NO. 55908 Vol VII | NAME Japanese Property Claims Commission

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JAPANESE CLAIMS COMMISSION

Report by J.W.G. Hunter for F.P. Varcoe, K.C.,
Deputy Minister of Justice.

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1. No. of Claims

Claims fil[illegible] cases being withdrawn or ruled outside terms of reference, the actual number of claims to be heard will probably be slightly over 1400.

JAPANESE CLAIMS COMMISSION

Report by J. W. G. Hunter for F. P. Varcoe, K.C.
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2. Procedure

(a) Evidence of claimant to be heard at sitting held closest to his place of residence.

(b) Balance of evidence in support of claim to be heard in Vancouver.

(c) Government's reply to be heard in Vancouver.

(d) Corporation claims to be heard from start to finish in Vancouver.

3. Appointment of Sub-Commissioners

The time necessary for the Commissioner to hear all claimants' evidence being too great, County Court Judges have been appointed to act as Sub-Commissioners in the following places:

Kamloops
Vernon
Grand Forks
Nelson
Lethbridge
Winnipeg
Terrace

These Sub-Commissioners will act as referees, making no comments. The transcripts of claimants' evidence will be forwarded to Vancouver. Government counsel have been appointed for the Sub-Commissions.

4. Limiting Factors

(a) County Court Judges - have to fit in hearings with their judicial duties. They will sit only when cases started with view of economy in Commissioner's staff.

JAPANESE CLAIMS COMMISSION

Report by J.W.G. Hunter for F.P. Varcoe, K.C.,
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Limiting Factors, Cont'd.

(b) Files - out of bulky master file most of which is irrelevant. The Custodian must extract relevant material for claim file. This requires much work as does also the production of any Analysis of Personal Property Claim. This is the greatest single limiting factor.

(c) Interpreters - of the few qualified people in the country, very few are in a position to take on temporary employment, especially at the low scale of remuneration. The present interpreters have given excellent service.

(d) Reporters - Qualified reporters are scarce and are usually fully occupied with their ordinary duties. We have been very fortunate in the reportorial staff which has been selected.

5. Claimants' Evidence Heard by End of June, 1948

By the end of June, claimants' evidence in all cases in the following places, and amounting to approximately 800 cases including those heard by the Sub-Commissioners presenting sitting in B.C., will have been heard:

Lytton
Kamloops
Vernon
Grand Forks
Nelson
Moose Jaw
Fort William
Montreal

6. Claimants' Evidence to be Heard after June, 1948

This leaves the claimants' evidence in the following number of cases in the following places to be heard:

Lethbridge - 290
Winnipeg - 110
Toronto - 240

7. Timetable for Claimants' Evidence after June, 1948

Due to the sugar beet harvest Lethbridge claims will be heard first. Sittings will be consecutive rather than concurrent, due to the limiting factors set forth in paragraph 4 above. The times of hearings are estimated to be as follows:

Place	Commencing	Ending
Lethbridge	1 August	15 October
Winnipeg	16 October	7 November
Toronto	8 November	31 January(1949)

8. Timetable for Fall Hearings in Vancouver

15 Sept. - 30 Sept.	(Claimants' general statement (and general evidence. (Government's general statement (and general evidence.
1 Oct. - 31 Oct.	Corporation claims.
1 Nov. ...	Individual Claims (a) Balance of claimants' case (b) Government's reply (c) Argument.

9. Problems

(a) Separate Counsel needed for Corporation Cases for following reasons:

1. They are in a separate category.
2. It is a full time task.
3. If J.W.G. Hunter does it, there will be no one with any knowledge of the detailed background on the individual cases.

(b) Appointment of Corporation Counsel

1. Extremely difficult and involved for a person with no previous knowledge.
2. Would take him several months of study before presentation.
3. Glen McPherson, who originally organized the Custodian's office in Vancouver, has the knowledge, background and ability.
4. He is out of the Government and willing to take on the task.
5. He may possibly need an assistant counsel.

(c) Further Counsel Needed

One other counsel is needed for the individual claims for the following reasons:

1. No one counsel can work all day and then work all evening studying the next day's cases. This has been exhausting for the counsel where he has been preparing to cross-examine claimant, but would be too fatiguing where he has to adduce evidence, for more than a limited time. The result would be loss of efficiency and poor results.
2. It is suggested that writer and one other counsel present replies to Commissioner during alternate weeks. This gives a counsel a week to work up his cases and then a week to present them.

Problems, Cont'd.

(d) Additional Legal Assistance

1. Additional help will be needed, reviewing transcripts, determining what evidence is necessary and who must prove it. Also to have preliminary interviews with witnesses, arrange for their availability at time of hearing and for conduct money, witness fees, etc.

2. The additional help will probably need to be one young lawyer under each counsel.

(e) Witnesses

1. These lawyers will also be necessary to co-ordinate the sequence of cases so that the best use may be made of witnesses who are involved in a number of cases. The preponderance of convenience will have to be weighed where 2 or 3 witnesses in a case are all witnesses in a number of cases.

2. This co-ordination cannot be complete in any event because in the individual cases the remainder of the evidence supporting the claim and the Government's reply start as of 1 November, but transcripts of claimants' evidence will not be all in Vancouver until after the termination of the hearings of the sub-Commissions. Thus it would appear that they will not all be in Vancouver until February, 1949.

Since cases to be heard by sub-Commissioners will involve many of the same witnesses as cases heard by the Commissioner, complete economy in use of witnesses is impossible.

(f) Factor Prohibiting Continuity of Hearings

The Commissioner with the help of his notes and from personal knowledge of the case, will be able to proceed with the balance of a case in which he has personally heard the claimant's evidence.

Eventually he will be confronted with a case heard by a sub-Commissioner. Before he can intelligently hear the balance of such a case, he will have to read the transcript and the exhibits and make his notes.

Problems, Cont'd.

(f) Cont'd.

This means that he will have to sit alternate days, weeks, or months. If my view of having two counsel act alternate weeks is to continue with sub-Commission cases, then the Commissioner would sit alternate days. This would give each counsel one week continuous and alternate days of the subsequent week for preparation, which for entirely new cases, would not appear unreasonable.

If the Commissioner preferred to sit alternate weeks it would give each counsel 2 weeks to prepare for one week's hearings. This would probably be preferable.

(g) From the foregoing it is difficult to see how the hearings will be completed before a year from this June and probably will take longer.

10. Can a Measuring Rod for Recommendations be Found?

To date it has been impossible to find a suitable measuring rod as a basis for any general recommendations. I believe, if asked, the Commissioner would confirm this. The Custodian's Office is now having some forms completed giving complete information in regard to limited numbers of similar cases. If these forms are found to give information forming any kind of pattern, then it may be that such information can be used as measuring rods for limited groups of cases. If the Commissioner were satisfied with these measuring rods, t hen a considerable amount of evidence in reply would be obviated.

However, even with such short-cuts it is difficult to see the hearings ending before a year from next June, and without them they will probably continue considerably longer.

11. Possibility of Settlement

It has not been felt by the writer that it was not up to the Government to endeavour to effect any settlement, since that would be usurping the functions of the Commission. It is equally impossible for the Commissioner to negotiate a settlement, since he is closely bound by the terms of reference.

It becomes increasingly obvious that the claimants and their counsel had no conception of the magnitude of the task given to the Commissioner. It is equally obvious that they had no idea of the business-like and careful manner in which the Custodian dealt with the Japanese property. They are beginning to

Possibility of Settlement, Cont'd.

realize that their property was handled carefully, and that many of their claims have little merit. Their counsel realize that their fee of 1% of the claims is hopelessly inadequate to cover the fees and expenses of counsel engaged over a long period of time. Thus counsel, no matter how idealistic, realize that financially they are going to lose. This factor I regard as important as I believe it will be the factor which will make them interested in proposing a settlement, and especially in view of their realization that many of the claims are badly founded.

I therefore believe that in the Fall, after Japanese counsel more thoroughly realize the immensity of their task, we shall probably receive offers of settlement.

I may add that, generally speaking, the Japanese claims are only properly founded in two classes of cases. Firstly in the sale of real property to the V.L.A. where it has become obvious that the Soldiers Settlement Board made very conservative appraisals, and Secondly, where they are claiming for personal property lost, destroyed or stolen. The latter is, of course, a reflection on the people of this country. There was a tendency by many people to regard the Japanese property as fair game.

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Personal

Kamloops,
22nd May 1948

The Honourable Mr Justice H.I.Bird,
Commissioner, Japanese Property Claims Commission,
TORONTO, Ont
Canada

Dear Sir -,

The Kamloops Sub Commission hearings closed on Tuesday, 18th May, which is some days ahead of schedule, and this is due in some measure to the number of claims withdrawn, fifteen (15) in all.

I somehow have got the feeling that the Japanese clai - mants were getting the idea that their claims were not, perhaps, being given the attention which they formerly received, and, with a view to getting another opinion on this matter, I asked Mr McMaster his impressions on the subject. Mr Mc Master stated however that he had made it a point, with this end in view, to point out to all his clients that the present streamlining of presentation in claims did not embody any lack of interest but was done with the object of bringing matters to a head earlier, with consequent advantage to all concerned. Thus, it would appear that from this angle at any rate, the point has been covered.

I am however of the opinion that a great deal could be done to remove any impression of this nature amongst claimants, by an occasional question to witnesses addressed by the Bench. It must be borne in mind in this regard that the Sub Commissions are retracing ground already covered by the Main Commission, and it would be a pity if the feeling of confidence and fairplay engen- dered at that time, was in any way impaired.

It is in these premises, and these premises alone, that I venture to perhaps overstep the bounds of my own particular province .

Yours very truly,

Gordon Upton

Gordon Upton

Toronto, Ont.,
May 27th, 1948.

His Honour Judge Harry Colgan,
Court House,
Nelson, B.C.

My dear Harry:

I gather from reports received from B.C. that the sub-Commissions have been running along very smoothly. However, one comment has been made to me which I think is worthy of passing on to you and the other B.C. Commissioners. I gather that there is an impression among the Japanese claimants, "that their claims were not perhaps being given the attention which claims heard earlier had been given". This is for the reason that the procedure has been streamlined to a degree that the Jap claimant has been left with the impression that the Commissioner is not showing the degree of interest in his claim which the claimant hoped for.

The suggestion has been made by my informant that it might be helpful if the sub-Commissioner put an occasionaly question to the claimant.

At this distance it is not possible for me to form any conclusion as to whether the suggestion which has been made above is necessary or not, consequently I do no more than pass on the gist of the comment which has been made to me, leaving it to you to determine whether you think there is any necessity to adopt the suggestion made above.

I feel from a point of view of public relations between the Japs and the white people in Canada, as well as the Government, that it is desirable that the Jap be sent away from the sessions of the Commission with the impression that he has had his day in Court and consideration will be given to his claim.

I appreciated early on that the streamlining of the procedure was imperative if the large number of claims were to be heard with any expedition, yet realized that the Jap might feel that the proceedings were too cursory. For that reason I have made a point to display some local knowledge where I felt I had any with a view to conveying to the claimant the idea that the Commissioner knew what he was talking about.

I will look forward to seeing you in B.C. before very long, as I have now finished my Toronto sessions. I have disposed of 100 claims in the month of May and am due to start the Montreal list of approximately 60 on June 1st.

With kind regards,

Yours sincerely,

P.S. I have dictated this letter over the telephone to the Court Reporter and am asking him to sign it for me, rather than to hold up the letter for my signature.

142 Crichton Street, Ottawa,
June 8, 1948.

Dear Judge Bird:

I have been considering what points might be discussed with the Minister of Justice and the Secretary of State and respectfully make the following suggestions -

1. There is a feeling, at least in the Custodian's Office, that the total amount of the awards will not likely be substantial and an indication from you that they may reach or exceed one million dollars will, I believe, shock some people.

2. You might care to estimate the total cost of the Commission itself and a rough estimate of counsel fees involved. This will have an effect on Ottawa officials particularly in view of the following point.

3. If no basis for settlement can be found and no negotiations authorized, as suggested below, I believe the Commission will not complete its work until near the end of 1949. If you agree, this will greatly increase your estimate in point 3 above.

4. I believe that the charts being prepared by Mr. Shears on the basis of cases heard to date will indicate a pattern on which group settlements or awards might be made. If I am correct, the two Ministers might be prepared to authorize Mr. Shears, or someone else as familiar with the work, to study and discuss the possibility of settlement of all or certain categories of claims with Japanese counsel. If such discussions indicated agreement on possible awards, then Japanese and Government counsel might make recommendations to you for your consideration, and if acceptable, thus elimate some or all claims in particular categories.

I cannot see that anything canbe lost by this suggestion and much may be gained. I realize that the Ministers may say the Government is not prepared to initiate settlement discussions while the Commission is sitting. In this event the same end might be accomplished if the Ministers would agree that Mr. Shears may, without official approval, see what can be done in informal talks with counsel and then report to you.

5. As one with a first-hand knowledge of sales made, or the impossibility of sales, in outlying districts where no real market existed, I believe that it may be desirable to suggest that your present terms of reference be considered as wide enough to give you power to look at more than the market value in such special cases.

These are all the points that come to mind at the present time. No doubt Mr. Hunter and yourself will have thought of these and others. If I can be of any assistance to you while you are in Ottawa, you only have to call and I will be at your service.

My plan is to leave for Vancouver on Sunday, the 13th of June. In the meantime you can contact me at my home - 142 Crichton Street, telephone - 5-8861.

With kindest personal regards to Mrs. Bird and yourself, I remain,

Yours very truly,

G. W. McPherson

G. W. McPherson

The Honourable Mr. Justice Bird,
c/o Mr. J. W. G. Hunter,
Windsor, Hotel,
Montreal, Quebec.

1828

February 25, 1948.

Custodian of Enemy Alien Property,
Royal Bank Building,
Vancouver, B.C.

Dear Sir:

As you are aware, we act for the Co-Operative Committee which in turn represents a substantial number of Japanese Canadians whose propety was sold by you in pursuance of various Orders-in-Council passed under the War Measures Act.

You will recall that upon the hearings before the Honourable Mr. Justice Bird, we made the claim that the Japanese Candaians should not be charged with the commissions paid to real estate agents and auctioneers in respect to the sale of properties, nor with other handling fees and costs of advertising.

This argument was presented to the Commissioner on the 9th and 10th of January, and on the latter date he ruled that under the terms of reference in P.C. 1810 of 1947 as amended by P.C. 3737 of 1947, he had not got jurisdiction to consider this matter, being confined by Section 1 of that order to consider the difference between the fair market value and the amount received from the sale by the Custodian, and that the matter of deductions by the Custodian was not within the terms of reference. He suggested that the matter be brought to the attention of the Minister of Justice to see whether or not the terms of reference might be enlarged so that he might have jurisdiction to dispose of this matter.

Accordingly we wrote to the Minister of Justice under date of January 13th asking that the terms of reference be so amended. We received a reply from Mr. Ilsley on the 20th of January stating that he could not accept our recommendation to enlarge the terms of reference, and that the function of the Commissioner was to find the fair market value of the claimant's properties and to report to the Governor in Council. He pointed out in his letter that all the facts relating to the payment of commissions and expenses in question are known or ascertainable without reference to the Commissioner, and the question whether these charges should have been met out of receipts, is purely one of policy on which it was not necessary to ask the opinion of the Commissioner.

G. & T.
6383

Upon receipt of this letter we wrote to the Minister of Justice on the 27th of January noting his opinion that the question is purely one of policy, and asking that

Custodian of Enemy Alien Property February 25,1948

the Government as a matter of policy consider whether or not our clients were entitled to the return of these commissions which were charged to their accounts.

We have a reply of the Deputy Minister of Justice dated February 11th, 1948 stating that in the opinion of the Minister of Justice, representations by us should be made direct to the Custodian, and stating that the Minister of Justice is not primarily concerned with the question of policy involved.

We are therefore writing to make our representations to you directly.

You will be aware that the basis of our claim that the Custodian is not in law entitled to retain these commissions is that by precise terms, P.C. 2483 of March 1942 Section 12, subsection 1, contains the following proviso:

"Provided, however, that no commission shall be charged by the Custodian in respect of such control and management."

P.C. 469 of 1943 provided that the power and responsibility of control and management of property include the power to liquidate, sell or otherwise dispose of property.

We would therefore submit that commissions paid to agents of the Custodian in connection with the sale or disposal of property were commissions in respect to the powers of control and management conferred on the Commission and that by the terms of the above recited orders, the law expressly provided that these commissions should not be charged. We further urge that the word "commissions" was a different and broader word than the words "management fees", and that the commission paid to other agents is just as much a charge against the property owner as a direct charge by way of management fee by the Custodian himself.

In our view these Orders-in-Council indicate that the Government as a matter of policy at that time and now as a matter of law, has declared that the expenses in the form of commissions, of managing and liquidating the assets of the Japanese Canadians would be borne by the Government itself, either out of general revenue or through the monies available to the Custodian.

As you are aware the amount of these commissions is small in most cases, but in the aggregate amounts to a fairly substantial sum.

We urge that as a matter of carrying out the declared intention of the Order-in-Council, you will see fit to direct that the commissions charged to the claimants for these purposes

G. & T.
6383

Custodian of Enemy Alien Property February 25, 1948.

shall be repaid to them.

We shall naturally have to contemplate, if you are not willing to make such an allowance, the bringing of a test action in the courts to determine our clients' rights in respect to these commissions.

Sincerely yours,

"FAB."

FAB:HC

COPY

G. & T.
6383

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

Office of the Custodian

506 Royal Bank Building,
Vancouver, B.C.,
July 7, 1948.

K. W. Wright, Esq.,
Counsel to the Custodian,
Office of the Custodian,
Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

Dear Mr. Wright:

In connection with your telephone conversation of Yesterday afternoon regarding Mr. Brewin's letter of February 25th. As stated to you when you read a part of its contents, I recalled that the letter had been received by this office. After yourcall I located the letter and found that it had been received while I was away at Vernon, and as indicated to you, it was the one which, upon my return, I had discussed with Mr. McMaster. At that time I intended to advise Mr. Brewin that I was forwarding his correspondence to Ottawa for your attention. However, as a result of my conversation with McMaster, he suggested that he would rather I did not reply, but that he would communicate with Mr. Brewin. I fancy that he wished Mr. Brewin to deal with some other matters besides those indicated in the letter we had received.

I have just spoken to McMaster and he confirms that this was the arrangement agreed upon, and after looking up his correspondence, he has advised me that on March 31st he wrote, suggesting that Mr. Brewin write directly to Ottawa, and asking Brewin to send this office a copy of his letter. Brewin replied to McMaster on April 2nd saying that he would shortly do so.

In view of the letter you have now received in which Mr. Brewin indicates that his letter to this office was not dealt with, Mr McMaster is of the opinion that Mr. Brewin must have overlooked the arrangements made in their own correspondence. As you are aware, Mr. McMaster is working very closely with Mr. Brewin, and it was because of McMaster's own suggestion that no further action was taken by this office.

As regards the letter itself, I do not think the quotation from PC-2483 is altogether relevant. The real estate agents' and auctioneers' commissions formed part of normal sale arrangements which reduced the net amount received by this office, and were not charges

J. A. Wright, Esq.

which the Custodian made connected with control and management. I have been of the opinion that charges covering the cost of our field men for handling and moving goods to auction, should possibly have been borne as administration expense. I think it was mainly in that connection that the Commissioner in the hearings of January 9th and 10th to which Mr. Brewin referred, stated that he did not have any jurisdiction. At that time Mr. Hunter was directed to forward to the Minister a copy of the argument which had taken place.

I trust this will explain why Mr. Brewin's letter to us was not replied to by this office, but I am sorry that a copy of Mr. Brewin's letter was not sent to you at that time.

Yours very truly,

F. G. Shears,
Director.

FGS/GN

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. J-175

KWW/MC

1948 JUL 10 AM 9:32

July 9, 1948.

UNDER SECRETARY OF STATE

MEMORANDUM TO DR. COLEMAN:

I return letter addressed to the Minister by Mr. Brewin under date of 5th instant, copy of Mr. Brewin's communication to our Vancouver Office dated February 25, 1948, together with copy of letter received from Mr. Shears dated 7th instant.

When instructions were received relative to the Government's decision to liquidate Japanese properties, it was considered desirable that the co-operation of real estate firms should be obtained. The system adopted proved very satisfactory and splendid co-operation was received resulting in agents securing the interest of their clients in Japanese properties, and I believe better prices were thereby obtained.

The Custodian's Office regard the agent's fee as a normal disbursement and it seems to me that if consideration is to be given to the return of the money involved Honourable Mr. Justice Bird should be permitted to hear counsel and deal with the matter in his report to the Government.

You are aware that the Custodian has no funds out of which such an allowance might be made to the former owners.

My recollection is that the Advisory Boards in British Columbia decided that all agents' commissions should be charged to the respective accounts of the owners. Mr. Shears has agreed to review the Minutes of the Boards and write again to-morrow.

K. W. WRIGHT.

VIA AIR MAIL

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE NO.....

506 Royal Bank Bldg.,
Vancouver, B.C.,
July 10, 1948.

K.W. Wright, Esq.,
Counsel to the Custodian,
Office of the Custodian,
Victoria Bldg.,
7 O'Connor St.,
Ottawa, Ont.

Dear Mr. Wright:

I was hoping to be able to have a chat with Mr. Justice Bird and write you further to my letter of July 7th in connection to the matter of commissions. However, he is still out of the city and not expected back until Sunday, and I believe will then be leaving again for a month's holiday.

In the argument of January 9th and 10th to which Mr. Brewin refers, it was stated by Mr. Hunter - "The amounts involved are quite large. There is approximately $100,00.00 that has been paid to real estate agents. There has been approximately $25,000.00 paid to auctioneers and there has been approximately $27,000.00 retained by the Custodian for handling charges." I gave these figures to Mr. Hunter at that time and they are approximately correct. These figures, however, would cover the agents' commissions deducted on all real property and chattel sales. Apart from the V.L.A. deal (in which the matter of commission does not enter) we have received claims on not much over one-third of the number of real properties sold, and only on a portion of chattels sold.

One objection I would have to any ruling that real estate commissions and auctioneers' fees be assumed by the Custodian and rebated to the claimants, is that in fairness to the greater number of Japanese persons who have not claimed, it would then be necessary for us to make them the same allowance. In any case they would doubtless make representations to the Government for this to be done, and if the policy was adopted in regard to those who have made claims, there would appear to be no logical reason for refusing it to that greater number who were not among those who have made it necessary for the Commission to be set up.

VIA AIR MAIL

DEPARTMENT OF THE SECRETARY OF STATE OF CANADA

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE NO.....

While the Commissioner stated that he did not consider he had the jurisdiction to rule that these charges should be reversed or that it was intended that he should deal with the deduction of commissions in a specific manner, it has appeared to me that according to the circumstances of each case, he could take these deductions into consideration when deciding whether "fair market value" had been obtained. It might even put him in a position to make a small recommendation in cases where he considered the margin of evidence indicated that a sale was perhaps slightly below what he considered to have been realized.

I am not at all sure that Mr. Brewin would want to institute any test action in connection with this matter as he suggests. In any case, the legal position and the correctness of Mr. Brewin's argument and interpretation of the Order-in-Council would, I assume, be a matter to be decided by the Department of Justice.

As mentioned in my previous letter, I doubt whether we should have charged the handling expenses on the movement of chattels, which amounts to about $27,000.00. Personally, I hope that it is not considered necessary to widen the terms of reference to cover this particular request, as I consider that where necessary, the matter could be covered in any individual recommendation which the Commissioner may decide to make.

Yours very truly,

F.G. Shears

F.G. Shears,
Director.

FGS/GN

Concep. in Cust Office

Ottawa, July 16, 1948.

Dear Sir,-

Your letter of the 5th instant on the subject of Japanese property claims was brought to my attention on my return to Ottawa. I find that the earlier communication to which you refer, under date of February 25th, was not brought to my attention nor to the attention of the Deputy Custodian. I am given to understand that some informal conversations occurred in Vancouver with Solicitors representing some of the Japanese claimants.

My personal opinion would have been that the matter concerning which you write is one which would be taken into consideration by the Commissioner. I shall take an early opportunity of mentioning it to the Acting Minister of Justice.

You are, of course, aware that the funds in the hands of the Custodian in relation to the property of evacuated persons of the Japanese race stands at the credit of the individuals whose property had been realized. In other words, there is no general fund available to the Custodian. Clearly, in my opinion, the reference to "commission" in the Order in Council of the 27th March, 1942, (P.C. 2483) relates to the commission to be charged by the Custodian on enemy property. The Consolidated Regulations Respecting Trading with the Enemy, which were generally applied, with the exceptions mentioned in the Order of the 27th March, 1942, provided that a fee or commission not exceeding 2% might be levied by the Custodian on the property coming within his control and out of this

F. A. Brewin, Esq.,
Messrs. Cameron, Weldon & Brewin,
Sterling Tower,
Toronto 1, Ont.

fund ---

fund the Office of the Custodian is maintained. The exceptions would not apply, however, in my judgment, to any commissions or other disbursements made by the Custodian by way of fees to real estate agents and others who may have been effective in bringing about sales of property. However, as I have said, I do not see any purpose at the present time in debating the point. I will take an opportunity of discussing the matter with the Acting Minister of Justice.

Yours truly,

COLIN GIBSON

Secretary of State and Custodian.

G. W. McPHERSON

506 Royal Bank Building,
Vancouver, B. C.,
July 17, 1948.

The Honourable Mr. Justice H. I. Bird,
Court House,
Vancouver, B. C.

Dear Judge Bird:

Re: Japanese Claims Commission

I am pleased to advise that I have completed the preparation of the claim files in the eighteen cases that I will be presenting on behalf of the Government to your Commission in the Fall. Owing to unforseen circumstances I regret that I was unable to complete these files and deliver them to opposing counsel by the 15th of July as I had undertaken to do when I was speaking to you in Montreal.

It may be useful for you to have a list of the cases and the names of the Claimants' counsel.

M. Nishiguchi Co. Ltd.	- Harry G. Johnston, Esq.
Canadian Saltery Limited Howe Sound Fisheries Limited Burrard Fish Company Limited	- Mr. Hogg of Tiffin, Wismer, Russell, Du Moulin, Brown, Hogg & Wilkinson, Vancouver.
Powell Lumber & Fuel Company Ltd.	- J. D. McPhee, Esq.
Union Trading Company Limited	- W. C. Thomson, Esq., Vancouver
Maple Ridge Co-operative Haney Box Company Ltd. Haney Mills Limited United Marine Products No. 1 District Fishermen's Association)	- R. J. McMaster, Vancouver
Royston Lumber Co. Ltd.	- J. A. MacLennan, Esq., Vancouver
Deep Bay Logging Co. Ltd. Eikichi Kagetsu	- T. G. Norris, Esq., Vancouver.
River Fish Company Ltd.	- Cherniack & Cherniack, Winnipeg
Ocean Fisheries Limited	- R. Alfred Best, Esq., Toronto

July 17, 1948.

The Hon. Mr. Justice H. I. Bird.

Cowichan Saltery Company
and
Tanaka and Company Limited

Cowichan Saltery Company Limited

Neither Mr. Watson nor Mr. Shears were able to advise as to who the counsel for the claimant in these two cases would be but I have wired an officer of the Companies, Mr. Suzumoto, for the name of his counsel and when Mr. Shears is advised the file will be sent to the appropriate counsel.

With respect to the suggestion that the hearing of the corporation cases should commence on the 15th of September, I have discussed this further with Mr. McMaster but have had no opportunity to consult with Mr. Hunter. I understand that an attempt is being made for Mr. Brewin, Mr. Hunter, Mr. McMaster and myself to meet in Montreal on the 1st of August and I trust that you will have no objection if we discuss the question of whether or not the general evidence should be put in prior to the presentation of the corporation claims. After a brief discussion of this question on the telephone with you I have given it further thought and feel that unless the Japanese' counsel strongly object it will greatly facilitate my work if the general statements and evidence can be made prior to the hearing of the corporation claims. While it will be possible for me to proceed with the corporation claims commencing on September 15 if it is finally decided that such claims should be heard first, I would request that the cases open on the 20th of September which is a Monday. This would give me a few extra days to make my return journey from the East.

I know that it is your wish that opposing counsel should fix definite dates for the hearing of the various claims but up to this date it has not been possible to do this as the opposing counsel have not had the Government's claim file and Mr. McMaster, for example, has stated that until he has received the file and considered the case further it is impossible for him to say how long his presentation will take and where he would like the case placed on the list. In the covering letters which I have sent to the opposing counsel I have requested that they advise me as to the time that they estimate the cases will take and I have suggested that discussion should take place to set a definite date.

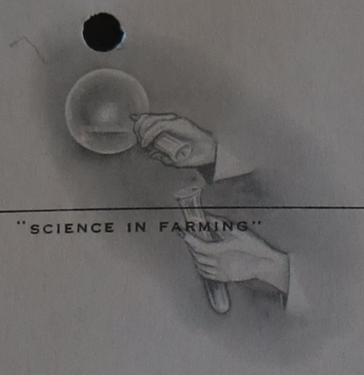
According to my present plans I will be returning to Ottawa immediately and will arrange to arrive in Vancouver not later than the 8th of September.

Yours very sincerely,

G. W. McPherson.

G.W.McP/ac
cc. Mr. Hunter Mr. Shears.
Mr. Affleck

629 Rogers Building
[redacted]
VANCOUVER, B. C.



RURAL APPRAISALS AND FARM MANAGEMENT.
QUALIFIED INFORMATION ON LAND AND LAND USE.

CLEMENT CONSULTING SERVICES LTD.

REGISTERED AGROLOGISTS

July 22nd 1948.

The Honourable Mr. Justice H.I.Bird,
Court House,800 West Georgia St.,
Vancouver, B.C.

Dear Sir;

This is being addressed to you as Commissioner appointed to study and report on Japanese claims for certain compensation with regard to lands,equipment etc. formerly owned by them.

The services of this organization are available and offered in this matter. It is highly probable that in the years since former Japanese property was turned over to new operators,improvements or depletions will have taken place in the lands' basic condition. We are able to appraise and value lands in their present condition and to premise a value of,say,five years ago.

Our opinions and judgements are warranted impartial.

Yours truly
John M. Clement.
Clement Consulting Services.

REFERENCES: THE ROYAL BANK OF CANADA, B. C. INSTITUTE OF AGROLOGISTS

JUSTICE H. I. BIRD
MISSIONER

A. WATSON
SECRETARY

JAPANESE PROPERTY CLAIMS COMMISSION

COURT HOUSE
VANCOUVER, B.C.
29th July 1948

A. Watson Esq
Secretary, Japanese Property Claims Commission,
Vancouver

Dear Sandy.,

Since I last saw you I have gone into the question of Interpreters generally for the various sittings of the Commission and much regret that Mrs Fanning will not be available. I went to see her last week but did not have any success in over persuading her to change her decision .

This morning I ran into a Japanese Canadian by the name of Arthur Nishiguchi, at present residing in Ashcroft and tentatively, and without making any commitment approached him in regard to filling in at Vancouver. I have known this man very intimately whilst in the Mounted Police and can confidently recommend him both from the point of view of being an able interpreter and also his own personal integrity. However, I feel that Mr Justice Bird, ~~who~~ would like to make his own personal investigations in connection with this man and would suggest that he could satisfy himself thoroughly if he got in touch with ex Superintendent Fripps of the Mounted Police, or ex Deputy Commissioner F.J.Mead, now retired from the Mounted Police and at present residing at 4187 West 10th Vancouver (Alma 1610M). He is also known to the Immigration Department and I think Mr MacDonald who has taken Taylor's place could speak for him, he is known however to Inspector Jack Fraser of the Immigration to my knowledge.

Nishiguchi stated he would if necessary be willing to take on the job in Vancouver but was wondering whether the fact he was making a claim of his own here would be prejudicial to such an appointment.

I fear the possibility of getting a white Interpreter is somewhat remote. I know of a man called J.F.Drummond in Victoria who used to be very good but he is now about seventy years old and has retired on a comfortable competence and I do not think it would interest him.

No 2 A.Watson Esq

In the event of my suggestion being found feasible it would mean that Vancouver would be looked after by Mrs Smith and Nishiguchi, and that in accordance with your ideas I get the services of the Japanese who filled in after my absence at Winnipeg and until such time as the Lethbridge sittings end, when I could be joined by Douglas Handford in Toronto.

O.K.

I shall in the meantime keep my eyes open and if by chance I come across some otheridea I will immediately get in touch with you. Frankly I am not sanguine .

With kindest regards,

Sincerely,

Gordon Upton

Gordon Upton

P.S I have made a copy of this letter in case you wish to send same on to Mr Justice Bird.

Please express my thanks to Upton

HONOURABLE MR. JUSTICE H. I. BIRD
COMMISSIONER

A. WATSON
SECRETARY

JAPANESE PROPERTY CLAIMS COMMISSION

COURT HOUSE
VANCOUVER, B.C.

August 2nd 1948.

The Honourable Mr.Justice Bird,
c/o Dutch Lake Guest Ranch,
Clearwater, B.C.

Dear Mr.Justice Bird,

I beg to acknowledge receipt of your letter of the 28th ult.

I enclose herewith a letter from Upton in regard to the Interpreter situation, and I shall be glad to have your views and instructions in the matter of appointing a Japanese to act as an Interpreter at the Vancouver hearings. In any case, this situation appears to be well in hand and, as there are a relatively small number of claims in Vancouver, it is probable that Mrs.Smith could handle this job alone, as the large claims do not require Interpreters and, if it was found that Mrs.Smith's duties became heavy, we might then enlist the services of Nishiguchi, as he is a claimant and would be available.
Mr.Shears has advised me that the date for the hearings in Vancouver has not yet been definitely arranged, although it is understood that the Commissions will resume Sittings in Vancouver on September 15th next, either for the hearing of claims or for argument. Meantime I am instructing Miss White to notify all Counsel for claimants that the date for hearing of claims in Vancouver is tentatively set for September 15th and that they will later be advised of the correct date and daily schedule of hearings. This advice will require Counsel to make preparations for the presentation of claims which they represent, and it is just as well that they be advised in good time and come prepared.

With regard to the Reporter situation in Winnipeg, Horrobin has advised me that, although no specific arrangements have yet been made, he will make it his responsibility to arrange for the appointment of an efficient reporting staff.

This is the best solution open to us. We make a tentative arrangement with Nishiguchi for the Vancouver session as an assistant or alternate to Mrs Smith. We will advise him more definitely by Sept 7th. This will make Upton available for Winnipeg & Toronto. Stay with Handford. I hope to return home for completion of the Lethbridge session.
I.C.B.

With regard to the Sub-Commissions in Lethbridge, Winnipeg and Toronto, all Commissioners, Counsel and other members of these organizations have been duly notified by me of the opening date of their respective hearings, and I have carefully given to them all the information which I think it is necessary they should have in respect to the operation of these Sub-Commissions. So far as I know at the present time, all of the three Sub-Commissions should be good and well prepared to tackle the hearing of claims on their respective dates. The Secretaries have been particularly well advised as to procedure in the matter of preparing their daily schedules and notifying claimants, and this of course is a very important matter. In this respect they are to confer with the Commissioners, Counsel for the Crown and Counsel for claimants, and in this way this feature should be well taken care of. The Lethbridge and Winnipeg Sub-Commissions will hold their Sittings in the Court House, and Mr.Hunter has secured suitable quarters for the Toronto Sub-Commission in Room No.1, Canadian Legion Memorial Hall, 22 College St. Toronto. (Rental $10 per day).

With regard to our office, I am of the opinion that this matter should rest in abeyance until you return from your holiday. I do not think there is much use in me seeing Little again. He does not appear to have any authority outside of his supervision of the building, and it may be that he is Little by name and Little by nature. In any case he does not appear to wish to do anything for us, and my conclusion is that he is not altogether co-operative.

I would like to go on holiday next Wednesday, and I assure you that all matters pertaining to the Commission, including the financial statement to Ottawa, have been duly attended to by me. I trust this meets with your approval, and Miss White will keep in touch with me regarding any matters of importance which require attention. Our problem child departed for Lethbridge last Friday, along with the Handfords. It is assumed that she now feels happy that she has got the best of everything, and particularly that she has got the best of us. Her tenacity is indeed marvelous and of a most unshakeable type. Now, so far as the operation of the Commission is concerned, you may assume that "everything in the garden is lovely", and your intensive application to the catching of trout would, we would submit, be preferable to your harbouring any worries as to how we are progressing at this end. If any urgent matters require your attention, you will of course be promptly advised, but as we do not wish to disturb you during your holiday, you can feel that all is well when you do not hear from us.

With best wishes to Mrs.Bird and yourself, and trusting that you are both finding your holiday beneficial in every way,

Yours very truly,

AW/W.

DISTRICT COURT

ALBERTA

JUDGES' CHAMBERS

Lethbridge Alta
August 5th/48

Hon. M. Justice Bird,
Vancouver,
B.C.

Dear Judge Bird:

We have just finished the first four days, and everything seems to be going along smoothly.

Thus far I have been making running notes of what is done and said. I find the notes of the evidence helpful in checking any misunderstanding which might

arise on cross-examination. I have also noted the impression which the witness makes, if one can be formed of Japanese. What I have been wondering is, to what extent would you like Judge Stack & I to make memoranda so as to assist you. The claimant's evidence of each claim consists of one witness, with few exceptions, and I imagine when you are hearing the balance of the witnesses you will be referring to that taken before us. If so, there would not be much point in us making

a synopsis for your use. If it would be valuable I should be glad to do so. It had occurred to me that a sheet for each claim with the following material might be of assistance.

1. Name of applicant with registration no. and amount of each claim
2. List of the exhibits filed giving description.
3. Our comment on the witness' attitude.

At your convenience you might let me have your suggestions. Send the letter to Calgary and I shall pass it on to Judge Stack.

I trust you will enjoy your holiday season! I

am hoping to get one
after October 15th next.

Kindest regards.

Yours Sincerely,

A. R. Edmanson

CANADA

DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

JAPANESE EVACUATION SECTION

PHONE PACIFIC 6131
PLEASE REFER TO
FILE NO.

506 ROYAL BANK BLDG.
HASTINGS AND GRANVILLE
VANCOUVER, B. C.

August 5th, 1948

Mr. J. W. G. Hunter,
Allan, Reid, Hunter & Campbell,
Barristers & Solicitors,
38 Kings St. W.,
Toronto, Ont.

Dear Mr. Hunter:

Re: Mayne Island Agreement

Mr. Bell has asked me to send you the enclosed three copies of documents which he has prepared for your use when dealing with claims involved in the above noted Agreement.

Documents are listed on his covering memo to you.

Yours very truly,

B. Good
Comptroller

BG:BK

MEMORANDUM

File G/82.

TO: Mr. J. W. G. Hunter.

FROM: Mr. R. G. Bell. July 29th, 1948.

Re: Mayne Island Agreement.

In transcript of evidence on one of the so-called Mayne Island files reference is made to the Mayne Island Agreement (dated 17th August,1942) covering the operation of the 10 evacuee-owned Greenhouse properties on the Island.

For your ready reference, if and when again required, copies of this Agreement, and the following documents, are attached hereto:

(1) Mayne Island Agreement (dated August 17th, 1942) between the Custodian, on behalf of the following:

File 5135	Yoshi KADONAGA	Reg. #14234
File 5139	Kikumatsu SUMI	Reg. #14266
File 5141	Bungoro MINAMIDE	Reg. #14223
File 5143	James Keiji SUMI	Reg. #14275
File 5158	Toru KADONAGA	Reg. #14260
File 5162	Masajiro MINAMIDE	Reg. #14225
File 5164	Kumajiro KONISHI	Reg. #14263
File 5166	Kumazo NAGATA	Reg. #14264
File 8213	Mrs. Zeiji (Tsune) TERAMOTO	Reg. #14237
File 8231	Mrs. Shintaro (Toyo) SASAKI	Reg. #14242

and J. RATCLIFFE and R. J. N. MAYERS, as Joint Lessees. Note: This joint tenancy broke up at end of second crop year (See "6" below).

(2) Table of distribution ratios of above 10 interests.

(3) Joint Declaration (dated April 21st, 1942) signed by and on behalf of above members of Active Pass Growers' Association.

(4) P. S. Ross & Sons' Statements of Account for the crop years 1942 & 1943.

(5) Letter (dated September 15th, 1943) from P. S. Ross & Sons, giving cover to and explaining above statements.

(6) Letter (dated August 14th, 1943) from R. J. N. Mayers illustrating some of the difficulties under which Lessees operated. The inability of the partners to carry on being caused by war time conditions, the case was treated as one of Force Majeure and the Agreement terminated (at end of second crop year--Aug.31,1943) in the best interests of all concerned, every effort being made by this office to keep the different properties in operation independently--efforts that met with very limited success, for the same reasons that operated against successful collective operation.

RGB/P.

"MAYNE ISLAND AGREEMENT"

THIS INDENTURE made in duplicate this 17th day of August A.D. 1942.

IN PURSUANCE OF THE "SHORT FORM OF LEASES ACT"

BETWEEN:

The Secretary of State of Canada, acting in his capacity as Custodian under and by virtue of Order in Council P.C.1665, as amended, dated March 4, 1942, and representing interests formerly held by the following persons of the Japanese race:

KUMAZO NAGATA	Reg. No.	14264
KIKUMATSU SUMI	" "	14266
JAMES KEIJI SUMI	" "	14275
MRS. SHINTARO SASAKI	" "	14242
KUMAJIRO KONISHI	" "	14263
MASAJIRO MINAMIDE	" "	14225
TORU KADONAGA	" "	14260
BUNGORO MINAMIDE	" "	14223
MRS. TSUNE TERAMOTO	" "	14237
YOSHI KADONAGA	" "	14234

Hereinafter referred to as "THE CUSTODIAN"

OF THE FIRST PART.

AND:

JACK RATCLIFFE and RICHARD JAMES NEVILLE MAYERS, agriculturists, both of Mayne Island, in the Province of British Columbia,

Hereinafter called "THE LESSEES"

OF THE SECOND PART

WHEREAS the above named persons of the Japanese race (herein referred to as the Growers) have been occupying under freehold or leasehold certain lands and premises situate on Mayne Island, in the Province of British Columbia, for the purpose of producing tomatoes and other agricultural pursuits:

AND WHEREAS under the provisions of Order-in-Council No. P.C. 1665 and Amendments thereto, and by the registration or evacuation of the growers their interests in all the lands, premises and chattels hereinafter described have vested in the Custodian;

1. WITNESSETH that the said Custodian doth demise unto the Lessees, their executors, administrators and assigns all those pieces or parcels of land situate lying and being on Mayne Island, Cowichan District, in the Province of British Columbia, and being more particularly described as: -

Parcel 1
Lots One (1), Two) (2) and Three (3), subdivision of Section Twelve (12) Plan 715, containing three (3) acres more or less. (Kumazo Nagata).

Parcel 2
North West Quarter of Section Eleven (11) containing 160 acres more or less. (Kumazo Nagata)

Parcel 3
Lots Twenty (20), Twenty-one (21), Twenty-two (22) of Section Twelve (12) Plan 715, containing three (3) acres more or less. (Kikumatsu Sumi).

Parcel 4
West Half of the North East Quarter of Section Three (3) containing eighty (80) acres more or less, and the West Half of the Fractional South East Quarter of Section Three (3) containing twenty (20) acres more or less. (James K. Sumi)

Parcel 5.
South Half of the North West Quarter of Section Eight (8) containing eighty (80) acres more or less. (Masajiro Minamide and Bungoro Minamide).

Parcel 6.
That portion of Section Nine (9) held by Mrs. Zeiji Teramoto as Lessee from one, J. W. Bennett as Lessor. (Mrs. Zeiji Teramoto).

Parcel 6 (a)
Parcel "A" of Sections Eight (8) and Eleven (11) containing 53.78 acres more or less. (Bungoro Minamide).

Parcel 7.
That portion of Section Nine (9) consisting of two (2) acres more or less heretofore held by Kumajiro Konishi as Lessee from David Bennett as Lessor. (Kumajiro Konishi).

Parcel 8.
Lot "A", subdivision of Section One (1) Plan 2501, containing 123.70 acres more or less. (Toru Kadonaga).

Parcel 9.
South East Quarter of Section Seven (7) containing one hundred and sixty (160) acres more or less. (Ei Kadonaga, Toyo Sasaki and Yoshi Kadonaga).

AND DOTH FURTHER let on hire the chattels more particularly set forth and described in the Schedule hereto annexed and identified by the signature of the Parties hereto for the term to be computed as commencing on the 9th day of May, A. D. 1942 (on which date the Lessees agree they were delivered possession of the said lands, goods and chattels) and thence ensuing and fully to be determined on the 15th day of September, A. D. 1945, yielding therefor during the said term the rental following:-

1. The sum of One Thousand ($1000.00) Dollars in cash paid on or about the 9th day of May, A. D. 1942, and the sum of Two Thousand ($2000.00) Dollars paid on or about the 9th day of July, A. D. 1942) (the receipt whereof the Custodian hereby acknowledges), and the further sum of Two Thousand ($2000.00) Dollars together with interest thereon at the rate of six per cent (6%) per annum from the 15th day of August, A.D. 1942, payable on or before the 1st day of August, A.D. 1943, notwithstanding the earlier termination of this lease.

2. The sum of Eighteen Hundred ($1800.00) Dollars on the 1st day of August in each and every year during the term commencing with the 1st day of August, A. D. 1943.

3. The sum of Forty-five ($45.00) Dollars on the 1st day of August, A. D. 1942, and the sum of One Hundred and Ninety-five Dollars ($195.00) on the 1st day of August in each and every year of the term commencing with the 1st day of August, A.D.1943.

4. The further sum on the 15th day of September in each and every year during the term commencing with the 15th day of September, A.D. 1942, and thereafter annually and including the 15th day of September, A.D. 1945, equivalent to one-half of the net profits derived from the crops in the crop year produced in or from the greenhouses on the demised premises. The net profit shall be determined in each year by the amount that the gross receipts derived from the sale of the crops of the different kinds and qualities, produced in or from the greenhouses on the demised premises in the crop year, exceeds the items of expense hereinafter set forth. In computing the expenses

of the crop year the following items shall be included:-

(a) In the crop year ending September 1st, 1942, the sum of Five Thousand ($5000.00) Dollars being the three (3) payments of that total amount hereinbefore stipulated to be paid by the Lessees, but not interest thereon.

(b) In each and every crop year, including the crop year ending September 1st, 1942, there shall be included:-

1. One Hundred ($100.00) Dollars per month for each of the Lessees, to be drawn from the proceeds of the crops.
2. The sum of One Hundred and Ninety-five ($195.00) Dollars per year, being the sum payable for the hiring of motor vehicles.
3. The actual and necessary expenses of the Lessees in producing, harvesting and marketing of crops in the greenhouses on the demised premises during the crop year and outlays of the Lessees in the crop year for repair and maintenance of the demised premises and the chattels in the Schedule hereto, PROVIDED that no extraordinary outlays shall be included without the previous authorization of the Custodian.
4. Taxes of the demised premises and licenses required by the Lessees for the producing or marketing of the crops from the greenhouses.
5. Outlays for insurance required by this Indenture.

The "crop year" in the year 1942 shall mean the period commencing with the 9th day of May 1942 and terminating on the 1st day of September, A.D. 1942, and in subsequent years the crop year shall mean the whole year in the term expiring on the 1st day of September.

2. THAT the said Lessees covenant with the said Custodian to pay rent; and to pay taxes, PROVIDED that the obligation in any year to pay taxes shall abate by the amount that the net profits of the Lessees

in that year, determined in the manner herein provided, shall be less than Eighteen Hundred ($1800.00) Dollars, but not to provide for any abatement in excess of the taxes in that year; and to pay rates for water, electric light, gas and telephone.

AND to repair; and to keep up fences; and not to cut down timber; and to insure against fire in the joint names of the Custodian and the said Lessees;

AND the said Custodian may enter and view state of repair, and that the said Lessees will repair according to notice.

AND will not assign without leave; and will not sublet without leave.

AND that they will leave premises in good repair;

AND that they will not carry on any business that shall be deemed a nuisance on the premises.

The foregoing words of this clause shall have the same effect and be construed as if they contained the form of words contained in Column Two of the Second Schedule of the Short Form of Leases Act, R.S. B.C. 1936.

3. The Lessees FURTHER COVENANT with the Custodian that the Lessees will during the said term cultivate, till, fertilize, and employ such parts of the said lands as are now or shall hereafter be brought under cultivation in a good farmerlike and proper manner, and will in like manner crop the said lands so as not to improverish, depreciate or injure the soil, and will care for, harvest and market in due season all crops produced from the said lands, and in like manner all growing crops upon the said lands, and will at all times carry on the said operations in accordance with the best practices of a prudent husbandman in the area in which the said lands are situated.

4. The Lessees shall market all crops grown in the said greenhouses in a recognized and reputable channel of trade, and at a reasonable price having regard to the marketing conditions and concern of the Custodian in the computation of the rental hereinbefore stipulated.

5. Prior to the 15th day of September in each and every year during the term the Lessees shall prepare and submit to the Custodian at his office at Vancouver, in the Province of British Columbia, or elsewhere, as the Custodian may request a full and complete statement of the operations of the Lessees during the preceding year, including the names and addresses of the persons, firms and corporations to or through whom any portion of the crops in the said greenhouses have been sold or marketed, the respective quantities and prices realized and also an itemized statement of all outlays of the Lessees, the purpose and amount thereof to be included in the expenses of operation for the crop year, and the names and addresses of the persons to whom such outlays were paid, and in addition such other information as the Custodian may reasonably request to permit him to determine the amount of the net profit.

6. The Lessees further covenant and agree with the Custodian during the continuance of the hiring of the chattels set out and described in the Schedule hereto the Lessees will at their own costs keep the said goods and chattels in good and substantial repair and condition, excepting reasonable wear and tear having regard to the age of the chattels, and damage caused by vis major, or enemy action, and will keep the said chattels insured against fire and loss, damage or risk from whatever cause arising in the amount of their full insurable value in an insurance company of repute to be approved by in writing from time to time by the Custodian and will deliver the policy or policies of such insurance to the Custodian and will duly and punctually pay all premiums and other moneys necessary for effecting and keeping on foot such insurance, and will permit the Custodian at all reasonable times to have access to the chattels to inspect the condition thereof.

7. PROVISO for re-entry by the Custodian on non-payment of rent or non performance of covenants:-

Provided always, and it is expressly agreed, that if the rent hereby reserved, or any part thereof, shall be unpaid for

fifteen (15) days after any of the days on which the same ought to have been paid (although no formal demand shall have been made thereof), or in case of the breach or non-performance of any of the covenants and agreements herein contained on the part of the said Lessees, their executors, administrators or assigns, then and in either of such cases it shall be lawful for the said Custodian, his successors or assigns, at any time thereafter, into and upon the said demised premises, or any part thereof, in the name of the whole, to re-enter, and the same to have again, repossess, and enjoy as of his or their former estate, anything herein contained to the contrary notwithstanding.

8. The Lessees shall indemnify the Custodian and the Growers against every liability arising out of the use or operation of the motor vehicles in the Schedule hereto and shall deliver to the Custodian the policies of a reputable insurance Company respectively indemnifying the Custodian and the Growers against claims by third persons for personal injuries in an amount of Twenty Thousand ($20,000.00) Dollars for injuries to one person, and Fifty Thousand ($50,000.00) Dollars for injuries to two or more, and for damage to the property of third persons in the sum of Three Thousand ($3,000.00) Dollars, arising out of the use or operation of each of the motor vehicles referred to in the Schedule hereto.

9. PROVIDED also and it is expressly agreed that if the Growers shall be permitted by law to return to Mayne Island and to occupy the said demised premises for the purpose of producing tomatoes thereon then and in such event the Custodian shall have the right by notice in writing, delivered to the Lessees, to terminate this lease, but such right of termination in the period between the planting and marketing of the crop shall be conditional upon the Growers paying to the Lessees the expenses of the Lessees in that crop year and the Growers undertaking to pay to the Lessees one-half of the net profits to be realized from the sale of the crops produced

in the greenhouses on the said demised premises, in that crop year, to be computed in the manner hereinbefore provided; PROVIDED FURTHER that if the Custodian should desire to sell the said lands, during the said term, the said term may be terminated by notice in writing to such effect, being delivered to the Lessees prior to the 15th day of August in any year, and thereupon the said term shall cease and determine upon the expiration of sixty (60) days from the delivery of such notice, and the Lessees will thereupon peaceably and quietly give up possession of the said lands to the Custodian; PROVIDED again that in the event of the lease of the said lands and premises being determined the hiring of the said chattels shall forthwith determine without any notice or other act on the part of the Custodian, and the Lessees shall at their own risk and costs peaceably deliver up the said chattels to the Custodian at the said premises in the condition hereinbefore stipulated.

10. IT IS FURTHER AGREED between the parties hereto notwithstanding anything to the contrary herein contained that the Custodian shall be under no personal liability to the Lessees whether for any breach of covenant or eviction or otherwise howsoever, but the Lessees having been admitted to the possession of the said premises and chattels shall rely exclusively upon their real remedy.

IN WITNESS WHEREOF the Custodian has executed these presents by his duly authorized deputy Glenn Willoughby McPherson, and witness the hands and seals of the Lessees all on the day and year first above written.

SIGNED by the said GLENN WILLOUGHBY McPHERSON, in the presence of:-) "Richard J. N. Mayers"

) "J. Ratcliffe"

SIGNED by the said Lessees in the presence of:

"Gavin C. Mouat"

DISTRIBUTION RATIO OF 10 INTERESTS COVERED BY
MAYNE ISLAND AGREEMENT

We, the undersigned growers on Mayne Island, hereby request the Custodian to complete on our behalf the deal with R. J. N. Mayers and Jack Ratcliffe outlined to you in the letter of Messrs. Wilson, White & Woodburn dated May 8th, 1942.

We wish all payments received on our behalf to be divided among us on the basis of our estimate of the worth of our crops as at April 6th, 1942 and agree that the monies are to be divided in the proportions that the value of our crops on April 6th, 1942 bore to the total value of all crops on that date, which valuations were as follows:

K. Nagata	$ 3,000.00
K. Sumi	1,200.00
B. Minamide	850.00
M. Minamide	850.00
T. Kadonaga	1,200.00
Mrs. S. Sasaki	700.00
K. Konishi	1,200.00
J. Sumi	1,500.00
Mrs. E. Teramoto	1,100.00
Y. Kadonaga	1,000.00
$12,600.00	Total value of all crops as at April 6th, 1942.

Dated at Vancouver, B.C. this 8th day of May, 1942.

"Kumazo Nagata")
"K Sumi")
"James K. Sumi".)
"T. Teramoto")
"(Mrss) S. Sasaki")
"K. Konishi")
"M. Minamide".)

"Gavin C. Mouat"
Witness.

Schedule 1.

Mayers & Ratcliffe

Statement of Receipts and Expenditures

For Season 1942

Receipts			17,316.49
Expenditures			
Wages - per cheques	5,032.50		
per Ratcliffe	38.00		
allowance to wives	600.00		
Receiver General	50.95	5,721.45	
Petty cash		432.23	
Packing materials		1,932.36	
Fertilizer		135.89	
Car maintenance		38.01	
Car insurance		125.75	
Moving, etc.			
Mayers (cheque)	372.01		
Ratcliffe (cheque)	319.87		
per Ratcliffe	208.68	900.56	
Travelling - per cheques	131.00		
personally	100.00	231.00	
Telephone		12.91	
Legal expense		300.00	
Interest		13.00	
Workmen's Compensation		25.05	
David Spencer Limited		12.04	
Truck purchase	351.00		
Truck purchase (cash)	39.00	390.00	
Plough		195.00	
Plumbing and lumber per Ratcliffe		136.55	
General supplies - Ratcliffe		55.00	
Car battery		6.54	
Fire insurance		68.14	
Gas and oil (cash)		100.00	
Board (cash)		70.00	
Property taxes 1942		126.05	
		11,027.53	
Custodian - rentals		5,045.00	
		16,072.53	
Deduct:			
Packing supplies on hand	200.00		
Truck	350.00		
Plough	100.00	650.00	15,422.53
Net Profit for 1942 Season			$ 1,893.96

Schedule 2.

Mayers & Ratcliffe

Statement of Receipts and Expenditures

for Season 1943

Receipts			11,233.58
Expenditures			
Wages		7,043.83	
Petty Cash		134.07	
Packing materials			
Inventory 1942	200.00		
Purchases	136.00	336.00	
Fertilizer		140.96	
Car Maintenance		736.65	
Depreciation on truck		150.00	
Fire insurance - 1/3 of $317.50		105.83	
Travelling expense		170.00	
Workmen's Compensation Insurance		261.10	
Car insurance		188.70	
Cord Wood		125.00	
Car rentals		195.00	
Custodian - rental		1,800.00	
K. Sasaki - rental		7.50	
Telephone		87.97	
Sundry office expense		20.55	
Miscellaneous expense		312.49	
Land taxes		126.05	11,941.70
Loss for Season 1943			$ 708.12

P. S. ROSS & SONS

Chartered Accountants

Royal Bank Building

Vancouver, B. C.

15 th September, 1943.

Our File No. 295-176

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B.C.

Attention Mr. F. G. Shears
Director

Dear Sirs:

Re: Mayers & Ratcliffe

We attach hereto as Schedules 1 and 2, statements of receipts and expenditures for the seasons 1942 and 1943 covering operations of the above at Mayne Island, B.C.

As you are aware, no books of account were kept by these people for the year 1942 and the records for 1943 are not complete. It has therefore been necessary to compile these figures from returned cheques, supplemented by information given to us by Messrs. Mayers and Ratcliffe. We have, however, inspected account sales by the brokers to whom the product was sold and to that extent it would appear that the returns from the crops are accounted for.

You will note that the operations for 1942 show a profit of $1,893.96 and for 1943 a loss of $708.12. In both years we have included as an expenditure the sum of $126.05 for land taxes. These taxes are payable by Messrs. Mayers and Ratcliffe. We should also point out that we have gone over these figures with Mr. Ratcliffe of the firm of Mayers & Ratcliffe and he is satisfied that they are essentially correct. We understand it was agreed between your office and Messrs. Mayers and Ratcliffe that the results of the two years should be treated as one. On this basis the net result for the two years would be a profit of $1,185.84. Under the agreement fifty percent of this profit is payable to your office, and so there is therefore at this time due to you the sum of $845.02 made up as follows:

Share of profit for the years 1942-3	-	$592.92
Due for taxes 1942-3	-	252.10
		$845.02

Messrs. Mayers and Ratcliffe hold an insurance policy covering the assets on these farms and expiring on the 1st January, 1946, the unexpired

value of which has been treated as being $211.67. In the event that you terminate the agreement with Messrs. Mayers and Ratcliffe it would be in order for you to accept an assignment of this policy for the amount of $211.67 as part payment of the amount of $845.02 referred to above.

We would like again to point out that we cannot take any responsibility for the figures submitted in view of the fact that there are practically no vouchers available and that our work has consisted of an attempt to bring together the figures towards a result which we believe to be fairly correct.

Yours faithfully,

"P. S. Ross Sons"

Enclosures

COPY OF LETTER FROM ONE OF JOINT LESSESS OF MAYNE ISLAND HOT HOUSE PROPERTIES

Mayne Island, B. C.,
Aug. 14, 1943.

The Custodian of Enemy Property,
Royal Bank Building,
Vancouver, B. C.

Attention Mr. Shears.

Gentlemen,--

Since returning to Mayne Island I have been trying to figure out some way of operating, at least a few of the greenhouses next year, without facing an almost certain loss. As they now stand the possibilities are not very encouraging. To continue operations with any hope of success it would be necessary to anticipate, a reduction in labor, an increase in crop or an increase in price.

Without making considerable alterations about the only place labor could be saved would be by laying new pipes and increasing the head of water to reduce watering time. Unless the cost of this could be distributed over several years it is very doubtful if any saving could be made.

For your information I have checked the labor requirements of other growers. As well as I am able to determine houses producing between 3 and 4 thousand crates have from 3 to 4 employees. We produced approximately 3500 crates and were forced to employ a minimum of 7 and a maximum of 10 during the growing season. This does not include Mr. Ratcliffe and myself. Incidentally this checks rather well with the report already submitted by the writer. It is not possible for me to give the labor requirements of the Japanese. However there were at lease 9 families and as they all worked it is reasonable to suppose that they had the labor equivalent of about 30 people. This would again check with our own labor requirements.

The possibilities of increasing the crop are not encouraging By the use of formaldehyde the soil could be sterilized. This would involve an expenditure of approximately $3.00 per 100 sq. ft. (formaldehyde $1.50 per gal. diluted 1 to 50 at the rate of 1 gal. per sq. ft.) It would still be impossible to control the other factors such as temperature etc. and although the yield would unquestionably be increased the cost of sterilization would largely offset the additional return.

In regard to yields may I take this oportunity to remark that in the two most recently constructed houses at Minimides we obtained a yield of better than 8 lbs. per plant. in the older houses on the same property we did not average 4 lbs. Soil and management in both cases being the same. In the newer houses we were able to control temperatures much better

cont.

while at the same time the soil was much more free of disease.

As far as prices are concerned they averaged about $1.00 per crate over last year and any attempt to make an estimate for next season would be pure speculation.

There is no possibility of producing a fall crop until the water is developed. The only exception being on the property leased from J. Bennet. The well and the pump for this are on other property.

When both food and manpower are so urgently needed it would seem desireable to produce a maximum crop with the minimum of labor. It would be possible to do this with the materials etc. which are on hand here, provided some reasonable agreement can be brought about. I am both anxious and willing to continue production and will be pleased to come to Vancouver at any time to discuss the situation and totry to arrive at such an agreement. With kindest regards to Mr. Wright and Mr. Bell I remain

Yours very truly,

"Richard J. N. Mayers".

J-175

MEMORANDUM

OUTLINE OF COMMISSION OPERATIONS TO DATE AND FUTURE PLANS

Total Claims filed, 1480.

Distribution of Claims Heard by Commissioner:

Lytton	32
Kamloops	49
Vernon	45
Grand Forks	23
Nelson	25
Lethbridge	57
Moose Jaw	14
Winnipeg	38
Fort William	43
Toronto	92
Montreal	54
Total	472

Claims Heard by Sub-Commissioners:

Kamloops	59
Vernon	74
Grand Forks	96
Total	229

Claims to be Heard by Sub-Commissioners:

Nelson	78
Winnipeg	111
Lethbridge	315
Toronto	257
Total	761

Nelson sub-Commission will conclude June 30th. Lethbridge sub-Commission opens August 2nd, 1948, will hear 315 claims, probably conclude about October 15th, 1948. Winnipeg sub-Commission to follow Lethbridge, will hear 111, probably conclude about November 10th. Toronto sub-Commission to follow Winnipeg, will hear 257 claimants, probably conclude about January 15th, 1949.

DEVELOPMENTS SINCE OPENING OF COMMISSION HEARINGS

The evidence adduced to date indicates:

(1) That an interval of some months elapsed between the time of evacuation of Japanese property owners from the protected areas and the date when an organization capable of providing adequate protection of the evacuees' property came into operation.

(2) In that interval substantial loss was caused to evacuees through pilferage and destruction of evacuee property.

(3) That evacuees suffered loss from pilferage and destruction of property subsequent to the setting up of the Custodian's organization, notwithstanding that reasonable steps were taken by the Custodian for protection of the property.

(4) That losses referred to in (2) and (3) will be the subject of recommendations for compensation to the evacuee owners, the aggregate sum of which cannot now be estimated.

(5) That sales of real and personal property of evacuees (except the V.L.A. deal) were carried out in a thoroughly business-like manner, all reasonable precautions being taken to provide adequate protection of the interest of the evacuee and to ensure, insofar as possible, that a fair price would be realized.

Instance: Real property was first appraised by one or more competent real estate valuators. The properties were advertised for sale in the local press.

No sale was consummated until approval had been given by a qualified Advisory Committee, and then only to the highest bidder, the approved price being equal to or greater than the appraised valuation.

veteran purchaser. Sufficient regard does not appear to have been given to the interest of the Japanese owner. These claims may be the subject of recommendations for compensation to the several claimants.

(9) The care which was taken in the sale of city and town real property, of chattel property sold in towns and cities, and of fishing vessels sold by the Custodian appears to leave little room for argument that the fair market value of such property was not realized by the Custodian.

COMMENT

The probable duration and cost of the Commission as indicated above, and the probability that recommendations for compensation will be made at least in the instances cited above, provokes the thought that consideration should be given to the possibility of a settlement being effected, at least of certain of the claims or groups of claims. If the duration of the Commission hearings can be substantially curtailed as a result of negotiations of settlements, the Government could perhaps afford to be more generous in the compensation proposed to be paid on settlement.

SPECIAL CASES

Peculiar circumstances attach to certain claims such as those in respect of real and personal property situated in remote areas where, due to the geographical location of the property, a fair market value could not be realized. Some such sales were made at prices which apparently bore little relation to the cost of the premises

when built shortly before, or to what appears to have been the intrinsic worth of the property at the date of sale. In some instances no buyer could be found. I refer particularly to properties situated at Port Essington, near the mouth of the Skeena River, Hakoda Bay, near Ucluelet on the west coast of Vancouver Island, and in the Gulf Islands. In such cases it may be considered desirable that the Commissioner should use his discretion in making recommendations, notwithstanding that the claim does not appear to fall within the terms of reference.

Query: The situation of Japanese veterans whose land was transferred under the V.L.A. deal but was never sold by the V.L.A. Refer to Inouye, a veteran of War I, who acquired his property in 1920 under the Soldiers Settlement Act, and several veterans of the 1939-45 War.

Query: Whether on a sale of chattels the owner should bear the cost of removal and sale, which expenses have been charged to the owner's account by the Custodian.

Query: The charge made to the owner of commissions on sales of real estate.

Query: Jinnouchi claim, where Custodian charged with negligence on failure to pay life insurance premiums, though request made and sufficient money in hands of Custodian. Should recommendation be made?

Query: Use of fishing vessels by the Navy for periods of six to eight months after delivery by Japanese owner when letters had been written to the owner advising that the vessel was taken on a bare boat charter, charter fees to be settled later. Vessel subsequently sold, no charter fees paid.

Query: Cases where fishing vessel damaged while in custody of Navy, the vessel later sold, compensation to cover cost of necessary repairs paid to purchaser. Why not to owner?