laundering of looted gold by a neutral power on the borders of the Axis. Instead, the anxiety from the outset was centred on Ottawa, *not* Europe. Switzerland might obtain control of clean gold — ultimately 56 tons of it — and might therefore be put in a position to move that gold across the Atlantic to where it might somehow find its way into the service of the Axis. When the Swiss inquired whether the gold they would receive in Ottawa would be at their "free disposal" to be sold, transported or exported, London and Ottawa quickly formed a defensive strategy to contain the risk: earmarked gold held in Ottawa might be exported to other central banks in the Western Hemisphere or transferred on paper to these same central banks or those of European neutral powers, namely Portugal, Sweden and Spain. It was not perfect — the gold might physically be shipped to Argentina — but in the face of Britain's wartime needs, it was a suitably pragmatic response. As Montagu Norman noted to Towers, Britain's "direct war purposes must override these objections." Ottawa concurred. Any problem with the policy would be deferred "unless and until it is raised by one of the European neutrals."

Ottawa hardly had an alternative to this pragmatism. To have denied the Bank of England's request would have severely strained, if not irreparably damaged, the Bank of Canada's relationship with the senior bank in London. Such a denial would also have run completely against the grain of Canada's

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<sup>8</sup> W.L. Mackenzie King diary, December 18, 1941, National Archives of Canada.

<sup>9</sup> Towers diary, September, 1940, GFT75-39, Towers Papers, Bank of Canada Archives.

commitment to the Allied cause. It would also have soured England's chances of successfully resolving its liquidity problems with Switzerland and might possibly have shunted the Swiss further in the direction of the Axis. It bears emphasis that when Ottawa and London failed to see eye-to-eye in 1940 over the disposition of the French earmarked gold in Ottawa, matters had immediately escalated to the prime ministerial level of discussion. Thus, Ottawa's central bankers and finance department mandarins devised a policy that shrewdly reflected the often divergent exigencies of war. As Deputy Minister of Finance W.C. Clark noted in approving the conditions of the Swiss earmark, "...there is nothing we can do but to facilitate the transactions as outlined..." by the British.

There are no visible signs in the letters, cables and memoranda that convey any sense of undue concern over what was at stake in the bureaucratic handling of these gold transfers. There is, for instance, no marginalia conveying disquiet over what was being requested. Neither is there any indication of disagreement over principles or tactics. Historians often look for tip-off phrases that indicate deeper concerns below the surface of any correspondence — for instance, mention of long telephone conversations, the sense of which need capturing on paper. None of this is evident here. Instead, Towers, Clark and those advising them quickly devised conditions that they knew contained possible loopholes, but in the light of wartime exigencies, were realistic and workable and allowed all parties to the transaction to consider that their ends had been met.

The men who took these decisions have come down in history as the "Ottawa men." They were perhaps quintessential Canadians: not given to flamboyance or hasty judgement, but brilliant gradualists capable of judging a policy initiative from all its perspectives, while never losing sight of the greater end. As J. L. Granatstein has argued in his book *The Ottawa Men*,<sup>10</sup> these men were the architects of Canada's response to the social and economic disaster of the Depression and the challenge of the war in its wake. They fashioned the welfare state and the mixed economy that supported it. Clark in Finance had been on the job since 1932, Towers since 1935. Clark's minister, J. L. Ilsley, across whose desk the gold transfer requests passed, has been described as possessing "...the sharpest mind...in the government." He "worried incessantly about everything, but he would accept no advice from his deputy minister, Clifford Clark, that he did not understand well enough to put before the Cabinet."<sup>11</sup>

There was a close parallel between the historians' esteem for these wartime mandarins and opinions spontaneously volunteered in the interviews conducted during this research. Louis Rasminsky, a young economist trained at the London School of Economics who had joined the Foreign Exchange Control Board at the Bank of Canada in 1940, remembered Towers as "one of the ablest people [he] ever had contact with...very thoughtful and very rigorous in his thinking." The bank governor and the deputy minister of finance worked on "intimate terms as a team." Reflecting on the mid-war gold transactions, Rasminsky said that he could not "imagine Towers and Clark would have agreed to a transaction without making themselves aware of the risks."<sup>12</sup> Rasminsky himself had no recollection

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10 J.L.Granatstein, *The Ottawa Men: The Civil Service Mandarins 1935-1957*, Toronto, 1982.

11 Granatstein, *Canada's War*, p.160.

12 Interview with Louis Rasminsky, September 3, 1997.

of any undue concern over these same transactions, nor could he recall any residual concern over or echo of them after the war. Rasminsky would eventually become governor of the Bank of Canada in 1961. The theme of bureaucratic rectitude surfaced elsewhere: Towers and Clark, said an economist who worked at the Bank of Canada in the 1950s, were “some of the cleverest men we have ever seen in Canada.”<sup>13</sup>

There was, it must be admitted, a measure of moral leniency about the decisions surrounding the Ottawa gold transfers. There is, for instance, little hard evidence to support Towers' claim to the Bank of Canada board of directors in June 1942 that the Anglo-Swiss swap was necessitated by humanitarian needs, although it is plausible that some of the francs bought with British gold in Ottawa were applied to the business of freeing prisoners of war. Nonetheless, in the remaining years of the war, the policy devised in 1942 to condition the movement of gold held by neutrals in Ottawa fulfilled its intent. No gold owned by Switzerland ever left Canada and found its way across the Atlantic, let alone into the service of the Axis. No gold was ever transferred to Argentina. And only twice did the Swiss ask to transfer earmarked gold to another European neutral. When Switzerland tested the conditions governing their earmark by asking in 1942 if Swiss commercial banks could open parallel earmark accounts in Ottawa, the answer was a quick and firm no. With characteristic Canadian caution and pragmatism, the Bank of Canada, backed by the Department of Finance, had exercised due diligence without jeopardizing Britain's financial imperatives in Europe or undermining overall Allied solidarity.

Thus, one can conclude that the Bank of Canada handled its end of the gold transfers of 1942-45 with admirable due diligence. Risks were identified and policies were devised to minimize their potential. What happened in Europe was beyond Ottawa's direct influence. But as British diplomatic documents originating in Portugal during these years reveal, the British were vigilant to the ultimate purpose of subsequent gold swaps between neutral powers in Europe. The burden of proof would suggest that the gold transferred between Switzerland, Portugal and Sweden in the period 1942-45 was not looted gold, but instead clean gold. There are flickers of contrary evidence, notably the possibility that some of the gold passed from Portugal to Switzerland in 1942 was drawn from a Portuguese account — account B — at the Banque Nationale Suisse reputed to contain tainted gold. This morally positive conclusion was not the product of Allied policy, for these transfers took place beyond the practical reach of the Allies. Instead, the dynamic was supplied by imperatives within the neutral powers themselves. Switzerland's appetite for clean gold to support its monetary operations and Portugal's need of hard currency to finance its trade with Switzerland and Sweden were the *key determinants* behind the European paper transfers of gold. By 1944, Allied injunctions against the trading of looted gold carried some weight in neutral Europe and probably coloured the nature of the 1944-45 swaps.

### **Earmarking Foreign Gold: Canada's Unsung Wartime Victory**

Amid all the intense investigation of these wartime gold swaps, the big picture perhaps slips out of focus. Between 1938 and 1945, the Bank of Canada received almost 83 million fine ounces of

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13 Interview with David McQueen, September 10, 1997.



foreign gold for safekeeping. Almost all of this gold was from nations facing the deadliest threat to their existence in the twentieth century. Some were in fact under the heel of the Axis; others were locked in combat with the Reich. Gold in Ottawa was the ultimate insurance policy for these nations, the ultimate assurance that if all was lost in Europe, there would still be capital to continue the struggle beyond the homeland. For the Dutch, Norwegian, Polish and Belgian governments, an earmark account in Ottawa provided the wherewithal of survival and, with victory, the beginnings of reconstruction. For France, the outcome — gold frozen under the custodian of enemy property — was somewhat different, but the ultimate prospect of gold available for reconstruction was the same.

Despite its largely dormant nature, earmarked gold in Ottawa was on occasion pressed into a more active and morally commendable wartime role. It was used in 1942 to ease Britain's chronic liquidity problems with Switzerland. Even earlier, earmarking had been employed to meet the needs of European refugees in their quest to find safe haven for their personal wealth in the face of the Nazi onslaught. For 155 sundry persons deposits, Ottawa offered a destination that instilled a sense of security and fairness in Europeans who no longer felt safe in their native Europe. Their holdings in Ottawa offered hope of postwar rehabilitation and, for the minority who secured release of their gold before the war ended, a chance to establish a new life while war raged in Europe.

For all this, the Bank of Canada charged nothing beyond minimal shipping charges. The earmarking of gold was hardly a glamorous aspect of war. It was a prosaic bureaucratic procedure, quietly and efficiently performed by one central banker on behalf of another. Yet, it was an important facet of the Allied financial strategy for the war. And Canada was the principal instrument of this policy in the Commonwealth. Particularly in the early years of the war when America remained neutral, gold in Ottawa provided the beleaguered Allies in Europe with a vital element of insurance. What is perhaps remarkable is that of the 2,586 tons of gold earmarked in Ottawa by foreign clients between 1938 and 1945, only six tons have ever been questioned in terms of their ultimate application.

Historians of Canadian foreign policy have often criticized the low morality of Canadian foreign policy in the 1930s — a policy framed by a parochial pursuit of autonomy from the British and an easy adoption of appeasement. The war, they argue, nursed a new, more constructive role for Canada in the world. Canada was a “middle power” that had useful roles to play in the world. This “functionalism” would quickly manifest itself in such roles as peacekeeping and foreign aid in the postwar years. In this light, Canada's efficiency as a safe-keeper of Allied gold in times of trouble can perhaps be seen as a foreshadowing of this new functionalism, a constructive, independent response to international needs.

### **Canada and the Postwar Search for Looted Gold: Bringing Closure**

It was perhaps because the Ottawa men felt that they had done such a competent job of earmarking gold through the war that they felt little inclination join in the Allied search for looted gold after the war. In February 1944, U.S. Treasury Secretary Henry Morgenthau issued a “Declaration on Gold Purchases” that stated that the United States would not recognize the transfer of title of gold believed to have been looted by the Axis. Within days the American ambassador in Ottawa began exerting

pressure on the Canadian government to take parallel action. Governor Towers at the Bank of Canada was reluctant to act. "We have never had occasion to buy gold from any country which has not broken relations with the Axis," he wrote to Undersecretary of State Norman Robertson at External Affairs, "or from countries which have acquired gold from any country which has not broken relations with the Axis."<sup>14</sup> Opinion in Ottawa tended to the view that Canada had signed the January 1943 first Allied declaration on looted gold and that this would suffice. Towers at the Bank of Canada had, in the words of the Bank's secretary D.G. Marble, "never felt that there was any need for a declaration on the subject of looted gold..."<sup>15</sup> Officials at External Affairs concurred. Norman Robertson believed that "there would appear to be no urgent need for us to take the parallel action suggested by the United States..."<sup>16</sup> The same opinion prevailed at the Department of Finance. A memorandum to a senior departmental official, R.B. Bryce, noted that "...we have gone much further than merely protecting assets located or controlled in Canada or being disposed of here."<sup>17</sup> Thus, Ottawa's attitude to the issue of looted gold was that it was a European problem, to be solved by Europeans.

In the end, Canada did issue a declaration on looted gold early in 1945. This was done, as several internal memoranda made clear, as "a gesture of solidarity" with the other Allied powers, especially the Americans.<sup>18</sup> Canada's declaration on looted gold was, however, Canadianized to highlight its special role as an earmarker of European gold. "The Canadian Government has already taken measures," it read, "to protect the assets of the invaded countries located or controlled in Canada and to prevent the Axis from disposing in Canada of looted currencies securities and other assets, and has co-operated fully with the other Allies in all measures to prevent the disposal of looted assets on the world market."<sup>19</sup>

After the return of peace in 1945, Canada took an arm's-length attitude to the American, British and French campaign to identify and recover looted gold. While the Tripartite Commission on the Restitution of Monetary Gold was established in September 1946, Ottawa concentrated on tidying up the loose ends of its wartime activities in foreign gold. The Bank of Canada efficiently cleared the remaining sundry persons deposits, while the larger European earmark accounts were returned to a normal peacetime footing. When the Tripartite Commission made its first restitution of looted gold in 1947, the Department of External Affairs dutifully circulated the press release.<sup>20</sup> Ottawa saw

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14 Towers to Robertson, February 26, 1944, BOC file 135.

15 Marble to R.B. Bryce, July 6, 1944, BOC file 135.

16 Robertson to W.C. Clark, June 13, 1944, *ibid.*

17 A.N. McLeod to R.B. Bryce, May 30, 1944, Department of Finance Central Registry file WAC 1515-005-001.

18 See, for instance, Memo by Louis Rasminsky to Towers, no date, BOC file 135 and Scott Macdonald, External Affairs, to W.C. Clark, February 29, 1944, Department of Finance Central Registry file WAC 1515-005-001.

19 Department of the Secretary of State of Canada, "Declaration by Canada on Gold Looted by the Axis and Subsequently Acquired by Third Countries," January 24, 1945, copy in BOC file 135.

20 October 23, 1947, copy in BOC file 135.



itself as a spectator to these developments. In 1948, for instance, the “Big Three” struck a deal with Switzerland that in effect saw the Netherlands repatriate only part of their monetary gold that had found its way to Switzerland in the war, allowing the Swiss to retain a large portion of what was generally believed to be looted gold. When a Montreal *Gazette* clipping describing the deal was circulated around the Department of Finance, one official scribbled the following comment:

Could we poke our noses into this? As a creditor of the Netherlands we have a definite third party interest. I think we should lend the Netherlands every support — the Swiss have done well enough out of the war without making this kind of profit.<sup>21</sup>

But Canadian involvement in the complex postwar negotiations over looted gold never went beyond this level of commentary. Neither did the various American, British and French investigations into looted gold ever turn in Ottawa's direction. And when the ardour of the “Big Three” for the hunt cooled in the early 1950s, Ottawa too lost its tenuous connection with the issue.

For the next half century, the question of looted gold lived in the shadows. But, as the summer of 1997 was to reveal, Canada had not escaped implication in the issue entirely. Somewhere in the thousands of files generated by the intense postwar, Allied campaign to identify and recover Europe's looted gold lay an anonymous document — “From a very Confidential Source” — that alleged that the Bank of Canada had played a small part in the laundering of looted Axis gold. The weight of evidence belies this lone contention. This report has addressed this last vestige of Canada's handling of foreign gold in World War II and found that, given the context of the times and the burden of evidence, the Bank of Canada and other senior offices of Ottawa's wartime bureaucracy exercised due diligence in carrying out these difficult duties. In doing so, they performed a useful, if generally unnoticed, financial service to the Allies and at the same time offered, for a small group of refugees fleeing persecution in Europe, a measure of humanitarian relief.

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<sup>21</sup> Montreal *Gazette*, July 16, 1948. Comment by “D.H.F.” R.B. Bryce commented on the same clipping that he thought that Canada did have a right, as a participant in the Inter-Allied Reparations Agency, to intervene.