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Glenn McPherson Fonds Correspondence, newspaper clippings, speeches, notes, drafts, memorandums, interviews, [1941-1986]

FOLDER No. 6-6

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ORIGINAL ORDER

LIONEL SPELLER

I had a lot of respect for McPherson - he located a Japanese-Canadian in Richmond who was making false passports - between him and Oscar Orr they put this Jap behind bars for seven years. Glenn McPherson I often wanted to contact him.
I might run an ad in the personal column. Mart Shore knew our Hong Kong veterans were fighting this because this chap Miki - was lying through his teeth about the claim for the money. It was the biggest mistake Mulroney ever made but of course he was looking for votes. He kept saying they were interned. They were not interned. They were only removed. You know I grew up with them. The other thing, he kept making references to the RCMP had nothing on them. Well, we didn't have any RCMP in those days. We had our own Provincial Police force.
At the time that Miki was pressing the govt. to pay them compensation, he was smart enough to know that the two top men in our Provincial Police force had died - when he kept saying that the military had nothing on them, he was smart enough to know that General Pearkes, Brigadier Rockingham, Col. Kent, Brigadier Cabledew (check spelling) all the top military men in B.C. they had all died, so there was no comeback. Gen. Pearkes only lived about a quarter of mile from me. In the early days my father worked on Pearkes' father's farm at Brentwood - I knew him well. The same with Col. Aubrey Kent. He had a music store-radio business uptown. I interviewed all of those men. But the govt. at that time had never consulted them about the Jap-Canadians in B.C.
McPherson was on that property thing but between 1948-52 and the federal govt. had offered to pay the Japs back at '41 prices whatever they had lost - well they had around $6 million in claims that they had paid out but during this time - and this is where McPherson did his research whenever they put in a claim for farmland or a fishing boat, he investigated. He caught about 11 of them who had put in false claims. So the Japanese, in order to save face, well, that killed it all. They quit 'because he announced it. And along at that time he had found out that that Jap - a schoolteacher in Burnaby or Richmond, was making these false passports - there were over 300 Jap women living in B.C. who didn't have a passport or citizenship or anything.
Something else - the Japanese had a very large fishing fleet at Prince Rupert, you see? And in Jan. '42 when the National Defence ordered all the Japanese fishing boats in at Pr. Rupert - you know (this is when Inspector Owens and Carmichael of our old Provincial Police were there and they knew about it - do you know that every Japanese fisherman had a Japanese navy uniform? I made my business to find out.
I was on W5 and Fifth Estate - I want to get back on there because there's so much false information getting out - I was on the same program as Glenn - the man's name was Malling - I was on with a couple of Hong Kong boys - one from Toronto, one from Quebec - (727 6640 in Victoria) I have the names of 5 Jap-Canadians who got their $21,000 - and they all wore Jap uniforms
When Japan attacked Pearl Harbor there were over a thousand Jap-Canadians over in Japan taking military training

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Address delivered to the Vancouver Junior Board of Trade - July 23rd, 1942.

Japanese Property and The Custodian

I do not wish to bore you with the history and development of the international rules governing enemy property and trading with the enemy, but I do think it desirable to briefly summarize the situation up to September 1939.

In the dark ages, there being no international trade or finance as we know it, people only came into another country either in or behind an invading army, and pillage and plunger was the order of the day. The property of individuals was confiscated as were the individuals themselves.

With the development of new trade routes and markets, a country like England soon found that on going to war there were many enemy merchants with their goods in the land and, while their property could be confiscated by the Kind, this policy was influenced by other considerations. It is obvious that while enemy merchants might be in England, English merchants were very likely in the

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to the claimants, and the wide latitude given in the presentation of evidence has convinced both the claimants and their counsel that the Commissioner is anxious to assist them in every way possible in presenting their claims.

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enemy's territory, and the enemy would retaliate for any ill-treatment of their merchants by England.

PEACE TIME TRADE.

This reciprocity of treatment did not develop solely to save a few British throats but because if international trade and finance were to develop in peace time, it was essential that there be some certainty as to the treatment of enemy subjects and their property in time of war. If confiscation was the order of the day, foreign merchants and foreign capital, which was potentially enemy, would flee at every crisis and finally despair and not return.

1918 COMPENSATION.

By 1918 the law relating to the treatment of enemy property had developed to the point where not only did we not confiscate the property but the Treaty of Versaille provided at least theoretically, that the enemy owners be compensated for their loss. This was a real step forward from the ancient custom of confiscation and while it may be that the German Government did not reimburse its nationals in theory, at least provision was made to do so.

1939 - LESSONS of 1914-18.

In September 1939 the lessons of 1914 to 1918 were not forgotten or ignored. Immediate steps were taken to enact the regulations now know as the Consolidated Regulations Respecting Trading with the Enemy (1939) and the lessons of the last war have been incorporated in them.

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[illegible] information contained in Government files be supplied to the claimants, and the wide latitude given in the presentation of evidence has convinced both the claimants and their counsel that the Commissioner is anxious to assist them in every way possible in presenting their claims.

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OBJECTIVES

These Regulations have four main objectives:

FLOW OF RESOURCE.

1. To prevent the flow of financial resources to the enemy. This is possibly the most difficult objective to achieve. It means the actual control of all enemy property in Canada in its widest sense. ~~The holding companies, for example, are the curse of the Custodian's office. They were a favorite brain child of European financiers to hide the ownership of assets from their own government, foreign exchange controls and tax gatherers.~~

HOLDING COMPANIES

When I tell you that the Custodian investigated a group of five holding companies each of which owned the shares of the other, you will see how difficult it is to determine enemy interests in such companies.

The closest co-operation possible between Government Departments, banks, lawyers, stock exchanges and business generally is essential and has been obtained.

RECIPROCITY OF TREATMENT.

2. The second objective of the Custodian's office is to secure a reciprocity of treatment of Canadian owned assets in the enemy's territory. You may not think that this question of retaliations carries any weight in the enemy camp but it is interesting to note that both in the last war and in this war Germany waited to see what its enemies would do before taking any action as regards enemy owned property. Information available indicates the attitude of the Canadian Custodian on German and Italian property is having the desired effect but no information

GERMAN ITALY OK.
JAPAN ?

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is yet available on the Japanese situation. In any event in view of the large investments in this province alone by wealthy and politically prominent Japanese living in Japan, I think the Japanese Government will be considerably influenced as to the treatment of Canadian assets in that country.

RECORD ASSETS & CLAIMS.

3. The third objective is to have complete records of all enemy owned property here and all claims by persons residing here against the enemy for property lost due to enemy action. The compilation of this information was not done in the last war with the result that on the signing of the Treaty of Peace, Canada did not know on which side of the ledger she stood as to assets and claims. This time we intend to have this information available for the peace conference.

USE ASSETS.

4. The fourth objective, and a very important one, is to use enemy property in the best interests of Canada's war effort during the war. That is, the Custodian must have, and has, sufficient power to operate enemy companies if he considers it desirable and economically sound to do so.

INVEST IN WAR.

The proceeds of liquidation of enemy property are invested, as authorized by the Treasury Board, in Canada'a war effort and companies under the Custodian's control are, shall we say encouraged to invest surplus capital in war bonds.

RESULTS of ACTION.

Thus we see that the Custodian in time of war

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prevents trading with the enemy, contrsols and records enemy property and claims against the enemy for future use, and uses the assets of the enemy in the interest of Canada's war effort.

.....

"ENEMY"

One of the most important sections in the Regulations is that defining the word "enemy". Strange to say this section is generally misinterpreted.

ENEMY SUBJECTS.

All enemy subject are not necessarily enemies. In fact you may be surprised and distrubed to know that while a Japanese subject residing here, who has not been interned, is not an enemy, a British subject living in Tokio is. This is not as ridiculous as it sounds. If every enemy subject in Canada were an enemy they would soon disappear from starvation since no Canadian could trade with them or sell them food. As long as the enemey subject has not been interned, and this is a police matter, the Custodian assumes he is loyal to our war effort and should be allowed to live in peace and maintain his family.

BR SUBJECTS.

LISBON.

British subjects residing in Japan are treated as enemies since they are subject to the control of the enemy either by necessity or desire. In any event it appears desirable to protect their assets here since they can no longer give instructions. The enemy in some cases might try to get assets out of Canada by bringing pressure to

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and the wide latitude given in the presentation of evidence has convinced both the claimants and their counsel that the Commissioner is anxious to

bear on a British subject under their control.

(~~Note; Example is the~~ [redacted])

INTERNEES AND LISTED.

All internees in Canada and persons interned by our allies are enemies as are all persons listed in the Specified List of Persons published originally in 1939 and ammended almost weekly by the Custodian. This list contains thousands of named persons and firms with whom no one in Canada can carry on trade.

.....

JAPAN INTO WAR.

When Japan came into the war it was obvious that because of the large concentration of enemy Japanese owned assets in yhis province and the great distance between Vancouver and Ottawa, it was desirable to establish a branch office. The custodian's branch office was first opened on December 9th last, two days after Pearl Harbour.

BRANCH office

ENEMY INVESTMENTS

Investigations were immediately instituted and the results indicated a large infiltration of enemy Japanese capital into this province with heavy investments in almost all kinds of property. Where an enemy interest was disclosed immediate steps were taken to control the assets. Many Japanese worked for companies owned in Japan and since at that time the general evacuation of persons of the Japanese race had not been decided upon, these employees were retained but definitely controlled insofar as the company's affairs are concerned.

CONTINUED TO OPERATE.

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CUSTODIAN INTO EVACUATION

This work by the Custodian brought his organization into direct touch with the larger Japanese problems in this area and it, therefore, followed in a logical manner that when complete evacuation was decided upon the question of controlling and administering the affairs of the evacuees was handed to the Custodian.

P.C. 1665

Order In Council P.C. 1665, which established the British Columbia Security Commission placed the handling of the property of the intended evacuees in the Custodian's hands.

PROTECTION TAP CREDITOR - SQUARE DEAL.

The Custodian has endeavored, as directed by the Order in Council, to protect the Japanese who were panicky at the thought of being evicted from their homes and were fearful that the Government was going to confiscate their property. At the same time the Custodian has endeavored to protect creditors as against the Japanese. Therefore, the Custodian is reviewing many of the deals made by the Japanese to see that all parties, including creditors, get a fair deal. If the deals are not fair under certain circumstances they can be upset.

PROPERTY VESTED BY EVACUATION

The Order In Council places Japanese evacuee property, other than that excepted, under the control of the Custodian in three ways -

1. On the evacuation of the Japanese owner, all his property left in this area automatically vests in the Custodian who becomes the owner of same and administers it under the Consolidated Regulations, Respecting Trading with the Enemy (1939).

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REGISTRATION.

2. The Japanese himself may, prior to his evacuation, request the Custodian to take over his property.

SPECIFIC ORDER.

3. The Custodian, in his discretion, may vest the property of any person of the Japanese race, regardless of whether or not the Japanese has been evacuated or voluntarily turned over his property. This provision was inserted so that the Custodian could take steps to protect creditors and the Japanese from unscrupulous persons.

REASON FOR REGISTERING.

It was necessary to set up registration bureaus to obtain information from the Japanese prior to their evacuation and to register their property. The Japanese do not have to register but it is to their advantage to do so since a written record is then available, signed by them, as to the property they have in this area. The property they declare is immediately checked and if the declaration is correct it will protect the Government against ficititious claims for lost property after the war.

REGISTRATION & PROTECTION

Registration of every Japanese is continuing to be a big problem but it is not the problem that protection is.

Take for example, the case where the Security Commission notifies the Custodian that in 24 hours fifty families of Japanese will be moved out of the Municipality of Maple Ridge. First of all the Registration Department, acting in co-operation with the Protection Deparmtnet, must send a flying squad to the district to register all the proposed adult evacuees. The Protection Department's representative must check to see that the property the Japs say they

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are leaving is left and he must, therefore, be on hand at the time the family moves to see that everything is put in a safe place and the property generally secured.

When you realize that this had to be done all up and down your rugged and inaccessible coast line, you will appreciate the problem involved in this job alone.

Problem of Administration

Having become the owner of the property of evacuees the Custodian must then decide what to do with it. Under present conditions if a general liquidation were carried out, the assets would be sacrificed and this the Custodian does not intend to do.

Many of you, no doubt, feel that too much time is being spent protecting the Japanese evacuees' property, but we should keep in mind the fact that by careful control and administration the value of the assets will be obtained, creditors paid and the Japanese in their new homes will have funds to maintain themselves so as not to be a burden on the Canadian tax payer.

You will, from time to time, hear and may even take part in discussions relating to the continued operation of many Japanese stores in this city. It is true many are operating, some by the Japanese owner himself, who has not been evacuated, and others by the Custodian.

Operation of Stores Justified.

It seems reasonable to me that if the Japanese owner is still here and he can find customers he should be allowed to operate his business, employ his staff and maintain his family instead of going on relief. At the

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same time he is liquidating a stock which is not readily saleable to other than Japanese. The Custodian is operating many stores in an attempt to liquidate them in orderly fashion. This seems reasonable to me since it is easier to sell Japanese merchandise to Japanese than to white jobbers and I haven't found a white jobber yet who wants to buy a bale of dried seaweed.

Policy As To Sales.

The Custodian does not sell anything but perishable goods except by tender or with the approval of the Japanese owner, if available. By obtaining the Jap's consent to a sale at a definite price, he cannot claim against the Custodian in the future for more than the amount he agreed to. This forestalls trouble as does the calling for tenders where his consent cannot be obtained, because he is in Japan or he is reluctant to give it.

.....

Basic Idea Minimize Loss.

The basic idea of the Custodian being inserted into the evacuation scheme was to control assets including the liquidation of same, so that the economic loss would be minimized as much as possible.

I know that many people criticize the Custodian because he considers the rights of the Japanese. I have tried to explain why the Custodian does not confiscate property, either enemy or evacuee and also why he trys to co-operate with the individuals concerned.

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attractive, there is no guarantee that the veterans are going to be prepared to buy them

I hope the members of your Board and the public generally will be patient with the staff of the Custodian's office and if decisions are not made as rapidly as you desire please keep in mind that the Custodian has approximately 23,000 evacuee problems in additon to all his work across Canada of Controlling property situated here and owned by persons residing in enemy territories, which now include 50 countries.

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Report re Japanese Property Claims Commission

In accordance with the instructions received, I proceeded to Vancouver and arranged to accompany Mr. Justice Bird across Canada hearing the Japanese claimants. I arrived in Vancouver on January 29th.

On my arrival I contacted and had discussions with the Commissioner, Mr. Justice Bird, Government Counsel, Mr. Hunter, and your director, Mr. Shears. Subsequently I proceeded to Kamloops and attended one week of sittings there, accompanied by Mr. Shears, and I then returned to Vancouver and Mr. Shears proceeded with the Commission to Vernon. The purpose of my return to Vancouver was to put into effect certain plans that had developed as a result of my discussions and my seeing the Commission in action. Subsequently, with the return of Mr. Shears to Vancouver, I proceeded to Grand Forks and Nelson and attended the sessions of the Commission at those points.

It was only at the end of the Nelson sittings last week that Mr. Justice Bird was finally able to arrive at a definite programme for the balance of the sittings which he will hold across Canada before the first of July and for the sittings which the sub-commissioners will hold in the interior of British Columbia. As a result of studying the work of the Commission for the past two months, I made certain suggestions to Mr. Justice Bird, Mr. Hunter and Mr. Shears, some of which have been adopted and are referred to below.

Mr. Shears is proceeding to Lethbridge on Saturday night and will be attending the opening of the Commission there on Monday, March 22nd. He will also proceed east with the Commission. The covering letter to this report explains why I am not accompanying the Commission as planned and I request further instructions.

For the purpose of convenience, I have divided this report into four parts:-

1. The Commission.

   (a) Mr. Justice Bird is indeed a happy choice as Commissioner. There is no doubt that his manner of conducting the hearings and insisting that all information contained in Government files be supplied to the claimants, and the wide latitude given in the presentation of evidence has convinced both the claimants and their counsel that the Commissioner is anxious to assist them in every way possible in presenting their claims.

   (b) Counsel for the claimants, with particular reference to Mr. McMaster, have been exceedingly co-operative and fair in the presentation of

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evidence, and are not so antagonistic to the Custodian's administration as one might reasonably have expected.

(c) Government Counsel, Mr. Hunter, is faced with a difficult taks. He is at a great disadvantage in having undertaken approximately 1400 defences, and having to indicate at the present hearings what the line of defence will be, before he has had any real opportunity to become thoroughly familiar with the Custodian's policy and administrative practice. During the last few weeks it appears that he has obtained a fairly good grasp of the situation and is now in a better position to indicate the defence and cross-examine the witnesses. In my opinion he is doing excellent work, and the Government's defence is in capable hands.

(d) Mr. Shears has been rendering yeoman service to Mr. Hunter, and at the same time has been faced with the difficult problem of organizing the very small staff in the Custodian's Vancouver office to prepare the claim files on time so that the Commissioner's ambitious programme for his own sittings and for the sub-commissions in British Columbia can be carried out. To one who has some little knowledge of the complexities of the problem of administering the evacuees' property and the difficulty of appreciating the reasons behind the policy which was adopted, and getting these ideas across both to the Commissioner and to Government counsel, I have nothing but praise and admiration for the work done by Mr. Shears.

2, Custodian's Vancouver Office.

When the Commission was established, the Custodian's staff was definitely caught at a disadvantage due to no fault of Mr. Shears. Mr. Shears in accordance with instructions from Ottawa, had consistently reduced staff, and there are only ten executives out of a staff of twenty-five. These executives were busy putting the files in administrative order, which it will be appreciated, is entirely different than extracting information from them for the purpose of answering claims.

Mr. Shears re-organized the office on the basis that the executives, taking the claim form filed by the Japanese evacuee, would extract from the master files such information as might support or refute the claim, placing this information on a special file called the "claim file". It was originally intended that these files would be for the use of Government counsel, but it was found that the methods of evacuation and the speed had

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prevented the evacuees from keeping any real record of the property they left in the protected area, or what had happened to such property. This information was considered by the Commissioner to be essential for the proper presentation of claims, and Mr. Shears was instructed to make the Custodian's claim file available to counsel for the claimants.

Mr. Shears was also faced with the problem of preparing sufficient claim files to keep the Commissioner and all of the sub-commissioners sitting simultaneously. Because of the size of the master or administration files, it has been found that an executive reviewing the files can average about one a day, and in fact, experience has shown that the average for the office is approximately 35 files a week. It will of course be appreciated that the current administrative work is continuing simultaneously. Once the Commission had obtained some experience, it was found that as high as nine cases a day and an average of about six, could be dealt with. It followed that while the office had had an opportunity of preparing a small backlog of files during the weeks of organization of the Commission, it would be impossible to supply the main Commission and all the sub-commissions if they sat simultaneously. Mr. Shears and I considered this situation and after several conferences with Mr. Justice Bird, convinced him that the best the Custodian's organization could do was to keep his Commission supplied with files as he proceeded across Canada, and the sub-commissioners in the interior of British Columbia, provided such sub-commissioners sit consecutively. We also advised the Commissioner that there was no possibility of the present staff of the Custodian's office supplying material before the 1st of September for any sub-commissioners east of British Columbia. Mr. Justice Bird appreciated the situation and it has now been agreed that the sub-commissioners east of British Columbia will not commence sittings before fall and the British Columbia sub-commissions will commence on April 21st at Vernon and sit consecutively.

In the case of British Columbia sittings it is now necessary for someone to brief four local counsel as well as to supply these counsel with complete copies of the Orders-in-Council and regulations relating to the administration of evacuee properties. Government counsel, owing to the pressure of work with the main Commission has not been able to brief these counsel, and has requested that a Custodian's representative should attend the opening sessions of each sub-commission. Mr. Shears,

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having in mind that the supplying of claim files to the Commissioner, should take precedence, is reluctant to disrupt the organization of the Vancouver office to do this, but he will make every effort to see that sub-commission counsel are briefed.

With respect to the claims filed by corporations which are to be heard in Vancouver, commencing possibly in September when the defence is also to be presented, no work is being done in the preparation of claim files at this time.

With respect to the sales made to the Director of the Veterans' Land Act, there is considerable work to be done before Government counsel will be in any position to defend the agreement made.

With respect to the briefing of local counsel, preparation of the defence in the case of the corporations and the sales of the Veterans' Land Act, it has been suggested that I should undertake this work, and my letter attached to this report indicates my views in this matter. It also indicates the importance of these claims which total approximately 50% of the value of all claims filed.

3. Mr. Justice Bird's Commission in Operation.

The first three weeks of hearings indicated the necessity of stream-lining the procedure of taking evidence if the Commission was to complete its work in any reasonable time. As a result of conferences in Vancouver in January and early February before the Commission returned to Kamloops, certain steps in this direction were taken, and the work of the Commission is certainly proceeding with greater rapidity than in the past.

The claimants' counsel have a field man who takes the Custodian's claim file and interviews the claimants before the hearing. After the claimants have seen the information that the Custodian has on file, amendments are usually made to his claim. The amended claim is submitted to Government counsel the night before the claim is being heard and at that time the Custodian's claim file is delivered to him. This is the first time that Government counsel sees the claim file. It will be appreciated that Government counsel must spend almost every evening reviewing the files and the amended claims in order that he will be in a position to cross-examine

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the claimant and the witnesses the following day. There is no doubt that in the majority of cases the claimants have not complied with the advertisement calling for claims. There is also no doubt that because of the fact that the evacuees themselves kept practically no record, their claims have been prepared from memory and it is only after examining the Custodian's claim file that they are in a position to definitely state what they are claiming for. While it is obvious that the Custodian's staff are doing a lot of work that would be unnecessary if proper claims were filed in the first instance, it is also true that the claims are being considerably reduced as a result of information obtained by the claimants' counsel from the Custodian's files. It has become apparent that many amendments would not have been made if the Custodian's claim files had not indicated that the Custodian had evidence establishing that the claim was not entirely bona fide. I found this situation rather disturbing as it indicated that many of the claims might stand if the Custodian himself had no evidence that, for example, the claimant himself had disposed of a large portion of his chattels prior to evacuation. I decided to make a test, and instructed the executives preparing the claim files to remove everything from the claim file where there appeared to be a deliberate attempt to claim for chattels that had been disposed of by the claimant. Realizing that this would be withholding information from counsel for the claimant, and that he might consider that this was not proper in view of the Commissioner's instructions, I discussed the situation with the Commissioner and he agreed that if Government counsel could make an example of one claimant at each centre where the cases are heard, it would have a salutory effect on other claimants and would put counsel for the claimants on guard to see that the claimants do not file fictitious claims. You will be interested to know that in a specific case heard while I was with the Commission at Nelson, a claimant and his wife both testified that they had not disposed of their chattels prior to their evacuation. There was no indication on the Custodian's claim file that they had done so, and the claim was not amended in this respect prior to the hearing. In the course of cross-examination, Government counsel was able to produce a letter signed by the purchaser to the effect that $1,000.00 had been paid to the Japanese claimants for certain assets, including chattels. Even after being faced with this letter, the claimant still denied the sale, and the Commissioner impressed upon him and upon his counsel the seriousness of

prepared to buy them at the price

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claiming for articles that had been disposed of by the claimant. The result of these tactics were ~~immediately~~ immediately, apparent, for at the following day's hearings and at subsequent hearings, we found that certain claims that had been amended at the time the claimant was interviewed by his counsel's representative, were further amended at the time of the hearing, so that we are now having further amendments. I think that the Commissioner was quite right in stating that these tactics by Government counsel were justified and will have a salutory effect as the Commission proceeds across Canada.

As a rule, when a claimant appears before the Commissioner, the claimant's counsel immediately files an amended statement of claim and some cross-examination takes place. Upon arrival in Vancouver, I found on reading transcripts of the evidence taken at the previous hearings, that there was no indication of the line that the Government's defence would take and on interviewing the Commissioner and the claimants' counsel as to the attitude they would take at the fall session when the Government defence is put in, I was advised that Government counsel would not be permitted to introduce a defence that he had not indicated at the time of the hearing, because it is only during the present hearing that the claimant has any opportunity of rebuttal. For example, if the Custodian's claim file indicated that the claimant had placed his chattels in the hands of his agent and therefore, under the terms of reference the agent would be responsible for their administration and not the Custodian, the claimants' counsel argued that Government counsel must point out that the defence would be the claim was outside the terms of reference, and if Government counsel did not point this out, then even though agency was indicated in the claim file, the claimant would be entitled to assume that the Government would not defend on this basis. As a result of these discussions, Government counsel now opens his cross-examination by stating, in very general terms, what the Government's defence will be, thus giving the claimant an opportunity to reply during re-examination.

4. <u>Preparation of the Defence</u>.

As indicated above, Government counsel is at the time of the hearing of claims, outlining in very general terms what the Government's defence will be. The transcripts of evidence are now pouring into the Custodian's office, and unless the preparation of the defence is to get out of hand entirely, it is essential that these transcripts be studied and the amendments to the claims be considered so that the final claim is known, and the defence can be prepared.

prepared to buy them at the price

Correspondence, reports, speeches, notes, memoranda, interviews, [1941-1946]
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During the hearing of the claims the Custodian's claim file is being decimated by documents, letters and memoranda being extracted from it by both the Government and the claimant's counsel, and being filed as exhibits. I discussed this situation with the Commissioner and have convinced him that in view of the fact that there is no certainty that his recommendations will finally dispose of these claims, the Custodian's master files must be complete, and also in order that Government counsel can prepare the defence. The Commissioner has agreed that the Custodian is entitled to recover the original documents, letters and memoranda and it has been arranged that the exhibits are copied in the Custodian's office, and copies of same are handed to the Commission's secretariat. You will appreciate that it is impossible to follow the transcript of the evidence if the exhibits are not available.

Everyone is greatly disturbed at the magnitude of the problem of presenting 1400 defences. After considering the situation, I have come to the conclusion that it may be possible to divide the claims into categories, and thus considerably reduce presentation of the defence.

I have had several conferences, relating to this problem, with the Commissioner and he feels that one of two courses may be adopted. The first, that he hear 1400 individual defences, which in my estimation will mean that he will not be in a position to make any recommendations until at least the fall of 1949. The second, that if sufficient statistical information can be extracted from the files and the transcript of evidence, he may be in a position to make general recommendations relating to the various categories of claims.

For example, in the case of the fishing vessels relationship between the sale price, the appraised value and the claim may show that the Custodian's appraisals were 10%, 20% or 50% low and if he is satisfied that the Custodian's appraiser was a qualified appraiser, the Commissioner may make a recommendation as to a percentage to be paid across the board to all claimants for fishing vessels. This theory may also be applicable to chattels, real estate etc.

The Commissioner feels that he will have to hear the individual defences in the case of the corporations and that he will require considerable evidence to be given with respect to the qualifications and valuations made by the Soldier Settlement Board, upon which sale to the Director of the Veterans' Land Act was based.

that the veterans are going to be
prepared to buy them at the price

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[memoranda, interviews, [1941-1986]

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If the Commissioner, after examining the statistical information which I propose the Custodian staff extract from the records, feels that he can make recommendations, it will greatly simplify the presentation of the defence, On the other hand, if counsel for the claimants and the Government counsel feel that individual defences must be presented, then the statistical information will be invaluable in preparing the defence.

Mr. Shears and I have been working on this problem for the past week and have now evolved certain forms which he will show to the Commissioner this week, on which this statistical information can be entered. At the time that the information is extracted from the records, it is anticipated that there will be 800 transcripts on hand by the first of July, the staff doing this work can also prepare memoranda stating the line of defence the Government counsel indicated in each case, and the names of the witnesses that will have to be called to support such defence.

In view of the statements made above as to the tremendous volume of work now being handled by the existing staff of the Custodian's office, it is obvious that additional help will have to be obtained. Government counsel has stated on several occasions that he is convinced that the Custodian staff must be increased if the work of the Commission is to continue without any long adjournment for the preparation of the defence. After discussing the question of defence with the Commissioner, and with his support, I have proposed to Mr. Shears and he has accepted my suggestion, that the following arrangements be made, subject of course, to your approval.

As of March 22nd, Mr. Shears is hiring two men, and even if you do not approve of the proposal outlined below concerning the law students, these two men will be necessary to insure Mr. Shears' ambitious programme to keep up with the work of the Commissions and the preparation of the defence.

Mr. Shears and I have had an informal interview with Dean Curtis of the University of British Columbia Law School and I have suggested to the Dean that a number of law students either may not be articled during the summer months or might be available from firms who have articled more students than they actually require, and that the Law Society might permit the Custodian to employ at least five students from 1st of May

that the veterans are going to be
prepared to buy them at the price

until the 15th of September. I have pointed out that they would be doing semi legal work in reviewing evidence and in a preliminary way preparing briefs for the defence. I have also pointed out that while the Custodian would be prepared to pay the students a reasonable remuneration, he would not like to pay salaries that might create ill will with the legal profession generally. I have advised Dean Curtis that I have not obtained your approval to carry out this scheme, but I have requested that he ascertain whether or not the Law Society would be prepared to co-operate.

It would be very helpful if I could have your views as to whether or not the Custodian is prepared to accept these proposals, which, I may add, are supported by Mr. Shears.

I feel that the protection of the Custodian's interests, as recognised at the present time, are being taken care of, and that Mr. Shears can ably deal with any problems that may arise as the Commission travels eastwards across Canada.

My covering letter explains my future position in these matters as I see it at this time.

G.W. McPherson
Executive Assistant.

GWM/GH

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FOLDER No. 6-9 [1941-1986] ... correspondence, interviews, drafts, speeches, sheepskins ...

Dec 3rd 1947 afternoon.

72 et seq.

The Commissioner will recall that, at the opening session held in the month of November (?), 1947, the question of the Custodian's vesting and seizure of the corporate assets of Evacuees was referred to by Mr. Brewin, as reported on Page and that Mr. Hunter replied as on Page

The question raised by Mr. Brewin and the statement made by Mr. Hunter may have caused some confusion in both the minds of counsel and yourself.

In view of the fact that the corporate claims are to be heard as soon as the presentation of general evidence is complete, it is desirable as part of the general evidence to round out the picture of the Custodian's administration by telling the story of the whys and wherefors.

I have previously indicated the tremendous administrative problem that faced the Custodian when he suddenly found that he had to build an organization to handle the property of 2300 people, and while doing so administer, at the same time, corporate assets where the Japanese did not have their own legal advisor or their own or there were not sufficient directors who were not persons of the Japanese race.

Actually at the beginning of our administration, the Custodian was not anxious to interfere with the corporate assets of Evacuees, but there was no question but that his legal position was clear.

You are thoroughly familiar with the provisions of P.C.1665, which placed the property of Evacuees under the protective custody of the Custodian, but which made certain exceptions, among which were included shares of stock and other securities. Property, other than that excepted, vested in the Custodian upon the evacuation of the owner

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Deposits of Money were also excepted and it became clear in the early days of the evacuation that certain unscrupulous persons might be tempted to take all their liquid assets in the form of cash or securities out of the protected area and disregard the legitimate claims of their creditors. It also became apparent that

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some persons, relying on the strict interpretation of the Order-in-Council, might contend to the detriment of the Evacuees' interest that the property did not vest in the Custodian until such time as the individual owner was evacuated East of the boundaries of the protected area.

I have already stated that the Custodian in accordance with the provisions of the Order-in-Council considered that his primary duty was to protect the assests of Evacuees

The original plan of the evacuation was that Japanese would be moved from their homes East of the Rockies, but owing to certain difficulties encountered by the Security Commission it was found impossible to make one move and the large camp at Hastings Park was opened as a transit camp, but once a Japanese individual was put into Hastings Park he could no longer physically protect his assets, such as farm home, but technically it was doubtful whether or not his property did vest in the Custodian because he had not been evacuated. Custodian representatives in their anxiety to protect the property of the Japanese from unscrupulous persons and from vandalism and to have some legal right to do so referred the matter to the authorities in Ottawa and as a result of these representations the amendment P.C.2483 was passed which specifically gave the Custodian the authority, notwithstanding anything else in the Order-in-Council, to vest any property where the Custodian was satisfied that the interests of the owner of of any other person required protection, and I would draw to your attention that because of the Regulations One (1) of P.C.1665- Sub-paragraph (B.B.)"persons of the Japanese race"was defined not to clarify their race but to say that any person of that race required to leave the protected area, and it will be noted that it was not necessary that they should have left the protected area, According to P. C. 2483, Sub-paragraph 4, property of persons of the Japanese race required to leave the protected area could be vested regardless of the physical residence of the individual Japanese owner, and the bank accounts, bonds, stock and securities, while still excepted from vesting so far as the automatic vesting was concerned, could be brought under the control of the Custodian where it was considered necessary to do so for the protection of the evacuee's interests.

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While P.C. 1665 was issued on the 4th of March, 1942, the first actual movement of the Japanese from the coast under the evacuation scheme - and I am not referring here to any persons of the Japanese race interned under the Defence of Canada Regulations - took place on the day of . The Custodian's administrators were so alive to the administrative problem arising out of a strict interpretation of P.C. 1665, and were so anxious to protect the Japanese property, and of course to protect creditors of the Japanese, that as a result of representations made by the Vancouver Office, P.C. 2483 was passed only 23 days later, and in this intervening period, the Custodian's organization had started from scratch and was being built into an administrative office. During this period it is possible, and when the individual corporation cases are heard, you may find that the Custodian did interfere in the administration of certain corporations, but I believe I am correct in saying that up to that time he only interfered where as a result of an inspection under the Trading with the Enemy Regulations (such inspection having been instituted by the Enemy Section of the Custodian's Office which had been established shortly after Pearl Harbour) had indicated that an enemy, that is, a persons resident in Japan or Japanese controlled territory, had an interest in such corporation, either as a shareholder or as a creditor, and in the exceptional case the Custodian may have appointed a controller, but if he did so, he did it under the Trading with the Enemy Regulations. Under P.C. 2483, once the Custodian was of the opinion, and there is nothing to indicate that this decision could be made by anyone but the Custodian, that certain interests were in jeopardy as a result of the evacuation, he could vest any asset, and once he did so, the Trading with the Enemy Regulations applied to the administration of those assets, and this is how the Custodian took over - not be vesting the corporation itself or the corporation's assets - but by vesting the interest of persons of the Japanese race in the corporation and the administration of the affairs of the corporation. Having brought the corporation under the Trading with the Enemy Regulations, he then proceeded under Regulations 8 and following, to inspect, supervise, control and/or liquidate the affairs of the company as in his opinion he considered was necessary or desirable to protect the evacuee's and other persons' interests in the assets, but in those early days it must be kept in mind that the Custodian's policy of liquidation had not been established, and the Custodian did not liquidate the affairs of any evacuee-owned corporation until after the policy of liquidation was established and this was in 1943.

I have not had the time to review every specific case, but I think it is safe to say that if any corporation in which Japanese evacuees had an interest,

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quidated prior to the policy of liquidation being instituted, it was quidated or its assets were disposed of, either by the Japanese evacuee himself or through his representatives, or because there was a substantial enemy interest in that corporation, and the enemy section of the Custodian's office under Trading with the Enemy Regulations, felt it was necessary to liquidate to protect the interest of the Custodian, shall we say - "of Enemey Property."

Some criticsm has been levelled at the Custodian, and on the individual cases that you will hear, opposing counsel may contend that the Custodian should have taken direct control of the affairs of certain corporations in spite of the fact that the Japanese evacuees' interest in same had made their own arrangements for their administration. I think that this is unfair criticism and it is rather surprising to hear such criticism when on the other hand, the Custodian is criticised for having interfered in the administration of such persons' assets when it suits the purpose of the critics to so contend.

In the hectic days of the evacuation, I think the luminous evidence already placed before you had indicated that the Custodian had a tremendous administrative problem in taking over and looking after and attempting to protect the assets owned by individuals who were being evacuated or moved from their homes so rapidly that they could not make arrangements to have their assets protected, and that he was justified under the original terms of P.C. 1665 and even under the amendment, to assume in the first instance that unless complaints were received or requests were made either by creditors or the evacuee himself, that there was no necessity to interfere in the administration of a corporate enterprise which in itself was a legal entity and could carry on its affairs, provided there were sufficient people not of the Japanese race, to administer same.

Order in Council P.C. 2483 was interpreted by the Administrative officers to mean, and I do not think it can be argued otherwise, that the Custodian had the sole discretion to determine whether or not he should take some specific action to protect such assets because of the possibility of the individual Japanese creditors or some other person or organization whose interests were later to be prejudiced if he did not do so. I believe that in every corporation case which will be presented to you, the Custodian will be able to justify either his non-interference in the corporation of the affairs, or the exercise of his force to interfere.

Without dealing with specific cases by name, I would like to take a few concrete examples of cases upon which claims have been filed and which the Government will defend. In one of these cases, the Government will contend that the Japanese evacuee owner before his evacuation, came to the Custodian and requested that he take over the administration of his company, and the Custodian did so, and

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eventually vest evacuee interest, not only to protect the evacuee's equity in wasting assets, but because the Custodian had been requested by other Governmental authorities to re-open the business which had been closed down, the re-opening and production of the company's business being considered as vital to the Canadian war effort.

In another case, the Government will contend that the Custodian originally became interested in the affairs of the corporation because of complaints from creditors, but that as the Japanese evacuee had retained counsel, and counsel had agreed to co-operate with the Custodian in protecting the interests of creditors, the Custodian exercising his sole discretion, but not considering it was necessary to vest the evacuee's interests until some considerable time later when the affairs of the evacuee had got into such a muddle and the interests of the creditors and of Canada's war effort were being prejudiced. In this case the Government will contend that while the Custodian was insisting upon the co-operation of all persons connected with the evacuee's affairs, and was approving transactions and sales from assets agreed to by evacuee and the directors of his company, the Custodian was not interfering in the price obtained for the assets, but merely in the disposition of the funds received. Once the Custodian decided to interfere, the procedure was, I believe, to any unprejudiced person, reasonable and proper.

The Custodian, if a previous inspection had not been made, appointed an inspector and obtained a report, In practically every case, ~~the~~ a written report of the results of the inspection, and on the basis of this report, exercised his discretion to take over the control of the company and indirectly his assets. He did not by appointing a controller and in all of these cases the controller's reputation and qualifications for the position of responsibility placed upon him, will be contended by the Government to be beyond question. The controller, acting under his authority, then became responsible for the administration of the corporation's affairs, but as the Custodian had a higher responsibility, the controller quite naturally made reports and ~~xxx~~ any major decidions made by him were subject to the Custodian's ~~xxx~~ approval and the Custodian's actions in every case were dependent upon the recommendation made by the controller and controller's recommendation was I believe, the indivudual cases will indicate, based either upon his own ~~xx~~expert knowledge or if he did not feel that he had the expert knowledge, based upon the advice and recommendation of independent experts directly retained by him. In most of these cases the evidence produced by the Government will endeavour to establish that the controller acted in a reasonable manner in accordance with the heavy responsibilities imposed upon him.

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Prior to the general policy of liquidation being adopted, there may be cases where the controller, because of the nature of the assets involved, considered it desirable that certain assets be disposed of, and this may have been done, but if it was done, the Custodian's administrative officers, in considering the recommendations of the controller in this regard endeavoured to make sure that in the disposition of such assets, the best possible price was obtained and the interests of all parties protected. Subsequently, the policy of liquidation being adopted and in view of the many uncertainties surrounding the position of the Japanese evacuees, their possible return to the Protected Area at the duration of the war with Japan and administrative difficulties may have recommended that a liquidation should take place. If the Custodian's administrative officers agreed with the controller after considering all of the facts and taking into account the higher responsibility of the Custodian in these matters, recommended to the Custodian that he should act upon the recommendation of the controller, this resulted in the issuing of a liquidation order and the appointment of a liquidator. The liquidation of the companies was then conducted by the liquidator, with his action subject to the approval of the Custodian and even at this time, before any major assets were disposed of or any major decisions taken, the proposed action and the recommendation of the liquidator was submitted to the Custodian for his approval. I feel that the evidence to be adduced by the Government in defence of the actions of the Custodian and his agents, will definitely establish that the liquidator carried out the trust imposed upon him in a manner that should satisfy any reasonable person conversant with all of the facts and the conditions surrounding the evacuation and the administration of the evacuee's assets.

I would like to refer for a moment to the methods adopted by the liquidator in disposing of the assets of corporations. In the first place, the liquidator acting in consultation with the Custodian administrative offices, made every effort in some cases over a considerable period of time, to dispose of certain companies as going concerns or to dispose of their assets en bloc in order to avoid a long and complicated liquidation of individual items. Where this was possible, it was done and I feel that no stone was left unturned in the attempt to dispose of the assets to the best possible advantage to the evacuee owner. Independent appraisals were made by persons who the controller and the Custodian's administrative officers considered to be experts in their particular field. Assets were advertised for sale and attempts were made to create interest by personal contact and as much publicity as could reasonably

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expected. In some cases however, the major assets had been disposed of, the liquidator was faced with a clean-up proposition, and while in individual cases, some question may be raised as to whether or not an individual item was sold at a reasonable price, I am of the opinion that in a liquidation of this kind, it is not fair to break down to the point of accounting for the value received for one nail or one bolt, but rather to look at the picture as a whole, and determine whether or not a reasonable price was obtained for the total assets disposed of.

As in the case of individual claims, with respect to their chattels it is possible that some individual assets may not be specifically accounted for, but may be specifically claimed for. I do not think it should be assumed that because a liquidator in the statements which will be produced in individual cases, does not specifically refer to an item, the item had been lost, stolen or disposed of without accounting for same.There are several reasons why a liquidator may not be able to account for what he did with each individual item in the liquidation of the assets of a large corporation. It may be that in view of the policy of the Custodian in the first instance not to interfere, many of these items were disposed of while the company was still under the administrative control either directly or indirectly of the Japanese owner himself. It may be that the Japanese evacuee in taking an inventory upon which his claim may nowbe based, estimated quantities of certain items such as nails, nets, cable etc. and did not take any exact measurements or weights. It may be that the evacuee unconsciously and with no intention to misrepresent his assets, over-estimated quantities etc. in order to protect himself. It may be that there were certain pilferages and theft prior to the controller or liquidator taking charge. It may be that the controller accepted the Japanese inventory and did not go to the expense of checking it in detail down to the accounting for the last final spike or measuring the last piece of cable. In many cases the controller did not know that he was going to liquidate the assets and for the purpose of his control he felt that by the appointment of a watchman, would be protected, and what was there when he took over, would remain. It may be that during the period of his control, that even if he had taken every reasonable precaution to protect the assets, thefts occurred, and by the movement of some items from one point to another point for better security, some items were misplaced or lost, but I feel that all of these possibilities existing in the liquidation of any large enterprise, and because of the way in which inventories were made by the evacuee, in most cases in great haste, and subsequently by appraisers and were inventoried in some cases in the instances of grouping items, for the purpose of advertising for sale and because of more technical knowledge of a proper description

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ertain items, they were described differently in different inventories, but do not feel that the items were not included in the ultimate sale. If by any chance, it is established beyond any shadow of a doubt, that the liquidator has not accounted for certain items, I do not think that in liquidations of the kind handled, the failure to account for such items should in any way reflect upon the integrity, reputation or qualifications of the liquidator who at the time was endeavouring under very difficult circumstances to carry out the trust imposed upon him.

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In accordance with your instructions, I had prepared ~~reports~~ files containing correspondence, claim files, documents and reports relating to each individual corporation claim and caused these files to be delivered to counsel acting for the claims as indicated by the Secretary of the Commission. This was done on or before the 17th of July last and I have had discussions with these counsel concerning these claims and have indicated to them the nature of the Government's defence. As Government counsel handling these corporation claims, in accordance with your instructions, I am preparing to proceed with the Government's defence of the individual cases immediately upon the conclusion of the presentation of the general evidence, as I do not feel that there will be any need to adjourn the hearing of any particular case or to set over to a later date any particular claim. It is almost impossible to set a specific date upon which the presentation of the individual cases should commence, but an attempt has been made to do this, but the question of whether or not the schedule can be kept in detail, will depend to a large extent upon the lengt of time taken to present the claimant's case and the Government's defence. As far as the Government is concerned, I would like to assure Your Lordship that every effort will be made to carry out the schedule.

In presenting the evidence of Mr. Shears and Mr. Field, I am in no way admitting directly or indirectly that the question of the legal right of the Custodian to take over the affairs of these corporations in any way comes within the terms of reference. I am of the opinion that the Custodian had a legal right to do what he did, but I respectfully suggest that the only matter which should concern Your Lordship and which comes within the terms of reference is whether or not, having taken over and liquidated the assets of these corporations, the Custodian did obtain the fair market value at the date of sale.

Correspondence, memoranda, cheques, speeches, drafts, memoranda, interviews, [1941-1986]
FOLDER No. 6-6

February 24, 1942.

3. Possible Sabotage

(a) Police Action

I have great admiration for the Royal Canadian Mounted Police force but I do not think they are qualified to act as intelligence officers or counter-sabotage agents. There are several reasons for this, the first of which is that high officers here in the R. C. M. P. readily admit they are policemen and have been trained as such. Secondly they are in a semi-military organization definitely limited as to funds available and indirectly affected by politics as to personalities since they are dependent upon favour for promotion. They have, in their files, reams of information which should, in a country at war, be sufficient to result in the internment of a large number of Canadian Japanese but because, as stated to me by an officer,of interference in Ottawa they are afraid to arrest suspicious persons in case certain individuals in Ottawa might interfere and affect their release. The burned child avoids the fire and the police recall what happened in the case of the Germans and Italians although they wonder at the situation in Ottawa when Mayor Houde is still in custody and he is a Canadian Citizen. I know that the police have information to the effect that certain Japanese in Steveston have the use of a boat to cross the river because of the distance from a bridge and that these Japanese returned to Japan in the past few years for military training. They also know that the Japanese recently purchased, through a returned missionary, the house property overlooking the Ucluelet air base and there is a large Japanese population in the immediate neighbourhood of the munitions dump and supplies. They have admitted to me that they view with suspicion certain individual Japanese of Canadian nationality but they are afraid to intern them in case their release would result in the police losing face.

They know, for example, that Mr. Kagetsu has managed the Mitsui Timber Interests in this province for years and that he would not be managing the business if he was not a loyal Japanese.

They know that Mr. Kodama and Mr. Noritake are married to the daughters of T. Timura in Japan and that they alternated between here and Japan until the outbreak of war at which time Mr. Kodama was in Japan and Mr. Noritake in the United States where he was arrested and subsequently released, as he says, on representations with "K". This man is now back in Canada and is quite arrogant and talks a great deal about his friendship with Mr. "K" and other notables.

The police also know that Japanese populations are to be found in practically every strategic point along Vancouver Island and in the vicinity of the Coast Cities. They know that Japanese are between the soldiers and their guns at one point on the Coast and that white men have to have permission to pass the sentry, whereas the Japanese come and go freely.

They also know that there is a Japanese settlement on top of the dyke above the Boeing Plant and the bomber air field on Sea Island and that by a few carefully placed sticks of dynamite the Island could be flooded and the field made useless for a number of weeks with considerable damage to the Boeing Plant. As regards this I was at the field yesterday and saw two Japanese walking along the fence at the side. As regards the dynamite, the police themselves have informed me that they have no list of Japanese or Japanese companies that have recently purchased dynamite or may be in possession of same. An example of why they are not qualified to do intelligence work is clearly shown by the statement made to me, after

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...discussed in the/major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

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they had checked a card index which I had prepared of all Japanese names which had come to the attention of the Custodian. This list was checked by the police and they stated they had no record of approximately 70, many of whom have advised the Custodian that they are operating stores. When I asked the police why they did not have a record they said they would be registered as Canadian Japanese and they would have a record for all of them since every Japanese was required to register. This reasoning is about as sound as a remark of one of the officers when told that there was information that a particular Japanese was an officer in the Japanese Navy and he replied that this information could not be correct since he had not said so on the card. I was also told that while the police knew there was an organized German sabotage ring, they also knew that there was no Japanese organization here.

The attitude of certain members of the police force, after the committee meeting in Ottawa, changed from an anti-Japanese attitude to a rather pro-Japanese attitude and I cannot help but feel that they knew that the committee was to be disbanded and that it would pay them to play ball with certain parties in Ottawa.

Stanley Park Shipyards is adjacent to the No. 1 Boeing Plant and I have visited this yard. With all the shavings, timber and sawdust lying around it is a fire hazard that has been reported on several occasions to the local authorities and, although the inspector has called, it has not been cleaned up. The owner of this plant is Mr. Bunji and until Monday of this week he completely ignored the Custodian's letters and I threatened to take control of the company. The manager of the plant, who is also a shareholder, told me personally that Mr. Bunji stands in the window of the shop and makes derogatory remarks concerning the troops passing by. I have been told by Mr. Sleigh, a steamboat surveyor, that Mr. Bunji has told him he was an officer in the Japanese Navy and he is now head of the Japanese Association here. He advised the manager that the Japanese would not go over the mountains as requested because he had advised them not to until they were forced to do so. The company is bankrupt and he is in an Al position to burn it down and burn down the Boeing Plant with it as there is no fireboat protection whatsoever on this side of the harbour. The only fireboat in Vancouver is kept in False Creek and is a long way from the docks in Howe Sound and if a good foggy night were picked the boat would not likely be able to come around through the Narrows. The situation is ideal for extensive sabotage along the harbour. I, personally, have informed the police of this but nothing has been done.

I do not blame the police for their lack of action at all. I feel that they are making a mistake in not having a showdown with certain individuals in Ottawa but they are definitely in an embarrassing situation.

When I was in Victoria I was surprised to find Japanese bell hops all over the Empress Hotel which frequented by Navy and Air Force men.

In my work I have gathered a great deal of other information and cannot personally vouch for same but it is the type of information that, if turned over to an intelligence agency, would be carefully checked. At Ucluelet Sound, for example, I am advised that there is a very striking Japanese lady who associates with Air Force and Navy men. There does not appear to be any reason why she should be in this neighbourhood. Another lady, living in Vancouver, has rooms in three or four different hotels and associates with Army men. I believe that the police have this information but nothing has been done.

There is a man, Mr. C. Nakamura, concerning whom I am conducting an investigation at the present time to ascertain whether or not he owns six boats registered in his name. He told the income tax people that the money came to him as a gift from Japan to buy the boats and it amounted to between twenty and thirty thousand dollars and was brought out in the latter part of 1938 and 1939. I am informed by British subjects who have been in Japan for years and who have just returned prior to the outbreak of war with Japan, that it was absolutely impossible to bring out American and Canadian money, as Mr. Nakamura said he did, as a result of Foreign Exchange regulations. If this is correct and Mr. Nakamura did bring the money out it would seem highly probable that he got the money with the consent of the Japanese Government and may sub-

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-posed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

FOLDER NO. 1941-1986

sequently have built two large boats for the purpose of employing naval officers who would come out and pose as fishermen. He admitted after a great deal of questioning that he purchased Japanese Government bonds to pay some of these fishermen who then returned to Japan.

It is also interesting to note that early in 1941 he sent his wife home sick, buying her a one-way ticket and she died there. He admits that Japanese desire to go to Japan to die.

There is published in Vancouver a paper called the "New Canadian" and the founder of this paper, I am informed, is now in Manchuria operating the Tokio controlled press there. This paper has published several editorials lately in which they refer to the injustices being done to the Japs and has talked about their being moved away into slavery. I am also advised that the police gave the editor of this paper a notice to publish requiring the Japanese to move over the mountains and the editor added a line to the notice telling them not to go.

The police freely admit that persons of the Japanese race are working in and around the railway points throughout the mountains and are working in positions at key points.

One of the daughters of F. Ikeda, a Japanese who returned to Japan in April 1939, and whose wife is here, obtained a position in October 1940 in Ottawa through the efforts of the R.C.M.P. With her father in Japan as a hostage it would be interesting to know what type of work she does in Ottawa.

There is a lawyer here called Albert Young who is an Eurasian. He does a great deal of Japanese business and is not above suspicion since he has not been accepted into the white society here. The R.C.M.P. admit they do not trust him, that he applied for a position in the Intelligence Branch, then the Censorship and finally in the various fighting units and they arranged to have all of his applications rejected. I know that this man, who claims to be a loyal British subject, is not prepared to give information, which he says he has concerning the Japanese, unless he is paid $5000.00. He claims he states this figure because it is the figure that the R.C.M.P. offered him to work for them. In view of the police statement that they wouldn't hire him, this is rather interesting.

In the case of the Continental Daily News, this publication has been suspended because it is a Japanese language newspaper. The managing editor and the business manager called to see me and said that unless something was done immediately they intended to write to "K" in Ottawa. I told them I thought this was a good idea and in any event it was no concern of the Custodian but was a problem for the police. They stated that, while the police would not permit them to print their paper, the Seattle Japanese language papers were being distributed here. The police say this is not true and I am endeavouring to obtain a copy of the paper.

The following statement is absolutely hearsay but is worth investigating. It is that certain important information adverse to the Japanese which was forwarded to "I" in Ottawa did not reach its destination but was sidetracked by a certain individual who has definite ambitions.

I have prepared a map showing some of the Custodian's properties in British Columbia and it is interesting to note that each red square means that there is an enemy Japanese business there and that persons of the Japanese race are in the neighbourhood to work in that business.

In the Queen Charlotte Islands group there are several properties and the west coast of these islands, I am informed, are practically uninhabited with deep inlets which could easily harbour submarines and refueling stations. I am told that the police boat used in this neighbourhood is not large enough to go out on the west coast.

There is a Japanese population along the Bella Coola River and this river gives access to the interior of British Columbia behind the Coast Range and behind Vancouver.

There are several properties around Ucluelet Inlet which is the big air base and amunition dump.

The Nanaimo Shipyards is on an island directly opposite the C.I.L. power magazine.

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shareholders before the Custodian vested the shares, and if so I

FOLDER [1941-1986]

There are Japanese living on three islands in close proximity to James Island where a large munitions plant is situated.

There are Japanese situated on both sides of the Fraser River which is in close proximity to two railway bridges which could completely tie up all railway traffic into Vancouver except through the United States.

Up the Fraser River on the North shore there is a large Imperial Oil refinery. I saw this refinery two weeks ago and all of the tanks, etc., shone brightly in the sun and appeared to be painted with aluminum. They are on a hillside and make an Al target for any lone suicide raider.

I had lunch with the Council for the Trail Smelter and I was advised by him that the smelter, which produces 50% of all the brass used in the Empire war effort, has no protection whatever against an air attack and that it is a visible target for miles.

When Mr. C. Nakamura was in to see me the other day I asked him what his attitude was towards the war and he had the nerve to tell me that he was neutral and that he was not prepared to kill Japanese or fight for Canada. I admire him his frankness but cannot understand the police the police allowing him to be at liberty. I have noted that this same attitude prevails in many cases and in many other cases where Japanese fathers and sons are in Japan there is an ideal set up for pressure to be brought to bear on the relatives here.

I have been told that "K" hopes to be the next ambassador to Japan after the war. This may or may not be true but it would be interesting to know why the committee was disbanded when that committee was the only officially recognized channel for the anti-Japanese members of same to contact the Prime Minister. I am absolutely convinced that the police are sincere, are anxious to do a good job but are afraid to move and I am also convinced that this province is full of fifth columnists who could be split wide open if a proper intelligence system were established. The solution,as I see it, is for an intelligence organization to be established for anti-sabotage work similar to the English system, which would mean it would be under the Secretary of State. The British Government would, no doubt, be pleased to assist in its organization and loan experts, particularly to handle the Oriental work in British Columbia. Given a few months to operate in this province, I am convinced they could unearth a great deal of information that would considerably enlighten the authorities as to the actual situation in this province.

The above are only a few random notes on specific cases but they do indicate that there is a situation here that should be carefully gone into. As far as I know there have been no raids on Japanese stores or houses to obtain information or see what these houses contain, as there have been in the United States. With the Custodian in control of a store like T. Maikawa and Company and since the son is a very cocky individual and the father is in Japan, and he will not account for large sums of money which he has received, it might be arranged to wire the store for sound for the police and see what goes on in the private offices during the day. This is only one sample of what might be done.

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relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

FOLDER NO. 6-6
1941-1946

Mar 7-1942

COPY

501 Royal Bank Bldg.,
Vancouver, B. C.,
May 2, 1942.

Confidential

Col. C. H. Hill,
Officer Commanding,
"E" Division,
R.C.M.P.
Vancouver, B. C.

Dear Sir:

Re: Mr. Morii

As you have no doubt been advised by members of the B.C. Security Commission, certain rumours relating to the above party were brought to my attention by a Mr. Thornton, who states that he was previously attached to the Japanese Consulate. I advised the Commissioners of these remours and arranged an interview with the Chairman of the Commission for Mr. Thornton. Mr. Thornton repeated the rumours to the Chairman and, after considerable discussion, the Chairman advised that Mr. Morii was not working for the B.C. Security Commission and I am not informed as to whether or not he is working for your detachment. In any event, in view of the liaison existing between this office and your office both here and in Ottawa, and on the suggestion of Ass't Commissioner Mead, I feel that the rumours should be brought to your attention, for such action as you may desire.

As to the bona fide of Mr. Thornton, he made several statements which were fairly easy to verify to my satisfaction. He stated he had supplied certain information to the Naval Intelligence in Ottawa and he produced for my examination a business card of Mr. Norman Senior the then Secretary to the Minister of National Defence, which card contained an introduction for Mr. Thornton to Commander Nelles in Ottawa. He also made a statement that a census had been made of persons of the Japanese race residing here on the instigation of the Japanese Consulate prior to the outbreak of war and he had extracted a form from the Japanese Consulate file and forwarded it to Naval Intelligence in Ottawa. He produced for my examination a copy of a form which appears to substantiate this statement.

Being satisfied as to the bona fide of these statements of Mr. Thornton and in view of the fact that I do not wish to be classed with rumour mongers in these difficult times, and particularly in view of the serious nature of the rumours, I considered it advisable to obtain some confirmation of Mr. Thornton's statements before bringing the matter to your attention.

Statements made by Mr. Thornton were to the effect that a certain Japanese lady, as a result of representations made to her and in view of the fact that her husband was held in the Immigration Shed, placed some money in a box of chocolates and delivered the chocolates to the above party's home, and that subsequently her husband was released. The statement was made at the interview with the Chairman of the B.C. Security Commission that the party referred to, namely, Mr. Shokichi Hosaki, had a tumour on the brain, had been found insane and had been removed to an institution. Subsequent to the meeting I ascertained that this was not according to the fact and that this party and his wife were not only residing in the City of Vancouver but were in the process of packing their personal effects to go to the sugar beet area, leaving Vancouver, according to their statements, on Sunday, April 26th.

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...discussed in the/major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

M.P. Liaison Corr. [1941-1946]
FOLDER No.

I arranged an interview with Shokichi Hosaki and Mrs. Hosaki on Saturday April 25th. The interview was conducted in the office of Mr. Frederick Field, Chartered Accountant, and there were present Mr. and Mrs. Hosaki, Mr. Thornton, Mr. Frederick Field, Miss Fox of the Custodian's staff, a Ja anese lady as interpreter, whose name is unimportant, and myself.

Mr. Hosaki produced his police registration card Number 06636, a receipt from the Immigration authorities for $10.50, and a statement whic indicates that he was detained on February 20th at 5 P.M. and released on March 4th at 1:30 P.M. The $10.50 paid to the Immigration authorities appe to cover meals and his detention had nothing to do with the B.C. Security Commission or the police departments.

Mrs. Hosaki stated she did not know why her husband was picked up but she was greatly disturbed and a friend, whose name she would not give, told her to get in touch with Mr. Morii who would no doubt assist her. She admitted she purchased a two pund box of chocolates at a corner store o erated by a relative, whose name she would not give, and that she did put some money in the box, the amount of which should would not state, and that she did take the chocolates and the money to Mr. Morrii's place on Cordova Street. She stated that when she arrived there Mr. Morii was out but that there was a man there and she gave the box to him for Mr. Morii and subsequen ly her husband was released. I have discussed this matter with Mr. Taylor of the Immigration Department and, of course, relaize that the release had no connecti n whatever with the gift to Mr. Morii, if any such gift were made.

Another matter which I feel should be brought to your attention since it deals with the above party, is information given to me by Mr. Wright, M nager of the Sun Life Assurance Company, whom I assume is a well-known and reputable citizen of this city. Mr. Wright came to my office yesterday morning to turn over to the Custodian a cheque for a Mr. Kobayashi, a former agent of the Sun Life in this city. His reason for coming was because he believed this party had been interned. On checking the records I found this man was not so and he was surprised since Mr. Kobayashi had told him personally that he was going up to the R.C.M.P. to ask that he be interned. I considered this a strange request by a Japanese and asked Mr. Wright to clarify the statement. Mr. Wright stated that this party was their best salesman among the Ja anese and that he had absolute confidence in him and he did excellent work in the recent Victory Loan campaign. Mr. Wright stated that Mr. Kobayashi advised him that he was not prepared to deal with Mr. Morii as to the terms of his evacuation or prepared to make any arrangement for deferrment and that he felt so insulted over the fact that Mr. Morii appeared to have some control over the evacuation that he would sooner be interned than come under his control. He left Mr. Wright's office with the intention of applying for interrment but appears to have been evacuated rather than interned so the cheque was not accepted by this office.

Mr. Wright stated that Mr. Kobayashi advised him that Mr. Morii had collected a considerable sum f money for obtai ing deferrments for Japanese. Mr. Wright further stat d that he would be prepared to make this statem nt at any time t the chairman of the B.C. Security Commission. However, since Mr. Morii is not working for that Commission it appears to be a matter more directly concerning your department.

Mr. Frederick Field, Chartered Accountant, advised me some time ago that Mrs. Nagata, the wife of an internee, came to see him with a story about Mr. Morii demanding $300.00 from her for some organizational work. He advised me that his advice to her was to tell Mr. Morii to come and see him. Mr. Morii did not come.

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relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

Correspondence, Memoranda, Reports, Speeches, Interviews, [1941-1986]
FOLDER No. 6-6

COPY

This information is given to you as information received by the Custodian's office. Neither myself nor anyone in this office has any personal knowledge as to the truth of the statements made but since there seems to be some connection between Mr. Morii and your department, I thought that the information should be given to you.

Yours truly,

"G. W. McPherson"
Authorized Deputy of the Secretary
of State and/or Custodian.

GWMcP/FC

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FOLDER No. 6-6

May 7-1942.
En Route
Montreal.

Dear Mr. Hopkinson.

On leaving Canada I wish to express my sincere thanks for your kind and thoughtful treatment on all our affairs. On the train, escorted by the officers - we are fully protected and comfortably proceeding to the destination.

On the matters of the Trust company, as you know, the company can stand on its own. funds or investment, even after paying out all its deposit (Depositors &c) and it occurs on my mind. That if it will

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...the/major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

M. Plimsoll Coll. Correspondence, manuscripts, speeches, articles, reports, memorandums, interviews [1941-1986]
FOLDER NO. 6-6

I am enclosing Photostats and a translation of same which speak for themselves insofar as Etsuji Morii is concerned. This man has been evacuated to Minto in the interior which is just over the Cascade Mountains, said mountains forming the Eastern boundary of the protected area. Minto is a ghost town which certain prominent Japanese have been permitted to take over, voluntarily evacuating themselves and maintaining themselves there. If I can I will attach to this memo a list of the important Japanese who have been permitted to go there by the Commission. In any event, Morii is there, Kagetsu is there and Noritake, who is now on his way back to Japan, was to

I wish we will meet here and live in happier days which I hope soon.

—, thanking you again for your kindness

with best Regards

Sincerely yours

T. Noritake.

cost more in future to carry on the business and deteriorate the assets of the revenue of the company, it would be better to make voluntary liquidation at a certain date, for the interest of the shareholders.

of course everything will be decided by you. The above is only the reflection of my passing thought. I am much satisfied for what you have done and will do for us, and, needless to say, every matter rest on your judgement.

P.S.

Please excuse me for my poor writing. - Rolling of the Train is too strong.

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interested in the major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

June 27, 1942.

TO:

FROM:

Re: Situation here

I am enclosing Photostats and a translation of same which speak for themselves insofar as Etsuji Morii is concerned. This man has been evacuated to Minto in the interior which is just over the Cascade Mountains, said mountains forming the Eastern boundary of the protected area. Minto is a ghost town which certain prominent Japanese have been permitted to take over, voluntarily evacuating themselves and maintaining themselves there. If I can I will attach to this memo a list of the important Japanese who have been permitted to go there by the Commission. In any event, Morii is there, Kagetsu is there and Noritake, who is now on his way back to Japan, was to go there together with his chief henchman Hara.

From a security standpoint, the Commission work seems to have failed miserably, not due to the fact that they did not want to evacuate the people but due to the fact that none of the other provinces would take them and Ottawa did not take a strong stand in the matter for obvious reasons. The result is that in the town of Minto you have, in my opinion, the most dangerous fifth columnists, the leader of which is friendly with the police and the Commission and while they will deny that they employ him on salary, they cannot deny that he has acted as liaison and is primarily responsible for the original trouble between the Commission and the Nisei, who resent being bossed by an enemy subject, a gangster and, in their opinion, the leader of the Black Dragon Society here. If you read the attached translation you will see that Morii is quite definite as regards the Japanese Empire.

Another copy of this magazine, which I have not been able to obtain, is in the hands of the police and contains Morii's picture alongside a picture of the Editor. I am enclosing a translation of the statement made in that issue but cannot get the paper to make Photostats. A committee of white people have approached both the Commission and the police and have sent translations of the magazine to the Minister of Justice, the Minister of Pensions and National Health and, I believe, to the Prime Minister, but with no apparent results since Morii is still at large. At least when he was in Vancouver he could be watched but now he and his gangsters, not dependent on the Commission for maintenance, since they were allowed to take their money, are living in an interior town about fifty miles from the P.G.E. Railway, which is hauling in important supplies, and about sixty to eighty miles from the C.N. and C.P. They are also near Bralorne Mines and I have been told, although I have not confirmed it, that there is a large B.C. Electric Power Plant in this area.

I have spoken to several constables in the R.C.M.P. and they have admitted that they are greatly disturbed over the situation but because of the "friends at court" as it were, they have been forced to use kid gloves with the Japanese. I don't know whether or not this information will be too late in reaching our friend who is going to start something North of you, but since he has a complete report I am taking the liberty of sending him a copy of the Photostats and the translation. I will, of course, take precautions and not send it by regular mail.

Contrary to the B.C. Security Commission Chairman's statement that the evacuation would be completed before the end of June, I am attaching figures which show what the real situation is. I do not think there is a chance of the evacuation being completed before the end of July and in fact almost as fast as they evacuate them, they are having to intern them for disturbances raised outside of the area. Contary to the setup the other side of the boundary, we are scattering our fifth columnists across Canada. I know that they are already in ninety-two different centres and that the Commission, who is supposed to be in

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relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

Correspondence, cheques, speeches, notes, memoranda, interviews, [1941-1947]
FOLDER No. 6-6

charge and know where the Japanese are, have issued permits to eleven hundred and they have not even their names and do not know whether the Japanese left under the permits or not, or where they have gone.

Rumour has it in semi-official quarters that the chairman is looking for an excuse to quit before the roof falls on his head. Knowing the man as I do I do not think he will quit but rather expect him to take some arbitrary or drastic action suddenly and then if criticized in the smallest degree by the Government, he will resign in protest that the Government itself would not assist him in relocating the evacuees and that the Government Departments here have not co-operated with him.

I can see grave possibilities in having Morii and his gang just behind the Cascade range in case of an invasion. Given a little dry weather, I think they could set the mountains on fire at the opportune time and disrupt communication. I think that psychologically if all the Japanese were loyal on the outbreak of war, they will now be at least Anti-Canadian due to the way in which the evacuation has been handled and their families split up. This, in my opinion, creates an extremely dangerous situation when you consider that they are working for miles through the mountains within a stone's throw of the Canadian Pacific.

Most of the Japanese despise Morii and this is an additional reason why everything possible should be done to have him interned. The police have shown no interest whatever in the magazines presented to them and in fact one of the Commissioners stated that Morii had explained the matter satisfactorily.

With regards Teigo Noritake, who is being repatriated to Japan, another Japanese named Chonuske Tanaka has also left with him. A statement was made in the House of Commons in defence of the pro-Japanese element in External Affairs, that Japanese subjects were being exchanged for Canadian citizens. This is not strictly true and it might be worth arranging to have a few questions asked in the House about this.

Noritake, it will be remembered, was naturalized a Canadian, was arrested by the F.B.I. in Seattle, was released at the instigation of Dr. K and had a letter to prove that K had arranged his release, and you have a copy of same. He was born in Japan and has resided in Japan alternate years over the last fifteen or twenty years. He boasted for several months of his Canadian citizenship and of how proud he was of it but he has the manner of a man who is used to speaking with authority and it is reliably reported to me that in the station when the train left, a group of Japanese who were down at the station saluted Noritake and he returned their salute. He also shook hands with the Japanese.

As regards Tanaka, while I have been unable to find out anything very much about him, he is the owner of a Canadian fishing vessel "Yamagi" and only Canadian citizens can be the owners of Canadian fishing vessels.

I have heard nothing from you and so do not know if the chap is coming back who was here but he might be useful for a while if you have no use for him there. If he likes the big timber he might camp out for a while in various neighbourhoods. I would appreciate it if you would let him see this memorandum since he will be able to add considerable background for you. In view of his former association here with the police he could not work for me.

I might add that I have been rather outspoken with both the Commission and the police and while I do not discount the ability of the Chairman, he is what one might politely term as bull-headed, and the Commissioner of the police is a grand chap and anxious that nothing should come out that will show that they have been asleep or have been too anxious to please certain elements in Ottawa.

It will interest you to know, that in spite of sinkings on the Coast and bombardment, this city is not even bothering to have blackout drill and the big bridge stands out an easy target with all lights shining.

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Correspondence, memoranda, speeches, notes, articles, newspaper clippings, interviews, [1941-1946]
FOLDER No. 6-6

July 29th, 1942.

MEMORANDUM

TO:

FROM:

Re your memorandum of July 20th, which arrived safely, I am enclosing a copy of the statement Morii prepared for the Committee.

Norman advises that he loaned the magazine to the Police and has been unable to get it back. If I get it by tomorrow, I will have it photostated and enclose it. I do not think he will get the magazine, because the Police and the Commissioners appear to be trying to protect Morii.

The evacuation has developed to the ridiculous point that the Commissioners are taking no real interest and Mr. Morii is using the Commission's set-up and generally controling the evacuation through them. His henchman, Mr. Nishiguchi, is also in town.

The Commissioners are the same as originally appointed but Mr.Mead has returned to Ottawa and is in charge of the C.I.D. Shirras has returned to Victoria and Taylor is still here, although paying little attention to the evacuation and more to his Ship Building. The work is really being managed by Mr. Eastwood, a former Automobile salesman and a hardworking, well-meaning chap.

Morii was not arrested but was evacuated to Minto, I believe as a result of the general public criticism. I have not checked the last few days, but understand that he is still in town, having returned here, apparently to arrange future evacuations.

I do not think there is anything I could do to stop the newspapers publishing a story on Morii, but since it has not been published up to date, I doubt if it will be published. I am not sure of the date of the Illegal Entry Commission, but will try to get this and add it before closing this memorandum. As to the evacuation generally, it has become more or less of a farce.

Since I wrote you last plans have been changed and the Japanese who were along the right-of-way of the Railroads and in strategic positions are being moved.

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am interested in the two major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

Statements have been made in the House by the Minister of Labour, and in the Press by many other people that the Japanese as labourers on the road were very useful. Statements are now being made that they were really practically useless and they are being moved for two reasons -

(1) To unite them with their families.
(2) Because they are in strategic places.

Previously it was denied that they were in strategic places.

At the moment (I cannot say whether the plan will be changed before you get this, since they change plans so rapidly I have given up hope of co-operating) the plan is to bring the Japs back to Hope, which is the boundary of the Protected Area and is a main railway centre. There they intend to clear them through the station at the rate of two hundred a day and have one Constable on duty. In an endeavor to co-operate with them along the lines of a plan that they outlined, whereby the Japanese would be cleared through two days a week, we sent a man there, but found that they are going to clear them every day in the week and are moving them through so fast we couldn't examine them without practically moving the whole staff over. This is absolutely impossible and entirely unsatisfactory, so I have refused to co-operate in this regard.

While this is the plan, it is obvious that many of the Japs are coming back into Vancouver. I do not have the figures available to show how many of them are here at the present time. The statement made recently that there are only one hundred and fifty-seven (157) able-bodied Japs in Vancouver is too ridiculous to require denial. One only has to walk down the street to realize there are hundreds here.

We have found in some instances that where a farm was vacant and we were making arrangements to rent it, when our inspector visited the place again he found the Jap had returned. How he got back into the area I do not know. We have also found that when we try to locate a Jap who is supposed to have been evacuated and are told by the R.C.M. Police that he is, for example, at Red Pass and left for there some weeks ago, he actually registered in Vancouver at our Branch Office two days previous to our inquiry. It is obvious, therefore,

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shareholders before the Custodian vested the shares, and if so I

day from seized Japanese assets as part of ... Mr. Chadderton said about 20 Canadian corporations, which he refused to identify,

Correspondence, memoranda, speeches, notes, drafts, memorandums, interviews, [1941-1986]

FOLDER No. 6-6

that not even the Police know where the Japs are. As far as the Commission is concerned, I am informed that while the Japs are checked as they board the trains to leave, they are not checked on their arrival, and the only way the Commission knows whether they got to their destination or not is when they write in and tell them.

We tried to obtain a list of all evacuees and their addresses, so that we could correspond with them, and, naturally, applied to the Commission, who should know who has gone and where, but we found that they did not even have a card index and our staff had to go down there to their offices, examine their files and make a card index for this office, the condition being to our seeing the files at all, that we would make a duplicate for them. The Commission, therefore, is operating on our card index, and there have been thousdnds of changes of addresses recorded.

The latest move, which is quite disturbing, is the fact that the R.C.M. Police in Ottawa are writing letters to the Japs who have been evacuated outside of the Restricted Area, advising them that there is no law against their having their Cameras, Radios and Automobiles, and we are now being besieged by these Japs, by letter or in person, they coming back here for a holiday, to release these articles to them.

I have written Ottawa to try to have something done to stop this nonsense. The law does permit these people to have these articles outside of this area, but it seems strange that we would facilitate their getting them by releasing what was seized in this area from them.

The original plan was that the Japs would be moved far to the East, and it may be that on the Prairies, Radios, Cars and Cameras were not so important, but they are now being moved principally into the interior of British Columbia and it is ridiculous that they should be allowed to have in particular their Cars and Radios. For example - the Moryson Camp at Minto, is just over Mission Mountain from the B.C. Power Dam, and I am told it is thirty miles by road. I should think that if we are seriously trying to save rubber and gasoline, these are people who can do without automobiles. As regards giving them Radios, the situation is fantastic. While I was absent a case arose where a Jap in the interior, who was a Radio Expert, requested the R.C.M. Police to let him

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have his Radio Equipment, which he had left in this area, and they arranged to ship it to him, stating that since the equipment was not assemblied into a Radio it did not come within the Order-in-Council. We now have in the interior a Japanese Radio Expert with this equipment, who can no doubt build short wave broadcasting and receiving sets and, if the Radios are now released to them, he would be well supplied with parts to break down and make portable radios for his saboteurs. This might not be necessary, since no doubt they would be at liberty to talk matters over on the local telephones.

I cannot understand the attitude of the Police and Commission as regards the possibility of a fifth column, but feel it is due to the fact that the Police and certain people in Ottawa have built up, over a period of years, the feeling that the Japs are one hundred percent loyal and they are afraid that if it were proven that Morii was a leader of the Black Dragon Society, the prestige of the Force would suffer. They, therefore, have to maintain a "Hong Kong attitude" of mind.

From a standpoint of security the situation is heartbreaking, and the only solution I can see is that the Army step in, take control of the evacuation and the general security of this Coast. Any steps you can take along this line might have satisfactory results and it might be a good idea to give up further negotiations with the Police and contact the Military Intelligence, whom I know are greatly concerned about the matter here. All of the information which you have might be put into their hands for action, but my position in the matter must be absolutely protected, if I am to be of any use in the future.

I am enclosing a clipping taken from the local newspaper, which will be of interest to you.

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Encl.

Correspondence, Newspaper clippings, Speeches, Notes, Memoranda, Interviews, [1941-1986]
FOLDER NO. 6-6

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, December 27, 1941.

Dear Mr. Noritake,

I was very sorry to learn from your telegram that you had run into difficulties on the boundary at Blaine. Immediately on receiving your communication I asked our Legation in Washington to take the matter up with the State Department and I subsequently heard that you had been released after only two day's delay.

I hope that you are not finding conditions in Vancouver too difficult in these very trying times. It has been gratifying to receive repeated assurances from the Coast to the effect that the Japanese-Canadian community is cooperating so wholeheartedly in matters relating to national defence.

With kindest personal regards and in the hope that 1942 will be a happier year for us, I am

Yours sincerely,

(Signed) H. L. Keenleyside.

Teigo Noritake, Esq.,
1950 Nelson,
Vancouver, B.C.

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—, and I am interested in the two major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

FOLDER No.

January 24, 1942.

MEMORANDUM RE ALBERT YOUNG, BARRISTER

While seeing Serg. Barnes today I discussed Albert Young with him in a general way and he told me that Young was an Eurasian and that he had applied for a job in the Intelligence, in the ... and finally in the various fighting units. In all cases ... application to be turned down. They ... but again

ns do not have to pay tax on income earned on a reserve. A 1979 Su- of Canada ruling expanded the exemption to include status Indians eserve for a company based on-reserve. . .

he two dozen regional, provincial and territorial Indian organizations official addresses, and sometimes their headquarters, to Indian eral years ago."

it of racial discrimination here, but that's okay so long as it's in favour ority. Big Indian message to silly white man: You invented income tax, Now, really, who's smarter than whom . . . ?

NG SILENCE: Toronto alderman Chris Korwin-Kuczynski last week to peace groups "hypocrites " for their silence on the Chernobyl nuclear e Ukraine. "When the Three Mile Island accident happened, there were ts, a lot of people were jumping up and down," he told city council's national year of peace committee. "With radiation flying all over the s just so much silence. The Ukrainian community stood up, but I haven't rd from peace organizations. It's hypocritical to deal with one side on an t the other."

nto alderman said demonstrators almost knocked down the doors of the te demanding an explanation of what happened at Three Mile Island.

llhorn, of the Toronto Disarmament Network, admitted the lack of protests groups "seems even more hypocritical because it (Chernobyl) is in the n."

ty is that Reds, Pinkoes and 'Peace' people are only against nuclear power ents in the free world, not in the Red Empire.

AT'S NEW! The New American, May 5, under the caption "Naval Sales to " reports:

gh-ranking U.S. naval delegation, headed by Admiral James D. Watkins, the Naval Operations, was in Communist China last month to work out the sale million worth of aviation electronics for the Red regime. The technology in- urbine engines, torpedos, sonar and anti-submarine helicopters worth hun- f millions of dollars. Also in Peking to discuss financial matters at the Bank a was international banker David Rockefeller."

e are still some who view communism and finance-capitalism as 'enemies,' truth is that the former, from its inception in Russia, has been spawned, financed and built up with modern technology by the latter. After all, wasn't ho boasted that the greedy 'capitalists' would supply the rope for the Reds to us!

mmended reading: ... Revolution, by Professor utton. SC, 288 pp., ... itler, by Prof. Sut... Index - $7. Unti...

NOTES: Patrick W... and Barrie. Literature sales were ver... rs in Ontario seems to be at an all-time high. . . . . Mr. Walsh ... d we plan a NS-NB tour in July. . . . David Irving returns to Canada in October.

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ON TARGET

A WEEKLY REVIEW OF
— News Highlights
— Background Information
— Observation & Comment

Ye shall know the truth, and the truth shall make you free.

NO. 945 FLESHERTON, ONTARIO MAY 26, 1986

THOUGHT FOR THE WEEK: "You don't learn the truth about great events from the next day's paper; you learn it from the history books published 40 years afterwards. You may not learn the truth even from them; as Malcolm Muggeridge has said, history is the propaganda of the victors."
—Richard Needham, *The Globe & Mail*, March 28, 1986.

→ GLEN McPHERSON from Frank Bernard.

TWO SIDES TO THE JAP W.W. II STORY

Much publicity has been given in recent months to the Japanese claims for restitution for financial injustice imposed by the Canadian Government during World War II upon Canadian Japanese on the West Coast who were moved inland and their properties sold.

However, there are other aspects of this over-all Japanese mistreatment.

The following report by Michael Tenszen is reproduced in full from The Globe & Mail, May 7:

WINNIPEG — Canadian survivors of Japanese wartime prison camps will file a $13-million claim with the United Nations against the Japanese Government if it rejects an ultimatum to negotiate a settlement or fails to make "war crime" reparations to 900 former prisoners and 200 widows.

A class action on behalf of the Canadian veterans will be launched with a UN human rights subcommittee on June 15 if Japan has not responded, Brian Forbes, the lawyer for War Amputations of Canada, said yesterday.

"What we are really trying to do is to bring pressure on the Japanese Government," Mr. Forbes said in a telephone interview from Ottawa. "We will use any vehicle we can."

War Amputations will launch its action on behalf of the Hong Kong Veterans Association of Canada. The Japanese captured almost 2,000 Canadian soldiers when Hong Kong was overrun on Christmas Day, 1941. The prisoners spent about three and one half years at prison camps, subject to murder, forced labor, torture and starvation.

Clifford Chadderton, chief executive officer of War Amps and patron of the Hong Kong Veterans Association, said yesterday in a telephone interview from Ottawa that Canadian war veterans have been trying since the late nineteen forties to obtain redress.

He said Hong Kong PoWs received $1 a day from seized Japanese assets as part of the Japanese-Canadian Peace Agreement signed in 1951, to which the Canadian government added 50 cents a day. The total payment of about $4-million, however, amounted to less than $1,000 a survivor.

The former prisoners of war are asking Japan to pay them $10 a day — about $12,000 to each of the 900 claimants and each of the 200 widows of prisoners who have since died.

He said the timing of Monday's ultimatum to the Japanese Embassy in Ottawa has nothing to do with recent pressure from Japanese Canadians for reparations from Ottawa for the internments, hardships and confiscation of property they suffered in Canada during the war.

"To say that would be absolute nonsense," he said. "We have been fighting this claim (against Japan) since 1950."

He did acknowledge, however, that the recent pressure by Japanese Canadians has deeply disturbed many Canadian veterans. The veterans insist that their claims must be satisfied before the Canadian Government makes any restitution to Japanese Canadians.

"If the Japanese Canadians have a claim for reparations 40 years after the war, then, by God, the Hong Kong veterans have a claim for reparations from Japan," Mr. Chadderton said.

Mr. Chadderton said about 20 Canadian corporations, which he refused to identify,

[986]

... am interested in the two major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

FOLDER No. 6-6

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and that he had applied for a job in the Intelligence,
Censorship and finally in the various fighting units. In all cases
the police had arranged for his application to be turned down. They
do not trust him and feel that he is possibly anti-British but again
they say that they cannot do anything since he is a British subject
class as Kagetsu and Noritake. He told me that
Young and also that

have contributed about $60,000 to the campaign.

Michio Hamano, an official at the Japanese Embassy in Ottawa, said yesterday in a telephone interview that the ultimatum was passed on to Tokyo for legal advice and a response.

Mr. Hamano said the Embassy has been trying since early this year to get direction from Tokyo on claims of the Canadian veterans but has received no reply.

Arthur Miki, president of the National Association of Japanese Canadians, said in Winnipeg yesterday that his organization's demands of Ottawa for reparations and the demands by the Canadian veterans are "two distinct, separate issues.

"One involves something with our own Government — the (Canadian) Government's treatment of its own citizens, an internal concern — where the other is an international matter between Canadians and Japan."

Mr. Miki's family was forced from their British Columbia home to work on a Manitoba farm during the war.

Mr. Chadderton said his organization sent a letter to Japanese Ambassador Kiyoaki Kikuchi in December outlining the veterans' concerns and asking for negotiations. No reply was received.

Mr. Kikuchi, part of this week's Canadian trade delegation in Tokyo, was returning to Ottawa yesterday and was unavailable for comment.

Mr. Forbes said yesterday that the claim can be reopened now because a UN convention provides no statute of limitations for war crimes. A war crimes trial in 1948 found Japan guilty of brutality against PoWs.

Just two comments on the foregoing G. & M. report:

1) The reference to Japanese brutality against our prisoners-of-war in W.W. II is well founded. I, personally, recorded testimony of returned Canadian prisoners of the Japs following the end of the war, some of it at the bedside from former prisoners still too weak to stand. This testimony was gathered by the Judge Advocate General's branch for use in future war crime trials. The treatment meted out to many Canadian prisoners was almost beyond comprehension. However, unlike professional holocausters and haters, Canadians generally have forgiven if not forgotten, and now once again work with Japanese friends, hopefully towards a better day of more compassion and understanding.

2) Arthur Miki is correct when he says that his organization's demands for justice from Ottawa, and Canadian vets' claims against Japan are different and separate issues. They are, indeed.

OTTAWA COLUMNIST DOUGLAS FISHER, begins his May 11th piece in the Toronto Sun:

"Could Canadian veterans of World War II take up the 'losses' model demonstrated this week by the National Association of Japanese Canadians?

"This ethnic organization's eye is on compensation from the federal government of today for actions of the federal government after the Japanese assaults on Pearl Harbor and Hong Kong in 1941.

"Fears of fifth column activity and the animus of many British Columbians to Canadians and landed immigrants of Japanese stock led the government to remove some 20,000 from the West Coast. Their properties were taken over, most of them being disposed of cheaply. After the war compensation for property and losses was skimpy and hard to get.

"Now a study by accountants has figured the Japanese Canadian losses at $443-million in 1986 dollars. This was not a sum reached by totalling individual losses but by selecting some averages or models. . ."

Mr. Fisher goes on to point out that something like 680,000 Canadian vets of W.W. II are still alive, noting that in his case he served 53 months, his soldier's pay being $1.40 a day. Comparing this to his previous salary, in terms of today's dollar he claims his wartime services cost him $73,000. And cost the 680,000 living W. W. II vets the staggering sum of $49.6-*billion*.

The point Mr. Fisher is making is that not *only* our uprooted Japanese Canadians suffered hardship and financial loss in W.W. II. And many thousands of our service personnel paid the supreme price. So, let's keep things in perspective. These closing observations:

- Let's not be too critical of our 1941 leaders in their handling of the Japanese concentration on the B.C. coast. Japan had just attacked Pearl Harbour, the Philippines were under attack, and B.C. residents feared submarine shelling of their coasts. And Canadian Japs, at that time a rather unassimilable minority in a unicultural society, were still considered "Japs" —and the Japanese nation was at war with us. This in no way excuses any injustice to Japanese Canadians, but it does help to explain the actions taken at that time by our government whose top priority for the moment at least was national defence, both external and internal.
- A reasonable response to this war claims issue might include: 1) recompense for properties seized and disposed of at less-than-market prices, with a statement of regret that the circumstances of W.W. II had led to this action and the hope that such a course would not be part of our future; and 2) a claim of reparations or recompense for the survivors and dependents of our Hong Kong vets who were mistreated or killed through mistreatment at the hands of the Japanese during 1941-45.

These claims are separate and unrelated. But they *both* require redress.
—*R. G.*

FROM WEEK TO WEEK —By Ron Gostick

☐ MULTICULT BOONDOGGLE UNLIMITED: Ottawa correspondent Doug Fisher, in a recent column on mounting federal expenditures promoting so-called multiculturalism, notes that it's "hard to find a precise dollar total of federal grace and favor to the official and quasi-official ethnic elements in Canada." He then lists just a few federally funded multicult causes (there are also provincially funded ones):

- 33 Montreal ethnic groups $325,000 for 33 projects, including such as teaching the Tamil language, teaching Creole and Filipino Tagalog and a project called Multiculturalism Stories by Golden Agers [a multimedia kit].
- Arusha Cultural Centre in Calgary — $75,500.
- Centro Scuola e Cultura Italiana in Toronto — $72,660.
- Federation of Sikh Societies of Canada in Ottawa — $61,500.
- National Association of Japanese-Canadians in Winnipeg — $82,000.
- Toronto Board of Jewish Societies in Willowdale — $323,915.
- Ukrainian Famine Research Committee in Toronto — $50,000.
- Foundation to Commemorate the 1933 Ukraine Famine in Lachine, Que. — $50,000.

And, as Mr. Fisher says, the list goes on and on.

When we realize that Ottawa funds these scores of protesting 'peace' outfits across the country, and this multiplying army of multicult outfits, is it any wonder there's not enough money left for adequate national defence and Mr. Wilson has a $30-billion deficit. And it won't be balanced by ladling out more and more of these grants. But oh, what control this grant business gives the federal politicians over grant recipients! It's big business today. Big political business, that is — at the taxpayers' expense.

☐ GOT A RESERVE HANDY? A May 20th Globe & Mail report from Ottawa opens with these paragraphs:

"Canada's national Indian organization lost a million-dollar battle with the taxman three months ago, but the Assembly of First Nations has moved, literally, to win the war. The Assembly has changed its address and moved its payroll office to the Tyendinaga Indian Reserve near Kingston, Ont., so its Ottawa-based employees will not have to pay income tax. The move will save the 36 status Indian employees of the AFN an estimated $100,000 a year in income tax.

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[986]

am interested in the two major questions, first whether or not a claim

relates to assets disposed of by the corporation itself or by its

January 24, 1942.

MEMORANDUM RE ALBERT YOUNG, BARRISTER

While seeing Serg. Barnes today I discussed Albert Young with him in a general way and he told me that Young was an Eurasian and that he had applied for a job in the Intelligence, in the Censorship and finally in the various fighting units. In all cases the police had arranged for his application to be turned down. They do not trust him and feel that he is possibly anti-British but again they say that they cannot do anything since he is a British subject and is in the same class as Kagetsu and Noritake. He told me that under no circumstances would the police trust Mr. Young and also that they could not intern him. He told me that they might be interested in knowing how much money he had in his bank account and what the various recent drawings on same had been. Apparently they are not interested enough to obtain the information themselves and he suggested that I get it

January 24, 1942.

MEMORANDUM RE NORITAKE AND JAPAN & CANADA TRUST

During my conversation with Sergeant Barnes I referred to Noritake and the fact that he was insisting that the Japan & Canada Trust be carried on in business. I told him that Noritake advised me that while he had been arrested in the United States, all he had to do to get released was to wire Dr. Keenleyside in Ottawa. Serg. Barnes claimed that this was not correct and that he was released, not because of any wire that he sent to Keenleyside, but because the American authorities, realizing he was a Canadian Jap, deported him. Serg. Barnes also admits in the case of this party, as in the case of Kagetsu, that he doesn't trust Noritake and feels that he may be a dangerous Jap but that he cannot intern him for the same reason, namely, that he is a British subject, and if he does intern him he might be released and the R.C.M.P. would lose face. The face of the R.C.M.P. seems, to me, to be more important than the fact that Noritake and such persons that he may be operating with, if he is an enemy, may destroy any number of Canadian citizens

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— interested in the major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its

January 30, 1942.

MEMORANDUM RE NORITAKE AND DR. KEENLEYSIDE

Mr. Noritake is the Japanese, Canadian naturalized, who was arrested in Seattle and, as he states, was released as a result of a wire to Dr. Keenleyside. He is married to one of Timura's daughters, and was in my office today discussing the annual meeting of the Japan and Canada Trust Savings Co.

When leaving he advised that he had just received a second letter from Dr. Keenleyside congratulating him, I presume on his return to Canada, and as he says, stating that we are passing through trying times but that a better understanding will possibly emerge from this war with Japan.

January 24, 1942.

MEMORANDUM RE KAGETSU AND OCEAN TIMBER COMPANY

I called on Sergeant Barnes today with Mr. Gardner and in the course of the conversation discussed Mr. Kagetsu. I told Sergeant Barnes that I had information that while Kagetsu was a naturalized British subject he was wealthy, the owner of a lumber mill at Fanny Bay and that in 1941 he made a trip to Japan and Manchuria for three months and went with Mr. Juzo Suzuki, the editor of the Canada Daily News, who has been interned. It is reported to me that Kagetsu paid all expenses. I asked the police what they thought of this and, while Sergeant Barnes, indicated that he wouldn't trust Kagetsu and thought he was possibly a dangerous party, he had nothing sufficient to intern him for and thought if he did intern him he might be released at Ottawa and the R.C.M.P. would lose face in this Province as far as the Japanese population is concerned. Personally I think this is a ridiculous situation to exist in regards to him, that is, the situation that he might be released from Ottawa if interned. Sergeant Barnes pointed out that they must, under no circumstances, take any action to intern a British subject. In any event it doesn't appear that we can get the R.C.M.P. to do anything about Kagetsu.

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FOLDER No. 6-6

MEMORANDUM

Re: Chosuke (Charles) Nakamura

1. Came to Canada in 1910 and was naturalized in 1921.

2. Wife died on November 12, 1941, in Japan and father died in Japan on November 6, 1941.

3. When wife went to Japan at the end of February she took daughter, who is three years old.

4. Also has a son of eleven years in Japan, the son of his first wife. Both children living with Nakamura's mother at Sendai.

5. Has been over to Japan every year for last number of years, the last time being in the spring of 1939, accompanied by Yohei Umetsu and Ginzo Nakimoto who brought out some of the money.

6. States he owed no money in Japan on December 7, 1941, except a disputed amount of 4000 Yen. Did owe 22000 Yen and paid 18000 Yen by sending money to the creditor in Saidi. This money was sent after the outbreak of war in 1939 and was arranged with Mr. Montgomery of the Royal Bank and the payment was made out of his own account.

7. States that his father was a Buddhist, that he was a Buddhist but that he goes to no church now and that his wife was a Shinto. He says he didn't expect his wife to die in Japan but admits that he did not buy a return ticket either for his wife or daughter and he further admits that the Japanese like to be buried in Japan.

8. Income Tax Returns show he brought into Canada from 1938 to the end of 1939, money which he claims was given to him by his father in Japan in Japanese Yen. With particular reference to the $20,000 brought in in 1939, he claims that he and the other two Japanese smuggled this money out of Japan in Canadian and American bills. He claims that this money was given to him by his father as his inheritance in anticipation of his father's death.

9. Claims that all money brought in from Japan was deposited in the Royal Bank and that Mr. Montgomery was informed at the time that he had brought it in from Japan. Claims that his father gave him the equivalent in Yen which he took to an Exchange House in Yokohama and exchanged for Canadian and American funds in the spring of 1939. A party who returned from Japan a few years ago states that it was absolutely impossible in 1939 to get U.S. or Canadian dollars on any exchange in Japan without the consent of the Japanese Government.

10. Claims the last importation of fishing gear, etc. was in 1939. When asked about an importation in 1940 worth $4000.00 said he couldn't remember it. Says he paid for all the gear received. States that Foreign Control Board permits were received in every case from the Royal Bank.

11. States he has an account in Royal Bank but no account or safety deposit box anywhere else.

12. When he sold some of his boats through the Japanese Fishing Vessels Disposal Committee he deposited the balance of $13,500.00 received after paying certain claims.

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13. Claims that he has no interest in M. Furuya & Company and was very reluctant to admit that they made certain deposits on engines for him while in Japan.

14. Bought couple of engines from the Atlas Engine Company and said one was for Mr. Hylman Tarkanan of Saintula and one for a Mr. Myers.

15. Claims all boats built by the Union Boat Works and all paid for.

16. Claims he has no connection whatsoever with Union Boat Works but admits that George Nakimoto is a brother of the owner of the boat works.

17. Purchased Japanese Government bonds which he used to pay the fishermen who were returning to Japan. Claims to have purchased them with Yen given to him by his father in Japan and the bonds were delivered to fishermen when they arrived there.

18. When asked what his attitude was towards the war he replied that he was neutral and that he was not prepared to kill Japanese or fight for Canada.

19. Reported to be quite a wealthy man.

20. Described by those who know him well as a nice fellow to deal with, no off colour dealings but smart as a trap and about the smartest of the whole fishing crowd.

21. A new Cannery, the North Shore Packers Ltd., just started up last season by white people depended entirely on Nakamura's fishing boats to supply them with fish. The suspicion is that Nakamura, contrary to B.C. Provincial law, has an interest in the operation of the Cannery.

22. Nakamura buys the entire catch of fish obtained by what are described as a "wild bunch" of Finnish fishermen at Sointual. Though the white people have offered these Finnish fishermen a higher price for their fish than they received from Nakamura, they refused to sell to anyone but him. It may be that he has some financial hold over them.

23. Sometime before the war Mr. Nakamura was in Japan. It was after the Japanese Government had put monetary restrictions in force. Nakamura had had some dealings with buying Engines for boats and in spite of the fact that it was extremely difficult to get money out of Japan he was able to cable the money from Japan to close the deal. He must have some pull with the Japanese Government.

24. Was toastmaster at a wedding reception at the Buddhist Temple at Mission, the brother of the groom being Rev. K. Tsuji, a Buddhist Priest there. Buddhist priests have an intense loyalty to Japan.

25. Information from Seattle tells a out the North Shore Packers negotiating with an Insurance Company to insure their boats as they had bought Nakamura's fleet of 10 boats. Information available indicates that the North Shore Packers are in no position financially to purchase these boats.

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Correspondence, newspaper clippings, speeches, notes, documents, interviews, [1941-1986]
FOLDER NO. 6-6

If you're a loyal spy working for Bill Stephenson, you don't know any more than you have to know. You're only told what you need to know. and when you're told that, you'r eguaranteeing that you'll never discuss it, you'll never tell anybody else. You've got a job to do and you're under cover and nobody knows what you're doing. My mother and father didn't know why I was in New York. I never told them. Mercia didn't know. As far as she was concerned, I was a man from New York, going back to New York.

Three piece suit - black homburg - I dressed like the Easteners did - I don't even remember going back toWinnipeg and talking about being in New York - I know that I advised him - he had bought me my first car for me because I didn't smoke - and then when I was going to New York - as far as I was concerned I was going forever - I said I don't want the car, I can't take it to the U.S.A. - so I drove it to (what's the little bay there where Simcoe is) and put it on a freighter

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to b e may
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The interesting and most damning thing as far as Barnes is concerned is the fact that he admits they are not doing their job because they are afraid of certain people in Ottawa.

The Japs are still in town and are roaming around the streets but the Commission has announced that the evacuation will be completed by the end of September. This I doubt, but hope that it will come true, since I will then be able to return East.

It is reported that the Army is sending two divisions here, so at least they are worried about the possibility of attack, and when it comes it will be interesting to see what Morii's gang do in the interior.

The refusal of Nishio, Ito to return to Japan may mean everything or nothing. Nortaki has gone back and what better way

daughters, and was
of the Japan and Canada Trust Savings Co.

August 29th, 1942.

MEMORANDUM

Re: Report

I sent you a brief note with the Professor but think that I should elaborate upon it at this time. Basically the report is correct and the arguments put up by Barnes weaken rather than strengthen his case in my opinion.

The principal point upon which he criticises anything I have said is the question of Young being the Solicitor for Morii. When I told you this I had it from what I would consider the best source possible, namely Mr. Young. I understand our friend has evidence that Young did represent him, and he will deal with this in his report, since he has been in touch with Young several times within the last week. I have always realized that Young is thoroughly unreliable, but could not see that he had anything to gain from claiming to be Morii's solicitor if he was not, except that he may have hoped to strengthen his position with me, since he may be working for the very people he accuses Morii of working for.

The Professor's comments were right to the point but I doubt if anything will be gained by continuing the discussion since Barnes and the people here are pretty well fed up with the entire situation.

The interesting and most damning thing as far as Barnes is concerned is the fact that he admits they are not doing their job because they are afraid of certain people in Ottawa.

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When leaving he advised that he had just received a second

shareholders before the Custodian vested the shares, and if so I

FOLDER No. 6-6

to get in with the Police than to have Nishio-Ito, who could have discussed the matter with Nomtaka, refuse to go.

As to the Japs being in the important points, before they became important, this is a matter that will require investigation of Land Titles, which will take some time, but I am following this up.

I think our friend's source, as to the sale of fish to Takamura from Suintula, was obtained from what I consider to be a reliable source, but his conclusions are not necessarily correct, since it is well known that the people on this Island were Communistic.

Up to a few days ago I am informed by a reliable source that a Mr. Susaki was being used by the R.C.M. Police as an interpretor.

It is interesting to note that this office has just received a letter from Don Tani, whose address is given as 480 Kennedy Street, Winnipeg, the letter being dated August 24th, in which he states in part as follows:

> "To keep your information correct, reference 11392, none of us are in the R.C.A.F. My brother Kanao at the present time is engaged in Defence work in Montreal. He served in the Canadian Army in Ontario, while the furthest I got was a run-around at the Recruiting Depot in the Vancouver Federal Building. I am fortunate enough to be employed here in an Aricraft Overhaul Shop and like the conditions very much." [Kanao lives at 1170 Dorchester Street, West, Montreal and is thirty-one years of age. Don is 26.*]

The father is Matasubo Tani and he is at Camp 1, Stirmark Contracting Company, Amesdale, Ontario, and his Police Registration Numberis 07500. I do not know the nature of the work that he is engaged in.

The denial that any Japanese are in vital Defence Areas may be questioned, in view of the pictures attached, which have appeared in the local press on the days shown. I do not think anybody can deny that the Harbour is a vital Defence Area. I think the evidence that Risuke Amada bought a house in Uchelet overlooking the Air Base, etc., after the outbreak of war can be proved by searching the titles, but this is a long and cumbersome procedure and I believe that our friend's source is reliable. I will, however,

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when leaving

... the Custodian vested the shares, and if so I

have this looked into and write you as soon as possible.

On the question of evidence of propaganda among the Indians, our friend supplied this information and I am writing to a personal friend of mine to try and get some inside information on this. You will realize that my time is taken up completely, even to the extent that I have a dictaphone at home and dictate there at night, and I have very little time to do this work, as quickly as you might like. I am, however, following it up and will send along the information in due course.

In the meantime I suggest that when our friend arrives in the East it might be worthwhile your personally talking to him there. I have put the "Fear of the Lord" in him and feel that he will cause no trouble whatever nor will be be indiscreet.

The result of moving the Japs out of this area to their new locations in the mountains is obvious, and the most disturbing feature is that where beforehand we had them between our Army and the Enemy, we now have our Army between them and the Enemy and I can assure you that the whole attitude of the Japanese has changed from a docile people to a rather antagonistic attitude, possibly due to our own methods of handling them.

The argument that the Nisi have never gotten along with the Police and they, therefore, were ignored and the advice of the enemy-born subjects taken, is not sound since it is obvious that having been educated in our Universities where they excelled as scholars and feel they have certain rights as Canadian-born citizens, they are not amenable to being pushed around by Police Authorities.

I notice that one of our friends has a new and important job and it is to be hoped that he may be able to exercise some influence on the D.M.I. to take a stronger stand.

It looks as if my statements, for which I was severely criticised, namely that the "Evacuation was a mess" have had results in Ottawa, and the Commission is beginning to get tough. I will look for further developments and possibly even some violence, within the next few weeks.

It was suggested to me that a Doctor had been killed in one of the Camps, but I have not been able to obtain any information which would verify this and doubt its accuracy, since I feel that if there had been any such occurrence there would have been a Coroner's inquest and I don't see how it could

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--- Custodian vested the shares, and if so I

April 8, 1942

MEMORANDUM RE CANADA DAILY NEWS.

Mr. Takahashi, a member of the Special Japanese Committee which holds forth at the Nippon Club, called and wishes to purchase the Japanese type for $400. The editor values the type at $5000.

Upon questioning, Mr. Takahashi admitted that Mr. Kagetsu is the man who wants to buy the type with the sole intention of storing it for the duration of the war. He stated that the paper had been founded by the former Japanese Consul, now deceased.

He also admitted that the founder of the Canada Daily News returned to Japan sometime ago to become the editor of the Government paper in Manchuria, and that he has now retired to Japan.

GWMcP/MS

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January 31, 1942.

MEMORANDUM RE F. IKEDA & COMPANY

It is interesting to note that this party returned to Japan in April 1939 and that his wife has returned here and lives at 1740 Powell Street. One of the daughters obtained a position in Ottawa in October 1940 through the R.C.M.P.

January 30, 1942.

MEMORANDUM RE NORITAKE AND DR. KEENLEYSIDE

Mr. Noritake is the Japanese, Canadian naturalized, who was arrested in Seattle and, as he states, was released as a result of a wire to Dr. Keenleyside. He is married to one of Timura's daughters, and was in my office today discussing the annual meeting of the Japan and Canada Trust Savings Co.

When leaving he advised that he had just received a second

MEMORANDUM

MEMORANDUM

Re: Teigo Noritake

1. Connected with the Japan and Canada Trust Savings Company which is owned by the famous Tamura family of Japan.

2. Married to a daughter of T. Tamura, who is a member of the House of Peers, Japan.

3. Is related to Kodama who is also married to a daughter of Tamura.

4. Noritake and Kodama were the heads of the Tamura & Company, shippers of Lumber and flour to Japan. Mr. Kodama went to Japan last August of September and is still there.

5. It was the policy of these two men to go to Japan alternately remaining about 6 months at a time.

6. Early in March, while talking to a Japanese on a street car, Noritake said "We must all help Japan".

7. Noritake was arrested in Seattle at the outbreak of war with Japan and was released after he wired H, from whom he later received a letter congratulating him on his return to Canada and expressing the hope that the relationship between the Orient and Canada would be improved as a result of and after the termination of the war. The Police claim that Noritake was not released because of any wire but because the American authorities, realizing he was a Canadian Jap, deported him.

8. Has always been an intimate friend of Japanese Consuls.

9. Noritake and Kodama often went to Seattle on business.

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FOLDER No. 6-6

May 19, 1942.

MEMORANDUM

May 19, 1942.

MEMORANDUM

Re: Kagetsu

I talked to Kagetsu today and he told me that while he had educated Dr. Hori, when the doctor returned from university he did not come to see him to thank him and has never paid back the money, and he therefore does not like Dr. Hori. Against this should be kept in mind the fact that Dr. Hori is interned.

Kagetsu stated that in 1941 he was honored by the Japanese Government, together with one other person on this continent, a Japanese from the United States, and they went to Japan for some kind of a ceremony. He said he represented the Canadian Japanese and the other man represented the American Japanese.

Kagetsu wrote a letter asking for the release of his cars to take to Bridge River and Minto City under the Commission's evacuation scheme and ends the letter by saying that he needs the cars since he is shortly to be employed by the Commission in the inspection of timber in the interior. After getting the letter I called the Secretary of the Commission and began by saying I presumed the man was crazy, thereby putting the Secretary on the spot, he having to say he was and there was nothing in it. In view of Mr. Kagetsu's past and the information which Mr. Lyons has in Seattle, it will be interesting to watch what the Commission do with him.

GWMcP/FC.

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FOLDER No. 6-6

May 13, 1942.

MEMORANDUM

Re: Japanese Consulate

A. S. Yung told me that right up to the removal of the Consular officials, while the Consul himself was held incommunicado, you could see his wife and the Vice Consul. He says that the Vice Consul spent a great deal of his time at the Nippon Club and much to his amazement he has had Japanese come to his office and tell him they had seen the Vice Consul who told them to come to see him before they came to see Mr. Adherton. It looks as if the Klub was controlling Powell Street right up to the time they left.

[illegible]/FC.

May 13, 1942.

MEMORANDUM

Re: Seizo Morisaki

Mr. Morisaki is on his way to Japan and his actions make the police rather ridiculous. His past arrest in the States should be kept in mind; a letter from I and a book autographed by K.

Here and family, Osaki and family, are all a part of the Tokyo group and they had the freedom of Vancouver right up to train time.

[illegible]/FC.

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shareholders before the Custodian vested the shares, and if so I

ATM

May 19, 1942.

MEMORANDUM

Re: Japanese Consulate

A. H. Young told me that right up to the removal of the Consular officials, while the Consul himself was held incommunicado, you could see his wife and the Vice Consul. He says that the Vice Consul spent a great deal of his time at the Nippon Club and much to his amazement hs has had Japanese come to his office and tell him they had seen the Vice Consul who told them to come to see him before they came to see Mr. McPherson. It looks as if the Mikado was controlling Powell Street right up to the time they left.

GWMcP/FC.

May 19, 1942.

MEMORANDUM

Re: Teigo Noritake

Mr. Noritake is on his way to Japan and his actions make the police rather ridiculous. His past arrest in the States should be kept in mind; a letter from K and a book autographed by K.

Hara and family, Onoh and family, are all a part of the Timura group and they had the freedom of Vancouver right up to train time.

GWMcP/FC.

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May 4, 1942.

List of Japanese Nationals of non-official status to be repatriated, family name being shown first:

Nishio Ipei
Nishio Hama
Nishio Tomitaru
Nishio Kazuyazu
Nishio Rei
Nishio Norikazu

Ito Sokichi
Ito Misao
Ito Makato
Ito June

Katukawa Shinpei

Noritake Teigo

Nara Takeo
Nara Ryu
Nara Shigeru
Nara Hiroshi
Nara Atsuko

Ono Isamu
Ono Shima

Tanaka Chonosuke

The above list is the list of persons that the Japanese Government requested be returned to Japan on an exchange but out of this list only eight persons are going. The Nishio and Ito families are not going on the grounds that they wish to live in Canada. These two parties are partners in the Import and Domestic Silk Company, operating on Granville Street. Mr. Nishio has been working very closely with Mr. Morii in the evacuation scheme, acting as liaison officers with the B.C. Security Commission and the R.C.M.P. The company is connected with the Nikko Shokai of Japan and Mr. Nishio is married to a daughter of Mitsui. The request for him and his refusal to go may have been arranged to improve his reputation here.

Mr. and Mrs. Ono are not going because Mrs. Ono has a two months old baby and they do not feel that the trip, which will take two months, should be made at this time. Mr. Ono worked for T. Timura and Company of this city, and is a friend and associate of Mr. Noritake.

As regards the eight people who are going, the name "Nara" should be "Hara" and this party works with Mr. Noritake in the Timura company and the Japan and Canada Trust Savings Company. Mr. Noritake is the party who was detained in Seattle, subsequently released and has had his freedom around this city ever since the outbreak of war. When I asked him why he was going to Japan he stated that the Japanese Government might want to know what is going on here. I consider him the most dangerous of all the Japanese listed since he is highly intelligent and must have full information concerning almost any matter he cared to interest himself in since December 7th.

These people are allowed to take hand baggage and $285. U.S. The balance of their funds and property will be controlled by the Custodian. Noritake's family reside in Japan and his wife is a daughter of T. Timura.

These people are going East tonight on the C.N.R. with the official Consular party which will number about twenty-five. It appears that the Consular party's baggage will not be examined because of diplomatic privileges and it is, therefore, obvious as to who will carry any documents of interest to the Mikado.

GWMcP/FC.

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shareholders before the Custodian vested the shares, and if so i

Correspondence, newspaper clippings, reports, interviews, [1941-1986]
FOLDER No. 6-6

ATM

VIA AIR MAIL

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

Ottawa, December 15, 1947.

Dear Glenn,-

I received your personal letter. I am sorry that time will not permit you to stop off in Ottawa on your way through. We hope you, Mercia and the children may have a very Merry Christmas in Winnipeg.

I am a little uncertain as to whether you have made any plans for the immediate future. The Royal Commission on the Japanese claims, under Mr. Justice Bird, has started and it looks to me as if it will be a rather protracted inquiry. There is no one who has the same direct knowledge of the situation in the early days at Vancouver as you. I have been wondering if, after you have made a short visit to Ottawa to report to the Department of External Affairs, you would consider favourably the suggestion of establishing your base in Vancouver for some months and journeying with the Commission while it is hearing claims.

The Government has nominated Colonel Hunter of Toronto as Counsel for it. While he is a very capable young man, I may tell you, confidentially, that I am not quite sure he may not require some stiffening. I am writing you now so that you may have a chance to think the matter over during the Christmas holidays.

I am assuming you will probably leave the ship at Saint John. You might send me a wire exactly when you are passing through Ottawa. I will make it a point, if at all possible, to be at the station to see you.

With kindest regards and all good wishes,

Yours sincerely,

E. H. Coleman

Colonel G. W. McPherson,
Passenger, arriving "Empress of Canada",
Halifax, N.S.

Mr. Delanta is now Asst. Secy. to His Excellency the Governor General!

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relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

Correspondence, newspaper clippings, speeches, notes, drafts, memoranda, interviews, [1941-1986]
FOLDER No. 6-6

of obtaining an undertaking from the individual Japanese so that if the Commissioner hears his claim, the Commission's recommendation will be accepted as satisfactory and final. I suggested that Mr. Hunter should raise this matter with the Department of Justice. He thought that, as the Custodian had a direct interest in these matters, you might be able to get action if the matter were referred to you. The Commissioner also felt that I should write to you.

The practical results of the Commissioner's decision on the matter of valuation is likely to be that the Japanese Counsel will not be prepared to accept his recommendations either with respect to individual claimants or to corporations. Therefore, it does not appear that the hearings in any of the important cases will be final, and the government may hear another pressure group, like in the Ukranian Farmer Temple Association cases, asking for further consideration.

The Commissioner suggests that Ottawa should consider the possibility that in arriving at the "fair market value" of property at the date of sale, the Commissioner may exercise very wide discretion as to whether or not he accepts the condition of the property as at the date of evacuation as the basis, or the condition as at the date of sale.

He also suggested the desirability of his insisting at an appropriate time that if he hears a claimant, the claimant will accept his recommendations as final. The Commissioner realizes that the Government is anxious to settle these cases once and for all and unless Counsel for the Japanese are prepared to accept his decisions, then he may be wasting his time and the Government's money in going on.

The Commissioner has suggested that I should write this letter to you today, and that as he considers a decision on this question urgent, I should telephone you from Kamloops before the end of next week.

I do not know if you will be able to get any decision on this matter, but I will telephone you from Kamloops on Friday, Februrry 13th. I hope that the date is not a bad omen.

You may also be interested to know that as a result of enquiries, I found that Counsel were decimating the Custodian's files

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relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

FOLDER No. 6-6

by taking off original documents and filing them as exhibits. Mr. Shears was worried about the situation and we have now arranged with the Commissioner that the Custodian's office can make copies of the exhibits, and file the copies, returning the originals to our file.

Yours very sincerely,

G.W. McPherson.

GWMcP/gn
Encl.

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OFFICE OF
THE SECRETARY OF STATE

MEMORANDUM

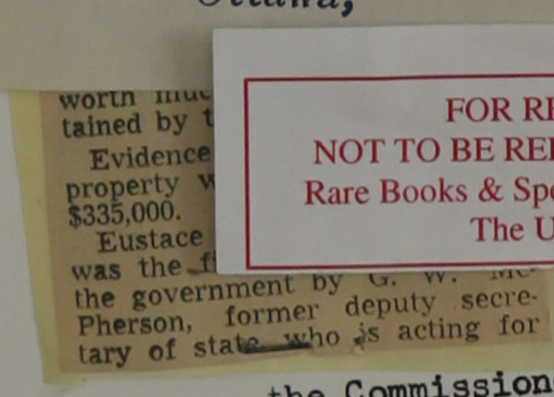
September 4th, 1945.

To: W. G. MacPherson

I would appreciate your comments on these notes. Thanks

Paul Martin

Ottawa, *193*



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① Judge Bird - awards

Royal Bank Bldg.,
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ion, but in view
ns that the sub-
considerable work
lles for such

ing this letter, neither
the Commissioner nor Counsel have been advised as to the names
of the local lawyers, and both the Commissioner and Counsel
have expressed considerable concern to me in this regard. I
had lunch with the Commissioner the other day and he mentioned
this question, and Mr. Hunter has mentioned it on several
occasions. They have suggested that I might be able to do
something to stir up the Department of Justice, but I am reluc-
tant to interfere in any way as I feel it is the responsibility
of Counsel, who is in direct touch with the Department of Justice.

The Commissioner has indicated that he thinks I may
be useful to him as an outsider, both in making suggestions as
to how Counsel should conduct his cross-examination, and in
getting ideas across in Ottawa, because I am familiar with the
Ottawa set-up. It is only on this basis that I refer at all to
the question of the appointment of local lawyers.

7/13/83

① Judge Bird - awards.

Japs Claim 'Gyp' Of Half-Million

Probe Commissioner Told Seized B.C. Holdings Sold Far Too Cheaply

A half million dollar claim by a Japanese-owned lumber company is being heard this week by Mr. Justice Bird.

He is acting as Dominion government commissioner appointed to probe claims of former B.C. Japanese residents that they did not receive fair compensation for war-seized properties.

It is the claim of Royston Lumber Co. Ltd., which had extensive holdings on Vancouver Island at the time of Pearl Harbor.

The property, seized, was sold to Somerset Co. Ltd. for $202,000, based on a $3 per thousand rate for 45,000,000 feet of standing timber.

J. A. McLennan is pressing the claim of G. K. Uchiyama, Kamloops, former general manager of the Royston Co. which controls $525,000 was the proper value of the lumber company's holdings.

RE-SOLD FOR $335,000

He told the commissioner there was 69,000,000 feet of timber and that the real estate and mill were worth much more than was obtained by the custodian.

Evidence was given that the property was resold in 1945 for $335,000.

Eustace Smith, timber cruiser, was the first witness called for the government by G. W. McPherson, former deputy secretary of state, who is acting for the crown on Japanese corporation claims.

"NOT IMPRESSED"

Mr. Smith said he figured the timber on the Royston property was mostly number two and three grade which should bring at the end of 1942 $3 per thousand.

He said he was not impressed with the mill or the logging railway though the whole property was valued at $259,000 for the custodian.

After reviewing several tenders received when the property was advertised, Mr. Smith said he recommended acceptance of the Somerset offer of $202,000.

The case is proceeding.

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am interested in the two major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

506 Royal Bank Bldg.,
Vancouver, B.C.,
February 4, 1948.

Dr. E.H. Coleman,
Under Secretary of State, of Canada,
West Block,
Ottawa, Ont.

Dear Doctor:

I have been busy discussing various problems with Mr. Shears, Mr. Hunter and Judge Bird. It is my intention to proceed to Kamloops on Sunday with the Commission. I find that Mr. Shears has been doing a great deal of work in assisting Mr. Hunter, with particular reference to the cross-examination at the time of the Hearings, and I have advised Mr. Shears that as he is familiar with the work, we should both proceed to Kamloops. The future will then be discussed. We have agreed that Mr. Shears should proceed east with the Commission, but in view of the ambitious programme which apparently means that the sub-Commissions will be sitting at the same time, considerable work will have to be done in Vancouver to prepare files for such new counsel as may be appointed.

Up to the time of dictating this letter, neither the Commissioner nor Counsel have been advised as to the names of the local lawyers, and both the Commissioner and Counsel have expressed considerable concern to me in this regard. I had lunch with the Commissioner the other day and he mentioned this question, and Mr. Hunter has mentioned it on several occasions. They have suggested that I might be able to do something to stir up the Department of Justice, but I am reluctant to interfere in any way as I feel it is the responsibility of Counsel, who is in direct touch with the Department of Justice.

The Commissioner has indicated that he thinks I may be useful to him as an outsider, both in making suggestions as to how Counsel should conduct his cross-examination, and in getting ideas across in Ottawa, because I am familiar with the Ottawa set-up. It is only on this basis that I refer at all to the question of the appointment of local lawyers.

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am interested in the two major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

ORDERING NO. 9-6

The Commissioner is anxious that local counsel should attend the sessions so that they can acquire some knowledge of the manner in which the Commission is hearing evidence, and in order that they can be instructed as to the background and policy at the time the Commission sits in their locality. They will then be in a better position to represent the Government and this will avoid the necessity of a Custodian representative calling upon them at a later date. Counsel has advised that he forwarded an air mail letter to Ottawa yesterday, asking for names of the new counsel. From a practical point of view, it seems to me that their arguments are sound, and that there should be no further delay in appointing counsel. If you agree, any suggestions you can make in Ottawa would be greatly appreciated.

Counsel has suggested that I should take up with the Department of Justice a question raised by the Commissioner in an informal chat which Counsel had with him, the question relating to the "fair market value" of the assets. I am reluctant to do this as I do not want to appear to be interfering, but in view of the request, I do feel that I should mention the problem to you for such action as you may decide to take. The question at issue is as follows:

The Japanese Counsel contend that to arrive at a fair market value for the purpose of making awards under the terms of reference, the Commissioner should take the condition of the property as at the date of evacuation, but the property should be valued on the basis of the market value of property in that condition as of the date of sale. In other words, the Japanese should obtain compensation for the deterioration if any, between the date of evacuation and the date of sale.

Government Counsel takes the position that "fair market value", reading the strict wording of the terms of reference, means as stated therein, "fair market value thereof at the time of sale". He further argues that the valuation is

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obviously to be based on the condition of the property at that time. The attitude of the Commissioner appears to be that he is anxious to settle all of these claims in such a way that there can be no further criticism of the Government's action, and that it cannot be suggested that the Commissioner was unfair because of the basis upon which he arrived at a "fair market value". As requested, I am only pointing out to you the obvious results of accepting the argument made by Counsel for the Japanese.

The Japanese Counsel says that the Japanese should be compensated for the deterioration of their assets during the period between the vesting of the assets in the Custodian and their sale. If this argument is accepted, as regards land, it may be accepted as regards chattels and any other form of property. Counsel for the Japanese, if he knew that he had sold the Commissioner the idea and if he knew the Government was sympathetic, might enlarge the entire field of claims ~~by saying that they should be compensated for loss of income, profits etc.~~ The Government Counsel argues that the wording of the terms of reference is clear - that it is the value as at the time of sale and that it would be almost impossible to find out at this late date what the actual condition of the assets was at the time of evacuation.

The Commissioner has suggested that I should have a talk with him about this problem and it has been indicated to me that I should express the Government's view in order that he may not appear to go contrary to the wishes of the Government. I do not know whether Mr. Varcoe or yourself would be prepared to give me an opinion, but if you do, I have no doubt I can get it across to the Judge without in any way creating the impression that the Government is attempting to influence the Commission.

You will recall that in the discussion we had about the Veterans' Land deal, I told you it was my recollection that I had attempted to protect the Custodian from criticism in case the Director sold farms for more than he paid the Custodian. You advised that you had not heard of this. I am enclosing an extract from the Minutes of the Advisory Committee which supports my memory.

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relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

I agree that there is no undertaking by the Director, but I have no doubt that if Mr. Barnet made the recommendation, it would have been acted upon. The question now arises as to whether or not the profits they made should be paid by the Custodian and credited and paid to the Japanese, thus reducing his claim. I have discussed this matter with the Commissioner in order that he might be aware of the fact that the Custodian took reasonable protections to guard against a re-sale at a higher price, and he is turning over in his mind whether or not any adjustments should be made at this date. In case he raises the point again, it would be interesting for me to know your views, and if possible the views of the Director of the Veterans' Land Act, although it is not necessary that any decision should be arrived at at this time.

You may be interested to know that the Commissioner indicated that I can do a useful job in making suggestions to Counsel, and possibly you had it in mind that I might be able to guide him a bit in his cross-examination in regard to laying the groundwork insofar as the Government's defence is concerned. Strangely enough, this very point was made to me by the Commissioner during the first meeting I had with him.

Yours very sincerely,

G.W. McPherson.

GWMcP/gn
Encl. 1.

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relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

IN THE MATTER CONCERNING THE ACTIVITY, BEHAVIOR AND CONDUCT OF ETSUJI MORII, DEEMED PREJUDICIAL TO THE SAFETY, DEFENSE AND WELFARE OF THE STATE, WE LAY THE FOLLOWING INFORMATION.

First in regard to the methods used by Morii to form the "Wartime Security Committee".

1. Morii himself volunteered to form the three member liaison committee.

2. He has accepted Nishio, a Japanese National, as a member of the liaison committee.

3. He has appointed his subordinates and favourites, among them Ju-jitsuists, to the Wartime Security Committee.

4. Nearly one half of the supposedly one hundred and fifty members of the Wartime Security Committee are Japanese nationals. Some of the persons have gained their appointments by making substantial contributions to a fund created by Morii, a portion of which he had started, was to assist in the evacuation expenses of needy families. To date this relief has not been given out in any extent to justify his appeal.

5. He has assured the members of his committee that they will be the last Japanese to leave the protected area.

6. In order to raise this fund he has appealed to and coerced the comparatively prosperous persons for financial contributions.

7. He has used his influence and position to secure permits to remain even for persons dependent upon the large contributors.

In regard to the Character and Behavior of Morii:

1. He has had no legitimate profession or occupation but has gained his livelihood for the past several years from the returns of his gambling club.

2. He has been a strong pro-fascist and an advocate of militarism and nationalsim.

3. He was until a few months ago, president of the Canadian Chapter of the "SOKOKU-KAI" (Fatherland Society) a sister organization to the Japanese "BLACK DRAGON", which is similar to the German Bund.

4. He has advocated the principles and encouraged the functions of the Soloku-Kai for many years, through lecturing and distributing the magazine "Fatherland" the official organ of the above society.

5. There is substantial evidence to support the charge that to date he and his associates have acted in a cold blooded manner.

6. He himself has committed one murder ★ and been accused of another.

7. He has used his subordinates on numerous occasions to threat and exert physical violence, to attack and assault persons.

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FOLDER No. 6-6 [1941-1946]

Under these threats and acts of violence the majority of timid and good citizens of Japanese race had no alternative but to bear this undesirable condition. Consequently Morii became even more aggressive and sought even greater power and control of the Japanese population. All his activity has had the effect of suppressing democratic thought and action.

In forming his previously mentioned large committee and in his present work in carrying out the total evacuation of Japanese persons Morii is acting in his usual undemocratic manner. At no time has he attempted to form an organization representative of the Japanese population, nor has he consulted capable and worthy members of the Japanese community. As a result the intentions and activity of the Japanese Liaison Committee were not made known to the Japanese population in regard to total evacuation, and this in turn created and deepened the anxiety and anguish of the fearfilled mental state of many persons.

We believe that we have reasonable grounds to look with suspicion upon the activity of Morii and certain members of his Wartime Security Committee as a serious menace to the safety of the state.

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am interested in the/major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

7/13/83
DRAFT

① Judge Bird - awards.
② I was Counsel - set up program,
③ ~~Gruchow~~ CRIPSholm
H/A lectures & shelled out c
cost

THE JAPANESE EVACUATION

It's time the other side of the story about the Japanese Internees of World War II be told. The liberal propensity for self flagelation is getting out of hand. Reading the media reports of recent months one would get the impression that the Canadian authorities in charge of Canadian Security after Pearl Harbour were monsters with not a drop of the honey of human kindness and compassion. In fact, just the opposite, is closer to the truth!

I happen to be one of the few who had an unrestricted insight into the whole system set up by the Canadian Government, then led by the liberal Prime Minister McKenzie King. At the time of Pearl Harbour I was Honorary Vice Consul for Spain. I am Canadian by birth and a Canadian Citizen. Very shortly after at the outbreak of hostilities with Japan, Spain was nominated, and accepted by both sides, as the protecting power for both, serving under the rules of the Geneva Convention - and reporting through the international Red Cross in Geneva, Switzerland. All of the Japanese in Canada were in my Consular Territory.

I had unlimited access to the Japanese community, and they had unlimited access to me. My duties were to report on the living conditions in the camps to which they were removed, and to serve as an intermediary for complaints. All of my meetings with the Japanese were in private.

Let me sum-up my conclusions and then emplify by comment. First of all, my opinion, which conforms with the opinions of most everyone who actually lived through this period, or had anything to do with it, is that "never in the history of warfare, have members of an enemy race ever been treated so humanly".

Secondly, during the time of hostilities, the standard of living of over 80% of the Japanese evacuees was actually raised. Admittedly the standard of living of the other 20% was lowered - the well to do. The B.C. Security Commission provided better education, better medical attention and better diet than the majority of Japanese had enjoyed before the war broke out.

Thirdly, many of the older, louder critics of today, non Japanese, are the same ones who cried for vengence, and harsh treatment, in 1942, when there was fear of Japanese landing on our coast, continued reports of victory by Japanese invasion armies, and horrendous reports of brutal treatment of allied prisoners by the Japanese.

In a time of near panic, which the younger generation of today do not appreciate, the RCMP, at that time recognized as the finest police force in the world, did a remarkable job of rounding up every Japanese on the Coast, and under very difficult circumstances - wartime - congregated them all at Hastings Park - a holding area - pending preparation of permanent camps in the interior. Remember, this took place at the time when many Canadians were working up into a frenzi of fear that most assuredly would have led to lynchings and brutilization, had the Japanese not been protected.

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market value. I am not interested in who filed the claim, but I

two

...iese Evacuation

...he Government set up the B.C. Security Commission to deal with the removal, protection and maintenance of the Japanese, under the leadership of Austin Taylor, a very prominent citizen, later followed by other prominent citizens, such men as Alex Eastwood and Len Roulthee. All three in my opinion were great humanitarians, and each one did a noble job of dealing with a difficult problem. The critiques of today are therefore an insult to the memories of these men who made life as humane and comfortable as was humanly possible - at a time when allied captives on the other side, including thousands of Canadians, were being subjected to unheard of atrocoties.

The bleeding hearts are out in force for the one side but no one is yet pleading the case of these allied prisoners, those that returned, and asking for retribution or a compensation for them. Their claims, in all fairness, if assessed on human suffering or injustice, would exceed by a hundred fold, any justifyable claim by the Japanese. Perhaps the claims of each side should be assessed and credited and debited. In such a case, I venture we would hear little more form the self flagelation group here in Canada.

Blood is thicker than water. The pro Japanese group profess that most of the Nesei were loyal to Canada. This was so, but one doesn't have to stretch the imagination very far to envisage how many of the Japanese may have reacted had the Japanese landed on our shores with an invading army. There were traitors to Canada amongst them, and of course, more amongst the foreign born Japanese. A number in each group, in a spirit of brogadaccio, did say "Just wait till our people get here!"

In very quick order, in spite of war time restrictions, camps were set up in Tashme, Slocan, Bridge River, Kaslo, New Denver and later some in Alberta. The camps were warm, dry and comfortable. Capable people were placed in charge of each camp and the international Red Cross were in attendance at all times. In addition to food and shelter, always ample, adequate medical and educational facilities were set up at each camp. For the 80% - the facilities were better than they enjoyed before - when most of them lived in sub standard areas in Vancouver, Steveston or Prince Rupert. Bear in mind again, that this was all taking place, in wartime, when allied (Canadian) internees were dying from beri beri, slavery and brutality! Never in the history of warfare have the living standards of the majority of an enemy race been raised during hostilities. This in fact did happen here, to the credit of the B.C. Security Commission, and the men involved.

In the camps the Japanese were permitted a considerable amount of self regulation, electing their own communittees and spokesman. At regular monthly intervals I visited each of the camps to hold meetings with these groups in private. Any complaints as to treatment were passed on through me to the Canadian authorities, and to the International Red Cross in Geneva. During the entire period of hostilities no serious complaint of inhumane treatment was ever received by me. Some of the most serious problems concerned delays in the building of school and hospital facilities in the campsites, or lack of soya sauce in their diet, or a strike by the construction crew on the Hope Princeton Highway. Can you imagine a strike taking place in any other country under a similar set of conditions?

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...am interested in the two major questions, first whether or not a claim

The standard of teaching facility was quite adequate and some of the hospital facilities built for the Japanese far exceed the standards of the facilities that existed up to that time in the communities from which the Japanese had been removed. The solution to the soya sauce problem was to fund the building of a soya sauce factory for the Japanese at Taschme - with funds provided by the Canadian government. With regard to the threatened strike, it took me only a few minutes to convince the activists of their good fortune to be able to work under civilized conditions duirng a war time crisis. From the camps there were always an ample number of applicants for the jobs available on the highway project.

Some of the best doctors, dentists, and nurses, including Japanese professionals, were on the staff of the B.C. Security Commission to attend the health needs of the Japanese, and I believe that the consensus of opinion of those that were around at that time is that the average health standard of the entire Japanese Community was actually improved during this period. To my knowledge nothing like this has ever happened before during war time. Compare this with the health needs of the allied internees held by the Japanese. Who is crying for restitution on there behalf.

There is much criticism of the way Japanese property and possessions were handled by the Canadian Government custodian and here again I raise to the defense of Canada. One has always to bear in mind the conditions that existed at that time - something the present generation of bleeding hearts are loath to do. The custodian at that time was another great Canadian who has served his country nobly before, then and since, and to imply that intentional injustice was done with regard to Japanese properties is another gross untruth. Real estate during that period had practically no market and land prices were ridiculously low when compared with today's high prices. A new automobile could be bought for less than $1,000,00. and after Pearl Harbour, when gasoline rationing was introduced the bottom fell out of the used car market. A nice modern five room bungalow could be bought for $3,500.00 and rented for $45.00 per month. The minimum wage was $65.00 per month. Bearing this type of market condition in mind, and remembering that hundreds and hundreds of properties, businesses, automobiles and boats had to be liquidated in short order, the custodian in my opinion did a remarkable job in an orderly and honest fashion with good accountability. Admittedly this brought material hardship to many of the Japanese, but by fairly keeping everything in perspective, and considering the alternatives, such as those practiced by the enemy, the Japanese were fortunate indeed. I was permitted to intercede in property matters on behalf of the Japanese, and I know were of I speak.

Why is it the media, who are continually front lining the recent Japanese claims for redress, not have initiated a study into what actually transpired during those difficult war years. Why haven't they pursued the other side - something I am attempting to do here, to protect the reputation of many prominent Canadian citizens who did their humanitarian duty, as they all saw fit at that time, and to the best of their ability. When will some one take up the cause of the Canadians who were trapped on the

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hether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

other side of the line? Is their cause less worthy or less justified? What really is required is some balanced thinking - not more liberal self flagilation from our bleeding hearts.

The Japanese problem was a serious one, but it was handled with good sense, compassion and efficiency and I take off my hat to the memory of those many, mostly departed now, who were part of this humanitarian project.

It would appear that the Japanese internees have survived very well, with no serious ill effects, and having been dispersed throughout this fertile and tolerant land, have prospered above the average for non saxon races. They are industrious and they deserve it, and I am sure that the majority of them do in fact appreciate the Canadian effort, and are not ungrateful.

FRANK BERNARD

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Japs Claim 'Gyp' Of Half-Million

Probe Commissioner Told Seized B.C. Holdings Sold Far Too Cheaply

A half million dollar claim by a Japanese-owned lumber company is being heard this week by Mr. Justice Bird.

He is acting as Dominion government commissioner appointed to probe claims of former B.C. Japanese residents that they did not receive fair compensation for war-seized properties.

It is the claim of Royston Lumber Co. Ltd., which had extensive holdings on Vancouver Island at the time of Pearl Harbor.

The property, seized, was sold to Somerset Co. Ltd. for $202,000, based on a $3 per thousand rate for 45,000,000 feet of standing timber.

J. A. McLennan is pressing the claim of G. K. Uchiyama, Kamloops, former general manager of the Royston Co. which controls $525,000 was the proper value of the lumber company's holdings.

RE-SOLD FOR $335,000

He told the commissioner there was 69,000,000 feet of timber and that the real estate and mill were worth much more than was obtained by the custodian.

Evidence was given that the property was resold in 1945 for $335,000.

Eustace Smith, timber cruiser, was the first witness called for the government by G. W. McPherson, former deputy secretary of state who is acting for the crown on Japanese corporation claims.

"NOT IMPRESSED"

Mr. Smith said he figured the timber on the Royston property was mostly number two and three grade which should bring at the end of 1942 $3 per thousand.

He said he was not impressed with the mill or the logging railway though the whole property was valued at $259,000 for the custodian.

After reviewing several tenders received when the property was advertised, Mr. Smith said he recommended acceptance of the Somerset offer of $202,000.

The case is proceeding.

OFFICE OF
THE SECRETARY OF STATE

MEMORANDUM

September 4th, 1945.

To: W. G. MacPherson

I would appreciate your comments on these notes. Thanks

P.M.

Paul Martin

Ottawa, *193*

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the custodian's office. Their work has produced its quota of comedy and tragedy. They have found wives of evacuated Japanese who were too proud to ask for relief. In one instance small thefts of rice from Japanese stores was traced to women who had resorted to this to feed their children.

Good Business

The work of the custodian is essentially something like that of a referee and as such he can not ever hope to please everybody. The thing to remember is this: damage and deterioration of Japanese property in this country is not only a lott to the owner but a loss to Canada.

When Japanese are suddenly plucked from their homes and businesses, their property must be protected from looters. It has to be done promptly and is done in cases of distant settlements on a rugged coast, with difficulty.

The custodian has had to hire guards for boats; he has been forced to move and store household goods. All this, he explains, is not through any unnecessary sympathy for the Japanese. It is just common decency, common sense and ordinary 'good business.

"Some people, no doubt, feel that too much time is being spent protecting Japanese property," says Mr. McPherson.

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disposed of for less than fair

M. McPherson fonds. Correspondence, newspaper clippings, notes, drafts, reports, memorandums, interviews, [1941-1986]

4)

You'll see somewhere else that I was at a meeting in 1940 when I started to work for the British - everybody thought I started with them in '41 when I went to New York. But I was working for the British in the 40s - look up Mr X who I didn't know at the time - when he was very anxious to have me working with them. Because I was investigating and had the power to do a lot of things under my Minister and get information. The meeting was all about whether or not my bosses would authorize me to help the British. And they said, alright - Ihave the minutes of the meeting and kept them in case someday I got in trouble. (McPherson was authorized to cooperate fully with the British Intelligence but if he got the Minister in trouble they would deny this meeting.)

You go to work for Stephenson and the first thing he tells you is what the conditions are. You don't talk. You don't identify anybody. You are on your own. (Long after the war - see letter - somebody complained about some girls - they wanted me to investigate these girls 'cause they were talking too much. and they had agreed that they would never talk about their work in N.Y.

Reports by safe hand - not phone - I started with this guy Young, that ws easy. Then I found out that Frederick Field, his firm had connections. And I had originally set up Price Waterhouse out here as the Custodian's agent for German property - so I came out here between '39 and '41 - I came out here when the war broke out, I travelled right across Canada to set up these liaison offices so we would have somebody in the area that we could call on - to Halifax, set up a firm in Halifax to act as the Custodian's rep there - we took over the circus - the elephant died - that was German-owned.

Most of the agents were chartered accountant firms because what we were taking over was business - and banks etc. Read Francis Sheeney story - put him in the concentration camp up north and the Custodian had to take over his cement plant and his hotel up north and his house which had a bowling alley in it - so I had to go around and look at these things and say what the hell are we gonna do with them? We had to protect them for the duration of the war because they were Canadian.

The Germans were different In Windsor the Custodian's agent - we seized Agra Ansco - and we ran Agra Ansco, the company. There's the equivalent in British - the Board of Trade and MEW - the Ministry of Economic Warfare - was a partof it. The Americans did because I went down to Washington to tell them how we had set ours up. Right after Pearl Harbor I was asked to go down.

The Custodian's office existed from 1914 - never had been dissolved - I had a desk in that office.

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market value. I am not interested in who filed the claim, but I
two

Tape III

(1)

nterview Glenn McPherson May 18/94 Tape 3 (I say Tape 2)
'nterview off the top - 1 minute -inaudible - don't know why)

ons we made - you remember Wenner Gren land that Bennett was going
? Well, the famous Axel Wenner-Gren and he invented the Beaufort.

5)

I knew the name of the Brit navy commander but I wouldn't tell. I don't know whether he's alive or dead but I wouldn't tell. I don't tell things like that. I don't want to break my oath to Stephenson. All the rest can break their oaths if they want but I won't do it. I won't publish anything that under the British deal I undertook not to. I just met him the once.

the
something up the Rocky Mountain Trench - you remember that? Well, he came here after the
war and there was a cocktail rec
Vancouver Hotel . Well, you ca
we walk into the reception and
Mrs. McPherson". I shook hand
with me if he had known that I put his company on the list of Specified

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That was the kind of work we were doing with Bill Stephenson. Here are minutes of a meeting which started - a chap I got to know very well when I worked for Bill Stephensonr - in here are minutes of a meeting where Mr. X came up from New York and I was asked to come over to the Deputy Minister's office for a meeting and he wanted to know if they would allow me to work for Stephenson. And supply information. I was the lawyer in the Custodian's office who was in charge of the investigations and so on - that's how I got involved - they would send me memos (which you've seen some of them in here) and ask me if I could find out something about some company. When I was negotiating in Baltimore with Mr. ~~Thomas~~ IAN (check) Bata who was staying in the US.A and building a shoe plant in Baltimore - I went down there to try to convince him he should get involved with the Free Czech government in London and support us, even though he was living in a neutral country. And that if he wasn't prepared to do that we, of course, were going to take control of his plants all over the Empire And we seizedgold in Montreal because the Bank in Montreal who were on my side , they said we have a lawyer here in the bank today from Europe and he wants to move some gold to New York. We thought we should let you know. And I said: "Stall him, and I'll come down" and I went down on the train to Montreal and met this lawyer and asked him who owned the gold. And he said he didn't have to tell us because

Tape III (1)

TRANSCRIPT - Interview Glenn McPherson May 18/94 Tape 3 (I say Tape 2)
(About a minute of interview off the top - 1 minute -inaudible - don't know why)

The kind of investigations we made - you remember Wenner Gren land that Bennett was going to give to Wenner-Gren? Well, the famous Axel Wenner-Gren and he invented the Beaufort anti-aircraft gun (check!) In New York Bill Stephenson was not just an intelligence organization with the divisions MI6 and SOE and so on (CHECK!) the same as the intelligence organizations in England. He was also interested in the Ministry of Economic Warfare (MEW) in London. So his organization was also helping the organizations back in London identify companies as being enemy. And that's one of the reasons he was interested in what the Custodian in Canada was doing because we had the regulations - and I think the best regulations - to find out. We could go into any bank or any stock broker and ask them for information. So here was a company in Sweden. Now this shows you what his interests worldwide were, what he controlled. He was always sailing around on the Southern Cross, tht yacht he had, and we were always very interested in where that yacht was. So that was Axel Wenner Gren. And as an aside Bennett - there was that Wenner-Gren land up here and they were going to put an aerial tramway or something up the Rocky Mountain Trench - you remember that? Well, he came here after the war and there was a cocktail reception and Mercia and I were invited and it was in the Vancouver Hotel . Well, you can imagine - I had worked on this investigation during the war - we walk into the reception and somebody said "Mr Wenner-Gren, I'd like you to meet Mr. and Mrs. McPherson". I shook hands with him and I said to Mercia "he'd never has shaken hands with me if he had known that I put his company on the list of Specified Persons."

That was the kind of work we were doing with Bill Stephenson. Here are minutes of a meeting which started - a chap I got to know very well when I worked for Bill Stephensonr - in here are minutes of a meeting where Mr. X came up from New York and I was asked to come over to the Deputy Minister's office for a meeting and he wanted to know if they would allow me to work for Stephenson. And supply information. I was the lawyer in the Custodian's office who was in charge of the investigations and so on - that's how I got involved - they would send me memos (which you've seen some of them in here) and ask me if I could find out something about some company. When I was negotiating in Baltimore with Mr. Thomas (check) Bata who was staying in the US.A and building a shoe plant in Baltimore - I went down there to try to convince him he should get involved with the Free Czech government in London and support us, even though he was living in a neutral country. And that if he wasn't prepared to do that we, of course, were going to take control of his plants all over the Empire And we seizedgold in Montreal because the Bank in Montreal who were on my side , they said we have a lawyer here in the bank today from Europe and he wants to move some gold to New York. We thought we should let you know. And I said: "Stall him, and I'll come down" and I went down on the train to Montreal and met this lawyer and asked him who owned the gold. And he said he didn't have to tell us because

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market value. I am not interested in who filed the claim, but I am interested in the two major questions, first whether or not a claim

he came from a neutral country and he didn't have to tell us. And I said" If you don't tell us who owns the gold the bank can't move it because I'll tell them it's taken by the Custodian as enemy property." And he said "well, it isn't enemy property," and I said "well, prove it. You've got to prove it to me, otherwise we're seizing the gold." As a result of that we realized that we were involved with the Bata shoe company. And this was gold that had been put for safekeeping in Montreal. Jan Bata wanted to take out of Canada and down to the States where he would have complete control. And he was buying a ranch down in Brazil, I believe. Anyway, we seizedthe gold. So that was the kind of work I was doing. Stephenson then wanted me to - I just got word that I had been transferred to the British govt. - I don't even know who talked about it but my boss in State Dept. just called me in one day and I was a bachelor and he said,"Glenn, pack your bags, we've just loaned you to the British Govt. and you're to report in New York tomorrow." So I packed my bag, went to New York and met Bill Stephenson.

Well, I'd known Stephenson, not personally, but only in ~~before~~ the war I'd got toknow all about his organization because of Mr. X .

I was very impressed by Stephenson. He was a rather small man, but very polite and quiet , - one of the things that I thought was kind of a trick - I noticed that when somebody would come to our office to see Bill, he always stalled when you took somebody in and said: "Mr. Stephenson, this is so-and-so and he'd like to have a talk with you," Stephenson wouldn't say anything. He'd just sit there behind his desk, silent, and it forced the visitor into making the first overture. At first I didn't know whether he did it consciously or not but I was convinced it was a pretty smart thing to do, to stall for time while you think. That's why I started to smoke a pipe. I never smoked in my life until I was 32, and friends of mine in Ottawa after a meeting, somebody said: "Glenn, I notice you have a problem when people fire questions at you and you're trying to answer them right away. Why don't you start smoking a pipe? Then you can take time to light the pipe, and tamp down the tobacco, and all the time you can be thinking about the answer." So when I saw Stephenson and I was convinced he was sitting there forcing the visitor to come to him, not the other way around - well, that's why I started to smoke a pipe, to give me time to think."

I never smoked cigarettes in my life because they didn't give me time to think.

Here's a travel document in case I was picked up by the American FBI - Stephenson's organization was thought to be okay by some people and certainly with Roosevelt and Stephenson was helping Donovan set up the OSS - the Office Strategic Services - because the Americans had never really had an international intelligence organization - Stephenson and Donovan became great frieinds during the First World War - A Man Called Intrepid, well, I read it up to the place where it wasn't accurate and then I didn't bother reading the rest of it. The Quiet

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Canadian is much more accurate - and Stephenson himself approved of that book. But Stevenson who wrote A Man Called Intrepid didn't know Bill Stephenson at all during the war - written by ~~Gyles Playfair~~ (A quiet Canadian) - Stephenson signed it to me - ~~Playfair~~ Hyde wrote another book Hong Kong Goes Off the Air - check!

I have a book signed by Douglas Bader - Douglas if he came to the West Coast would stay with us, he and his wife. He was a most interesting fellow The first time he stayed with us Mercia said: "Douglas, maybe you'd prefer to have the bedroom downstairs with your private bath instead of having to climb up the stairs - he had two wooden legs, as you know - and he said, "well, I'll look at the upstairs room." So he climbed the stairs and looked at the room and said "We'll use this room." Well, they'd been here and then had gone on to Los Angeles where he was going to address some paraplegic organization. While he and his wife were here we'd had a reunion of all his old colleagues , the pilots who were in his squadron and retired here. Next thing we knew Mercia got a telegram from Douglas from Los Angeles saying: "if you haven't changed the sheets we'll come back." We wired back "the sheets are still on" so they came back.

I'm 6 '2", Stephenson was probably 5'8" - happily married to Mary Cord, her father owned the Cord Car Co. (CHECK!) the first front-wheel drive car built in the States but never took off, of course - and I think they owned the Yellow Cabs in the States and her family was very wealthy. Stephenson having stayed in England after the first World War and was basically in the cement business - his background - he was captured in the first World War, and he escaped and was trying to get back to the Channel to get back toEngland - he went into a farm house to steal some food and he saw a ~~newspaper~~ article on the table and picked it up and put in his pocket. He didn't really kn ow what it was all about. When he got back to England he showed it to a lawyer friend of his and said: "Now what's the patent law in this country? "And at that time the patent law was that the first importer could register a patent so they searched and there was no patent on this thing so he registered it. It was a can opener - and that was the beginning of Stephenson's fortune. He went on to the cement business and eventually became a big industrialist and he had interests all over Europe. And the stories that I've heard were that at that time leading up to the war he headed up an industrial intelligence organization operating through his sales offices, and subsidiaries. And he was getting information about Germany preparing for war and I understand that he was telling Churchill about this. And then when Churchill became Prime Minister Stephenson was then appointed in charge of this office in the USA which was then a neutral country.

Stephenson set up what was called the British Security Coordination Centre, 1942 - he never allowed his picture to be taken at that time - he was afraid of being assassinated - he appointed me as his sole executor and the lawyer who signed that, he was LaGuardia's lawyer, and ended up by marrying one of the girls that I'd got from Canada to go down - I recruited people for Bill -

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he said he could trust me - when I first went to work for him I said "We've never met, Mr. Stephenson, I know a little bit about you but what do you know about me? " He said "I know everything about you, and I want you to work with me." So that's how it happened.

We got along very well. He wanted me to stay with him after the war but you see in the middle of everything the Canadian govt. asked him to release me so I could come back to Canada - that's when I came out here and set up the Custodian's office here. But I was still coordinating with Stephenson's organization and he was hoping that at the end of the war we'd get together and I might go into the cement business with him. But it didn't work out that way. I met Mercia and got married and she wanted to live out here.

We lived in Brussels for a short time while I worked in Europe - I was the Canadian delegate to the Interallied Reparations Agency in Brussels. I was in charge of investigations at the other end of what we'd investigated at this end of the companies in Germany and Switzerland. So I was on the emilitary mission to prove that what the Custodian had done was right. Then they appointed me to the committee of experts - there were 17 Allied nations - four of us were appointed as experts on trading with enemy rules (CHECK THIS!) I was Canada's representative this was the Interallied Reparations Agency - England, USA, Belgium, France, Yugoslavia, India, - they were all on it - I have it all here somewhere. So I was commuting between investigations in Germany and Herkston (CHECK!) and EK Farben's (CHECK!) head office,in Frankfurt which was never bombed - it stands out like a monument, you know, the Americans used it as military headquarters . So I was travelling all over Western Germany carrying out investigations looking into EK Farben (Check!) You saw something there about Agfa Ansco - well, at the end of the war the Allies had the directors and the chairman of the board in what we call Dustbin, a prison place. I went there to interrogate the chairman of EKFarben to see if I could get him to confirm that EK Farben owned Agfa Ansco and (some other co. like Bayer Aspirin but not Bayer and General Analine Dyes - we'd seized General Analine (General Dyestuffs)check which of these is the right one!) in Montreal as being owned by EkK.Farben in Germany . So I was trying to bolster the Custodian's case of lawsuits after the war by the Swiss, or the Swedes, or Spaniards or somebody - in case the Custodian had seized something that was not enemy property.

Si went to Dustbin to interview the chairman of the board of E.K. Farbin, Dr. Schmidt, and he spoke perfect English and in interrogating him I was thinking about the fact that we had developed the Polamar Synthetic Rubber Plant in Ontario - former lt. gov. Nicholson became the head of it - that was set up during the war to produce synthetic rubber to make tires and so on. Because the British Empire's rubber plantations were gone. And I got involved in talking to Dr. Schmidt and said one of the things that astounded me in these investigations was the fact that

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take over the corporation as a legal entity and administer its assets. My answer will be:

1. That the various corporation counsel are aware that this matter was raised on December 3, 1947, and that their own counsel, Mr. Brewin, was aware of the provisions for the vesting of shares and it was also referred to by Mr. Hunter, and while there was some confusion as to the definition of "person" there appears to be no

they had developed so many things by research. And I said rubber was an example. The British needed rubber, but you alsomust have needed rubber. What did you do about it?
Well, he said, in the first World War we lost our empire, but the British didn't. So when they needed rubber they put a telescope to their eye and looked around the world and and they saw a product they wanted in a colony and they took the product to England and they manufactured it and shipped it back to the colony. But not so with Germany, he said. When we needed something we put a microscope to our eye. And I thought was smart - Schmidt was a nice fellow.Like most German industrialists he cooperated with Hitler whether he agreed with his philosophy or not

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such could file

nsel might have taken

a technical position that one shareholder or one director could not claim the property of the corporation, and that each shareholder would have to make a separate claim for his shares. To avoid this corporations were given the right to file claims.

I will not contend that because the Custodian did not take over the corporation as a legal entity the Commissioner should not hear a claim that the assets were disposed of for less than fair market value. I am not interested in who filed the claim, but I am interested in the two major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

Correspondence, newspaper clippings, articles, speeches, interviews, [1941-1986]
FOLDER No. 6-6

MEMORANDUM

Possibility Mr. McMaster will argue that P.C.242 of January 22, 1948 did more than just authorise the filing of claims but created retroactive responsibility on the Custodian on the theory that this amendment six years later imposed a responsibility at the beginning of the evacuation on the Custodian to take over the corporation as a legal entity and administer its assets. My answer will be:

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2. The various counsel have had claim files supplied by myself to them under covering letters of July 15, 16 or 17, 1948, and these files indicate the method whereby the Custodian obtained control of corporation assets.

I am informed that the purpose of amending the Terms of Reference had nothing to do with the question of the responsibility of the Custodian but was an administrative problem facing the Commissioner as to whether or not a corporation as such could file claims because if they could not Government counsel might have taken a technical position that one shareholder or one director could not claim the property of the corporation, and that each shareholder would have to make a separate claim for his shares. To avoid this corporations were given the right to file claims.

I will not contend that because the Custodian did not take over the corporation as a legal entity the Commissioner should not hear a claim that the assets were disposed of for less than fair market value. I am not interested in who filed the claim, but I am interested in the two major questions, first whether or not a claim relates to assets disposed of by the corporation itself or by its shareholders before the Custodian vested the shares, and if so I

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Correspondence, memoranda, cheques, statements, drafts, memoranda, interviews, [1941-1986]
FOLDER No. 6-6

deny that the Government has any responsibility; second point, that once the Custodian vested the shares he became responsible for the administrative protection of the assets of the corporation and that all that this Commission is hearing is whether or not, regardless of the legalities involved, the assets were sold for the fair market value.

I will oppose any attempt to adjourn the proceedings in order that counsel on the other side may study the law. I have often advised Mr. McMaster, who is raising this issue that he is, in effect, blinded by the claims of his clients and he should take into consideration the orders-in-council relating to the evacuation, that in some of the cases where he claims for assets that his clients disposed of there is an indication he is not taking this into account and I do not think that at this late date he should be raising this question.

I cannot conceive of your Lordship considering the suggestion that an order-in-council passed in 1948 has any retroactive effect. Certainly it has not unless it says so, and if this particular order said so, I do not understand how it can be argued, and on the basis of this order-in-council some duty was imposed six years ago to seize the assets of corporations.

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GWMcP/ER
Oct.8/48

FOLDER No. 6-6 [1941-1986] Correspondence, newspaper clippings, speeches, notes, memorandums, interviews,

Notes for G. W. McPherson following submission of General Evidence

(Draft)
Oct.8/48

In hearing the Government's defence of the individual cases, I know that your Lordship will keep in mind the conditions existing in 1942 which is already six years behind us, and that it is the fair market value at that time that we are interested in.

1942 conditions

The work involved in liquidating and winding-up companies such as these, engaged in various types of business, extended in most cases over a long period and presented many difficult problems, many of which are not ordinarily met with in winding-up the affairs of companies. I think this fact will be appreciated on reading the reports of P.S. Ross & Sons and Frederick Field that have been filed. In view of the fact that the owners or operators, in many instances, were not available, it was necessary for the Controller or Liquidator and various members of his firm to devote a very substantial amount of their time to the conduct of the affairs of the companies, quite apart from the general work necessary in connection with the liquidation and realization proceedings.

Many problems indicated by P.S Ross reports.

If a comparison of the values that have been placed on the properties by the claimants as evidenced by the claims filed is made with the amount received by the Liquidator, it would not be surprising to hear the suggestion made by or on behalf of the claimant that the proceeds from realization were low. Such a comparison in my opinion means little or nothing because the valuations placed on the properties and assets by the claimants in many cases bears no relationship to cost value as shown by the books of the claimant and bears no relationship to market value as evidenced by the bids received.

suggestion realization low as compared to claim

Claims no relationship to cost or market value as evidenced by bids.

(1) The Liquidator deemed it to be his duty, in all cases, acting in his capacity as a Trustee, to dispose of the assets of the company concerned at the best possible price obtainable, and did get the best price obtainable.

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(2) The Liquidator was continually dealing with matters relating to the companies. Inspection of the properties by the Liquidator and/or his representatives and advisers clearly showed that the properties were in some cases in poor state of repair.

(3) The Liquidator engaged expert valuators to value the properties and to advise him.

(4) The Liquidator advertised the properties for sale and tenders were called for.

(5) In some cases there were only a few bidders for the properties and the Liquidator relied on the advice and recommendations of his advisers before submitting his recommendations to the Custodian.

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FOLDER No.

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MEMORANDUM

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GWMcP/ER
Oct.8/48

McMaster, Correspondence, Speeches, Notes, Drafts, Memoranda, Interviews, [1941-1986]
FOLDER No.

Dec 3rd 1947 afternoon.

72 et seq.

The Commissioner will recall that, at the opening session held in the month of November (?), 1947, the question of the Custodian's vesting and seizure of the corporate assets of Evacuees was referred to by Mr. Brewin, as reported on Page and that Mr. Hunter replied as on Page

The question raised by Mr. Brewin and the statement made by Mr. Hunter may have caused some confusion in both the minds of counsel and yourself.

In view of the fact that the corporate claims are to be heard as soon as the presentation of general evidence is complete, it is desirable as part of the general evidence to round out the picture of the Custodian's administration by telling the story of the whys and wherefors.

I have previously indicated the tremendous administrative problem that faced the Custodian when he suddenly found that he had to build an organization to handle the property of 2300 people, and while doing so administer, at the same time, corporate assets where the Japanese did not have their own legal advisor or their own or there were not sufficient directors who were not persons of the Japanese race.

Actually at the beginning of our administration, the Custodian was not anxious to interfere with the corporate assets of Evacuees, but there was no question but that his legal position was clear.

You are thoroughly familiar with the provisions of P.C.1665, which placed the property of Evacuees under the protective custody of the Custodian, but which made certain exceptions, among which were included shares of stock and other securities. Property, other than that excepted, vested in the Custodian upon the evacuation of the owner

Deposits of money were also excepted and it became clear in the early days of the evacuation that certain unscrupulous persons might be tempted to take all their liquid assets in the form of cash or securities out of the protected area and disregard the legitimate claims of their creditors. It also became apparent that

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[c.1947]
FOLDER No. 6-9

some persons, relying on the strict interpretation of the Order-in-Council, might contend to the detriment of the Evacuees' interest that the property did not vest in the Custodian until such time as the individual owner was evacuated East of the boundaries of the protected area.

I have already stated that the Custodian in accordance with the provisions of the Order-in-Council considered that his primary duty was to protect the assests of Evacuees

The original plan of the evacuation was that Japanese would be moved from their homes East of the Rockies, but owing to certain difficulties encountered by the Security Commission it was found impossible to make one move and the large camp at Hastings Park was opened as a transit camp, but once a Japanese individual was put into Hastings Park he could no longer physically protect his assets, such as farm home, but technically it was doubtful whether or not his property did vest in the Custodian because he had not been evacuated. Custodian representatives in their anxiety to protect the property of the Japanese from unscrupulous persons and from vandalism and to have some legal right to do so referred the matter to the authorities in Ottawa and as a result of these representations the amendment P.C.2483 was passed which specifically gave the Custodian the authority, notwithstanding anything else in the Order-in-Council, to vest any property where the Custodian was satisfied that the interests of the owner of of any other person required protection, and I would draw to your attention that because of the Regulations One (1) of P.C.1665- Sub-paragraph (B.B.)"persons of the Japanese race"was defined not to clarify their race but to say that any person of that race required to leave the protected area, and it will be noted that it was not necessary that they should have left the protected area, According to P. C. 2483, Sub-paragraph 4, property of persons of the Japanese race required to leave the protected area could be vested regardless of the physical residence of the individual Japanese owner, and the bank accounts, bonds, stock and securities, while still excepted from vesting so far as the automatic vesting was concerned, could be brought under the control of the Custodian where it was considered necessary to do so for the protection of the evacuee's interests.

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While P.C. 1665 was issued on the 4th of March, 1942, the first actual movement of the Japanese from the coast under the evacuation scheme - and I am not referring here to any persons of the Japanese race interned under the Defence of Canada Regulations - took place on the day of . The Custodian's administrators were so alive to the administrative problem arising out of a strict interpretation of P.C. 1665, and were so anxious to protect the Japanese property, and of course to protect creditors of the Japanese, that as a result of representations made by the Vancouver Office, P.C. 2483 was passed only 23 days later, and in this intervening period, the Custodian's organization had started from scratch and was being built into an administrative office. During this period it is possible, and when the individual corporation cases are heard, you may find that the Custodian did interfere in the administration of certain corporations, but I believe I am correct in saying that up to that time he only interfered where as a result of an inspection under the Trading with the Enemy Regulations (such inspection having been instituted by the Enemy Section of the Custodian's Office which had been established shortly after Pearl Harbour) had indicated that an enemy, that is, a persons resident in Japan or Japanese controlled territory, had an interest in such corporation, either as a shareholder or as a creditor, and in the exceptional case the Custodian may have appointed a controller, but if he did so, he did it under the Trading with the Enemy Regulations. Under P.C. 2483, once the Custodian was of the opinion, and there is nothing to indicate that this decision could be made by anyone but the Custodian, that certain interests were in jeopardy as a result of the evacuation, he could vest any asset, and once he did so, the Trading with the Enemy Regulations applied to the administration of those assets, and this is how the Custodian took over - not be vesting the corporation itself or the corporation's assets - but by vesting the interest of persons of the Japanese race in the corporation and the administration of the affairs of the corporation. Having brought the corporation under the Trading with the Enemy Regulations, he then proceeded under Regulations 8 and following, to inspect, supervise, control and/or liquidate the affairs of the company as in his opinion he considered was necessary or desirable to protect the evacuee's and other persons' interests in the assets, but in those early days it must be kept in mind that the Custodian's policy of liquidation had not been established, and the Custodian did not liquidate the affairs of any evacuee-owned corporation until after the policy of liquidation was established and this was in 1943.

I have not had the time to review every specific case, but I think it is safe to say that if any corporation in which Japanese evacuees had an interest,

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Correspondence, newspaper cheques, Stadacona Hotel, deeds, memorandums, interviews, [1941-1986]
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s liquidated prior to the policy of liquidation being instituted, it was liquidated or its assets were disposed of, either by the Japanese evacuee himself or through his representatives, or because there was a substantial enemy interest in that corporation, and the enemy section of the Custodian's office under Trading with the Enemy Regulations, felt it was necessary to liquidate to protect the interest of the Custodian, shall we say - "of Enemey Property."

Some criticsm has been levelled at the Custodian, and on the individual cases that you will hear, opposing counsel may contend that the Custodian should have taken direct control of the affairs of certain corporations in spite of the fact that the Japanese evacuees' interest in same had made their own arrangements for their administration. I think that this is unfair criticism and it is rather surprising to hear such criticism when on the other hand, the Custodian is criticised for having interfered in the administration of such persons' assets when it suits the purpose of the critics to so contend.

In the hectic days of the evacuation, I think the luminous evidence already placed before you had indicated that the Custodian had a tremendous administrative problem in taking over and looking after and attempting to protect the assets owned by individuals who were being evacuated or moved from their homes so rapidly that they could not make arrangements to have their assets protected, and that he was justified under the original terms of P.C. 1665 and even under the amendment, to assume in the first instance that unless complaints were received or requests were made either by creditors or the evacuee himself, that there was no necessity to interfere in the administration of a corporate enterprise which in itself was a legal entity and could carry on its affairs, provided there were sufficient people not of the Japanese race, to administer same.

Order in Council P.C. 2483 was interpreted by the Administrative officers to mean, and I do not think it can be argued otherwise, that the Custodian had the sole discretion to determine whether or not he should take some specific action to protect such assets because of the possibility of the individual Japanese creditors or some other person or organization whose interests were later to be prejudiced if he did not do so. I believe that in every corporation case which will be presented to you, the Custodian will be able to justify either his non-interference in the corporation of the affairs, or the exercise of his force to interfere.

Without dealing with specific cases by name, I would like to take a few concrete examples of cases upon which claims have been filed and which the Government will defend. In one of these cases, the Government will contend that the Japanese evacuee owner before his evacuation, came to the Custodian and requested that he take over the administration of his company, and the Custodian did so, and

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id eventually vest evacuee interest, not only to protect the evacuee's equity in wasting assets, but because the Custodian had been requested by other Governmental authorities to re-open the business which had been closed down, the re-opening and production of the company's business being considered as vital to the Canadian war effort.

In another case, the Government will contend that the Custodian originally became interested in the affairs of the corporation because of complaints from creditors, but that as the Japanese evacuee had retained counsel, and counsel had agreed to co-operate with the Custodian in protecting the interests of creditors, the Custodian exercising his sole discretion, but not considering it was necessary to vest the evacuee's interests until some considerable time later when the affairs of the evacuee had got into such a muddle and the interests of the creditors and of Canada's war effort were being prejudiced. In this case the Government will contend that while the Custodian was insisting upon the co-operation of all persons connected with the evacuee's affairs, and was approving transactions and sales from assets agreed to by evacuee and the directors of his company, the Custodian was not interfering in the price obtained for the assets, but merely in the disposition of the funds received. Once the Custodian decided to interfere, the procedure was, I believe, to any unprejudiced person, reasonable and proper.

The Custodian, if a previous inspection had not been made, appointed an inspector and obtained a report, In practically every case, ~~the~~ a written report of the results of the inspection, and on the basis of this report, exercised his discretion to take over the control of the company and indirectly his assets. He did not by appointing a controller and in all of these cases the controller's reputation and qualifications for the position of responsibility placed upon him, will be contended by the Government to be beyond question. The controller, acting under his authority, then became responsible for the administration of the corporation's affairs, but as the Custodian had a higher responsibility, the controller quite naturally made reports and ~~xxx~~ any major decisions made by him were subject to the Custodian's ~~xxx~~ approval and the Custodian's actions in every case were dependent upon the recommendation made by the controller and controller's recommendation was I believe, the indivudual cases will indicate, based either upon his ~~xx~~own expert knowledge or if he did not feel that he had the expert knowledge, based upon the advice and recommendation of independent experts directly retained by him. In most of these cases the evidence produced by the Government will endeavour to establish that the controller acted in a reasonable manner in accordance with the heavy responsibilities imposed upon him.

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Prior to the general policy of liquidation being adopted, there may be cases where the controller, because of the nature of the assets involved, considered it desirable that certain assets be disposed of, and this may have been done, but if it was done, the Custodian's administrative officers, in considering the recommendations of the controller in this regard endeavoured to make sure that in the disposition of such assets, the best possible price was obtained and the interests of all parties protected. Subsequently, the policy of liquidation being adopted and in view of the many uncertainties surrounding the position of the Japanese evacuees, their possible return to the Protected Area at the duration of the war with Japan and administrative difficulties may have recommended that a liquidation should take place. If the Custodian's administrative officers agreed with the controller after considering all of the facts and taking into account the higher responsibility of the Custodian in these matters, recommended to the Custodian that he should act upon the recommendation of the controller, this resulted in the issuing of a liquidation order and the appointment of a liquidator. The liquidation of the companies was then conducted by the liquidator, with his action subject to the approval of the Custodian and even at this time, before any major assets were disposed of or any major decisions taken, the proposed action and the recommendation of the liquidator was submitted to the Custodian for his approval. I feel that the evidence to be adduced by the Government in defence of the actions of the Custodian and his agents, will definitely establish that the liquidator carried out the trust imposed upon him in a manner that should satisfy any reasonable person conversant with all of the facts and the conditions surrounding the evacuation and the administration of the evacuee's assets.

I would like to refer for a moment to the methods adopted by the liquidator in disposing of the assets of corporations. In the first place, the liquidator acting in consultation with the Custodian administrative offices, made every effort in some cases over a considerable period of time, to dispose of certain companies as going concerns or to dispose of their assets en bloc in order to avoid a long and complicated liquidation of individual items. Where this was possible, it was done and I feel that no stone was left unturned in the attempt to dispose of the assets to the best possible advantage to the evacuee owner. Independent appraisals were made by persons who the controller and the Custodian's administrative officers considered to be experts in their particular field. Assets were advertised for sale and attempts were made to create interest by personal contact and as much publicity as could reasonably

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expected. In some cases however, the major assets had been disposed of, the liquidator was faced with a clean-up proposition, and while in individual cases, some question may be raised as to whether or not an individual item was sold at a reasonable price, I am of the opinion that in a liquidation of this kind, it is not fair to break down to the point of accounting for the value received for one nail or one bolt, but rather to look at the picture as a whole, and determine whether or not a reasonable price was obtained for the total assets disposed of.

As in the case of individual claims, with respect to their chattels it is possible that some individual assets may not be specifically accounted for, but may be specifically claimed for. I do not think it should be assumed that because a liquidator in the statements which will be produced in individual cases, does not specifically refer to an item, the item had been lost, stolen or disposed of without accounting for same.There are several reasons why a liquidator may not be able to account for what he did with each individual item in the liquidation of the assets of a large corporation. It may be that in view of the policy of the Custodian in the first instance not to interfere, many of these items were disposed of while the company was still under the administrative control either directly or indirectly of the Japanese owner himself. It may be that the Japanese evacuee in taking an inventory upon which his claim may nowbe based, estimated quantities of certain items such as nails, nets, cable etc. and did not take any exact measurements or weights. It may be that the evacuee unconsciously and with no intention to misrepresent his assets, over-estimated quantities etc. in order to protect himself. It may be that there were certain pilferages and theft prior to the controller or liquidator taking charge. It may be that the controller accepted the Japanese inventory and did not go to the expense of checking it in detail down to the accounting for the last final spike or measuring the last piece of cable. In many cases the controller did not know that he was going to liquidate the assets and for the purpose of his control he felt that by the appointment of a watchman, would be protected, and what was there when he took over, would remain. It may be that during the period of his control, that even if he had taken every reasonable precaution to protect the assets, thefts occurred, and by the movement of some items from one point to another point for better security, some items were misplaced or lost, but I feel that all of these possibilities existing in the liquidation of any large enterprise, and because of the way in which inventories were made by the evacuee, in most cases in great haste, and subsequently by appraisers and were inventoried in some cases in the instances of grouping items, for the purpose of advertising for sale and because of more technical knowledge of a proper description

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f certain items, they were described differently in different inventories, but do not feel that the items were not included in the ultimate sale. If by any chance, it is established beyond any shadow of a doubt, that the liquidator has not accounted for certain items, I do not think that in liquidations of the kind handled, the failure to account for such items should in any way reflect upon the integrity, reputation or qualifications of the liquidator who at the time was endeavouring under very difficult circumstances to carry out the trust imposed upon him.

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In accordance with your instructions, I had prepared files containing correspondence, claim files, documents and reports relating to each individual corporation claim and caused these files to be delivered to counsel acting for the claims as indicated by the Secretary of the Commission. This was done on or before the 17th of July last and I have had discussions with these counsel concerning these claims and have indicated to them the nature of the Government's defence. As Government counsel handling these corporation claims, in accordance with your instructions, I am preparing to proceed with the Government's defence of the individual cases immediately upon the conclusion of the presentation of the general evidence, as I do not feel that there will be any need to adjourn the hearing of any particular case or to set over to a later date any particular claim. It is almost impossible to set a specific date upon which the presentation of the individual cases should commence, but an attempt has been made to do this, but the question of whether or not the schedule can be kept in detail, will depend to a large extent upon the lengt of time taken to present the claimant's case and the Government's defence. As far as the Government is concerned, I would like to assure Your Lordship that every effort will be made to carry out the schedule.

In presenting the evidence of Mr. Shears and Mr. Field, I am in no way admitting directly or indirectly that the question of the legal right of the Custodian to take over the affairs of these corporations in any way comes within the terms of reference. I am of the opinion that the Custodian had a legal right to do what he did, but I respectfully suggest that the only matter which should concern Your Lordship and which comes within the terms of reference is whether or not, having taken over and liquidated the assets of these corporations, the Custodian did obtain the fair market value at the date of sale.

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Correspondence, reports, speeches, notes, drafts, memorandums, interviews, [1941-1986]
FOLDER No. 9-6

5, 1947.

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Entertainment

A LOOK BACK WITH A

**NICHOLAS READ n
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ROBERT ITO spent Saturday night visiting with his family, with cousins, nephews, nieces, and an uncle he hadn't seen in more than 40 years. The last time was in an internment camp near Hope at Christmas in 1944. Ito was singing and dancing in a Christmas concert and his uncle was in the audience.

Ito, who spent seven years playing Sam Fujiyama opposite Jack Klugman on Quincy, is back in Vancouver filming a CBC For the Record episode called The Exile, about the lasting effects the internment of Canadian Japanese during the Second World War has had on a modern Japanese-Canadian family.

In a Sunday morning interview at North Vancouver's Boal Chapel where he was filming a funeral scene, Ito said seeing his uncle was, of course, a great pleasure. But inevitably it also brought back memories of the camp and the times, and the bitterness he still carries about those times.

"It's never out of my mind," Ito says of the four war years he spent in Tashme, a farm camp 22 kilometres outside Hope, with his mother, father, brother and sister. "The pain I went through, and my parents went through. . .the separation. . . cousins being shipped back to Japan. There's a lot of anger realizing what happened — anger that nobody did anything when the wrong. And then ang when the governm press it."

Ito was 11 in 1942 Vancouver home and sold, and the chanic father to w road camp. But th legitimized what been doing to Jap years.

"We were the took away our f us work for low people. The str born out of tha here couldn't went back to farming.

In winter, 1942 after his

the custodian's office. Their work has produced its quota of comedy and tragedy. They have found wives of evacuated Japanese who were too proud to ask for relief. In one instance small thefts of rice from Japanese stores was traced to women who had resorted to this to feed their children.

Good Business

The work of the custodian is essentially something like that of a referee and as such he can not ever hope to please everybody. The thing to remember is this: damage and deterioration of Japanese property in this country is not only a lott to the owner but a loss to Canada.

When Japanese are suddenly plucked from their homes and businesses, their property must be protected from looters. It has to be done promptly and is done in cases of distant settlements on a rugged coast, with difficulty.

The custodian has had to hire guards for boats; he has been forced to move and store household goods. All this, he explains, is not through any unnecessary sympathy for the Japanese. It is just common decency, common sense and ordinary good business.

"Some people, no doubt, feel that too much time is being spent protecting Japanese property," says Mr. McPherson.

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FOLDER No. 9-6

ATM

VIA AIR MAIL

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

Ottawa, December 15, 1947.

Dear Glenn,-

I received your personal letter. I am sorry that time will not permit you to stay off in Ottawa on your way through. We hope you, Mercia and the children may have a very Merry Christmas in Winnipeg.

I am a little uncertain as to whether you have made any plans for the immediate future. The Royal Commission on the Japanese claims, under Mr. Justice Bird, has started and it looks to me as if it will be a rather protracted inquiry. There is no one who has the same direct knowledge of the situation in the early days at Vancouver as you. I have been wondering if, after you have made a short visit to Ottawa to report to the Department of External Affairs, you would consider favourably the suggestion of establishing your base in Vancouver for some months and journeying with the Commission while it is hearing claims.

The Government has nominated Colonel Hunter of Toronto as Counsel for it. While he is a very capable young man, I may tell you, confidentially, that I am not quite sure he may not require some stiffening. I am writing you now so that you may have a chance to think the matter over during the Christmas holidays.

I am assuming you will probably leave the ship at Saint John. You might send me a wire exactly when you are passing through Ottawa. I will make it a point, if at all possible, to be at the station to see you.

With kindest regards and all good wishes,

Yours sincerely,

E. H. Coleman

Colonel G. W. McPherson,
Passenger, arriving "Empress of Canada",
Halifax, N.S.

Mr. Delante is now Asst. Secy. to His Excellency the Governor General!

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