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F.O.
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CLOSED
UNTIL
1981

OUTFILE

116

27/5
28/11

Registry No. FJ1503/22 + 1C

Top Secret. ~~Secret.~~ Confidential. ~~Restricted.~~ ~~Open.~~

Draft.

E. A. Côté Esq.,
Office of the
H.C. for
Canada,
Canada House
from
Mr. C.P. Scott
c.c. [illegible] first

Copy corr. to
Miss M. Hunter
(A.E.P.D.)

RECEIVED IN DIVISION. 27 NOV 1950 SENT TO TYPE 27/11/50

Shattock has asked me to reply to your letter AR 23/15 of 17th Nov. about the disposition of Japanese assets in Canada and the U.K. (Japanese) § We are grateful for the summary of action taken by the Canadian authorities in this respect. We did in fact receive an identical request from the Japanese Govt. at the same time as did the ~~Govt~~ ~~request addressed to~~ the Canadian Govt. We consulted the Administrator of Enemy Property Dept. who told us that it is contrary to their normal practice to supply information

NOTHING TO BE WRITTEN IN THIS MARGIN.

(10/48) (22801) Wt. 8471-183 200m 6/49 G.S.St.

about particular assets to their former owners. We for our part were doubtful whether the information was of a kind which ought to be supplied to the Japanese Govt. during the occupation period. We therefore instructed the U.K. liaison Mission on 21st Oct. to inform G.H.Q. that ~~it is not the practice of the A.E.P.D.~~ to provide the information required and that there seems to be no good reason to ~~press the Dept. to comply~~ with the the information is not readily available.

I hope this provides you

both

NOTHING TO BE WRITTEN IN THIS MARGIN.

Registry No.

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Open.

Draft.

with the material you need. If you wish to know how the A.E.P.D. have in fact treated Japanese assets in this country, please let me know and I will make further enquiries of the Dept.

27/11.

NOTHING TO BE WRITTEN IN THIS MARGIN.

(10/48) (22601) Wt. 8471-183 200m 6/49 G.S.St.

OUTFILE

119

FOREIGN OFFICE, S.W.1.

28th November, 1950.

(FJ 1503/22)

CONFIDENTIAL

Shattock has asked me to reply to your letter AR 23/15 of the 17th November about the disposition of Japanese assets in Canada and the United Kingdom.

We are grateful for the summary of action taken by the Canadian authorities in this respect. We did in fact receive an identical request from the Japanese Government at the same time as did the Canadian Government. We consulted the Administration of Enemy Property Department who told us that it is contrary to their normal practice to supply information about particular assets to their former owners. We for our part were doubtful whether the information was of a kind which ought to be supplied to the Japanese Government during the occupation period. We therefore instructed the United Kingdom Liaison Mission on the 21st October to inform General Headquarters that the information is not readily available.

I hope this provides you with the material you need. If you wish to know how the Administration of Enemy Property Department have in fact treated Japanese assets in this country, please let me know and I will make further enquiries of the Department.

C. P. Scott).

E. A. Côté, Esq.,
Office of the High Commissioner
for Canada,
Canada House.

TYPISTS 1 Copy Please. Evelyn.

120

OFFICE OF THE
HIGH COMMISSIONER FOR CANADA,
CANADA HOUSE,
LONDON, S.W.1.

F

December 2nd, 1950

Dear Scott,

FJ 1503/22 A

I am much indebted to you for your letter of November 28th about the disposition of Japanese assets in Canada and the United Kingdom.

It would be useful for the purpose of co-ordinating our respective actions in this matter if the Canadian Government could be informed how the Administration of Enemy Property Department have, in fact, treated Japanese assets in this country. Would you let me have a reply at your early convenience?

Yours sincerely,

Evelyn

E.A. Cote.

C.P. Scott, Esq.,
Far Eastern Division,
Foreign Office,
S.W. 1.

RECEIVED IN C.B.
4 DEC 1950
SENT TO DEPT.
7/12

COPY

Office of the 121
HIGH COMMISSIONER FOR CANADA,
CANADA HOUSE,
LONDON, S.W.1.
December 2nd, 1950.

122

Dear Scott,

I am much indebted to you for your letter of November 28th about the disposition of Japanese assets in Canada, and the United Kingdom.

It would be useful for the purpose of co-ordinating our respective actions in this matter if the Canadian Government could be informed how the Administration of Enemy Property Department have, in fact, treated Japanese assets in this country. Would you let me have a reply at your early convenience?

Yours sincerely,

(Sgd) E.A.Côté.

C.P.Scott, EEsq.,
Far Eastern Division.
Foreign Office,
S.W.1.

(33654) Wt.14696/147 250.00 A.& E.W.Ltd.

Dec.

what has been done with the Treatment of (in the United Kingdom) Japanese assets / I am

Registry No. FS 1503/22 +OC

OUTFILE

91 n/1

122

Top Secret. Secret. Confidential. Restricted. Open.

Draft. WPM.

E. A. Cate Esq., Canada House

from Mr. C.P. Scott.

RECEIVED IN DIVISION. 9 - DEC 1950

SENT TO TYPE 9/12/50

Thanks for fm your letter of 2nd Dec. about Japanese assets in this country.

I have asked the Administration of Enemy Property Dept. for a statement ~~let me have on account~~ of what has been done with the Treatment of (in the United Kingdom) Japanese assets. I am

DO NOTHING TO BE WRITTEN IN THIS MARGIN.

(32054) Wt.14696/147. 250,000. 6/47 A.& E.W.Ltd. Gp.685

123

and ar room as it, I will ~~pay~~ send it on to you.

J.M.

NOTHING TO BE WRITTEN IN THIS MARGIN.

124

FOREIGN OFFICE, S.W.1.

No. FJ 1503/22. 11th December, 1950.

Thank you for your letter of 2nd December about Japanese assets in this country.

I have asked the Administration of Enemy Property Department for a statement of what has been done with Japanese assets in the United Kingdom, and as soon as I receive it, will pass it on to you.

(C.P. Scott.)

E.A. Cote, Esq.,
Canada House.

NOTHING TO BE WRITTEN IN THIS MARGIN.

(53054) Wt.

Cote's letter of 2nd Dec. request was made. We

Registry No. FS 1503/22

Top Secret. Secret. Confidential. Restricted. Open.

Draft. BHM.

NOTHING TO BE WRITTEN IN THIS MARGIN.

Miss M. Hunter
Administration of Enemy Property Dept.,
Lacon House,
Theobald's Rd.

from

B. Maddock

RECEIVED DIVISION. 9 DEC 1950 SENT TYPED DESPATCHED

(83054) W1.14666/147 250,000 6/47 A.& E.W.Ltd. Gp.685

9/12/50

Copy of Mr. Bote's letter of 2nd Dec.

I mentioned by telephone that Canada House had now asked us to let them have an account of the treatment of Japanese assets in the U.K. I now enclose a copy of Mr. BOTÉ's letter of 2nd Dec. in which this request was made. We

should be grateful if
you would supply us
with some statement ~~this~~
similar to that enclosed
with Mr. Côté's letter
of 17th Nov. and
suitable for transmission
to the Canadians.

8/12.

NOTHING TO BE WRITTEN IN THIS MARGIN.

should be grateful if
you would supply us
with some statement ~~this~~
similar to that enclosed
with Mr. Côté's letter
of 17th Nov. and
suitable for transmission
to the Canadians.

8/12.

NOTHING TO BE WRITTEN IN THIS MARGIN.

should be grateful if
you could supply us
with some statement ~~like~~
similar to that enclosed
with Mr. Côté's letter
of 17th Nov. and
suitable for transmission
to the Canadians.

HMy
8/12.

NOTHING TO BE WRITTEN IN THIS MARGIN.

FOREIGN OFFICE, S.W.1.

11th December, 1950.

NOTHING TO BE WRITTEN ON THIS PAGE

(FJ 1503/22)

I mentioned by telephone that Canada House had now asked us to let them have an account of the treatment of Japanese assets in the United Kingdom. I now enclose a copy of Mr. Côte's letter of the 2nd December in which this request was made. We should be grateful if you would supply us with some statement similar to that enclosed with Mr. Côte's letter of 17th November and suitable for transmission to the Canadians.

(A.F. Maddocks)

Miss M. Hunter,
Administration of Enemy Property Department,
Lacon House,
Theobald's Road.

AR.2

108

F

FAR EASTERN DEPARTMENT

JAPAN

FJ 1503/21

1950

FROM

M. P. Selgas (Treasury)

To M. Scott.

No.

Dated 6th November 1950.

Received in Registry— 8th November 1950.

Japanese Assets Blocked in this country on the 26th April 1949.

Encloses a copy of the Note which was supplied by A.E.P.D. at the time of M. Ralph Assheton's F.P.Q. & Annulles of Exchanges on the above subject.

REFERENCES

MINUTES

10/11.

(Print)

(How disposed of)

(Action completed)	(Index)
11/11	20/3/51

38679

P/O.

128

OFFICE OF THE
HIGH COMMISSIONER FOR CANADA,
CANADA HOUSE,
LONDON, S.W.1.

AR. 23-15. January 4th, 1951.

FJ 1503/22 B

Dear Scott,

Would you please refer to your letter of December 11th (FJ. 1503-22) about Japanese assets in the United Kingdom.

I wonder whether the Administration of Enemy Property Department has yet had an opportunity of preparing a statement on Japanese assets?

AHM 13/1.

Yours sincerely,

E. A. Côté.

C.P. Scott, Esquire,
Far Eastern Division,
Foreign Office,
S. W. 1.

1950

F
FAR EASTERN DEPARTMENT

L

129

FJ 1503/23

FROM

Miss Hunter (A.E.P.D.)
To
W. Maddocks.

No. AEP 364/P

Dated 22nd December 1950.

Received in Registry— 29th December 1950.

Treatment of Japanese Assets in the United Kingdom.

Encloses a memorandum on this subject by A.E.P.D.

Refers to F.O. letter of 11th December (FJ 1503/22)

REFERENCES

FJ 1461/8.

(Print)

(How disposed of)

1) Mr. Coté (Canada House) from N. Scott. Jan 5
5) Miss Hunter. A.E.P.D. Jan 8

(Action completed)

(Index)

MINUTES

Draft.

W Maddocks 12/1.

Claims Dept (R. Williams) 11/1

A) Mr. Coté (Canada House) & N. Scott 10/1/51 C.C.L. Lovell 2/1.

RWM
13/1.

39451

WNR

FJ 1503/23 Enter

Telegraphic Address: Tradenemy Holb., London

Administration of Enemy Property Department

130

(Treasury and Board of Trade)

Lacon House, Theobalds Road, London, W.C.1

Chancery 4411 Extn.

Our Ref. AEP.364/P

Your Ref.

Failure to quote references may cause delay

22 December, 1950

Dear Mr. Maddocks,

In reply to your letter (FJ.1503/22) of 11th December, I now enclose a statement on the treatment of Japanese assets in the United Kingdom, which you may like to send on to the Canadians. As you know, we did not send this statement to the Japanese when they asked for information (your reference FJ/1461/8) as we thought it advisable to know what was behind their request, as it might be as well to make this clear to the Canadians.

Yours sincerely,

M. Hunter

(Miss M. Hunter)

A.F. Maddocks Esq.,
Foreign Office,
London,
S.W.1.

JAPANESE ENEMY PROPERTY IN THE U.K.

Memorandum by Administration of Enemy Property Department

1. In the United Kingdom there is in operation a General Law, the Trading with the Enemy Act, 1939 as amended by the Defence (Trading with the Enemy) Regulations 1940, and Orders made under the Legislative powers thereby given, such Orders having the force of Law. The Law defines an "enemy" as including inter alia any State, or Sovereign of a State, at war with His Majesty, any individual resident in "enemy territory", enemy territory being the territory of a hostile state or territory occupied by the armed forces of a hostile state, any body of persons constituted or incorporated in or under the laws of a State at war with His Majesty, and any body of persons carrying on business in any place, if and so long as the body is controlled by a person who is an enemy as so defined. The property of all enemies is brought under control by a "Custodian of Enemy Property". It is emphasised that residence - not nationality - is the primary factor by which enemy status is established and by which particular property becomes subject to control though the property of enemy subjects can also be brought under control.

2. Any money which would, but for the existence of a state of war, be payable to or for the benefit of a person who is an enemy is required to be paid to the Custodian, and all persons in the United Kingdom are required to inform the Custodian of any property which they hold or manage which is the property of an enemy or an enemy subject. The Custodian acts to preserve all such property while the state of war exists, his control including the collection and holding of money, and the management of other forms of property, which is normally left "frozen" with the person who reported it to him. In general property is allowed to remain in its original form, though if likely to deteriorate physically in keeping or if costly to maintain by reason of storage charges or other expenses it is sold and the proceeds are held instead.

3. The effect on such Japanese-owned property as became enemy property under the Legislation has been:-

(a) The Custodian has where possible collected, and holds, the money due on, or becoming due after, 8th December, 1941.

(b) Securities have been vested in the Custodian, and the Custodian has been given the power to sell them, though sales have been made only in a few exceptional cases.

(c) Companies (excluding insurance companies) have continued under the Custodian's management to do any business remaining; otherwise they have been wound-up.

(d) The United Kingdom businesses of Japanese Insurance Companies which at 8th December, 1941, were constituted or incorporated in or under the laws of Japan are in the process of being wound up.

(e) Other types of property, unless sale to avoid deterioration or expense was necessary, have been left in the keeping of the persons who held them before the war.

4. No decision has yet been taken as to the ultimate disposal of Japanese money and property, and its proceeds, in the United Kingdom.

5. This Memorandum is written as a generalised statement only and does not attempt to set out the legal and technical considerations which may affect any particular property.

OUTFILE

Registry No. FJ 1503/23

~~Top Secret.~~
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Confidential.
~~Restricted.~~
~~Open.~~

Draft.

~~EOC~~ +IC 5/12 6/1

5/1/50

132

NOTHING TO BE WRITTEN IN THIS MARGIN.

Wm.
E. A. Coté
Esq.
1
Canada
House

from
Mr. C. P. Scott

1 copy of
Memorandum
with in
copy (without
end.) to
Miss M. Hunter
(H. E. P. D.).

I ~~have~~ ~~send~~ enclose a ~~v~~ statement prepared by ~~received from~~ [the Administration of Enemy Property Dept. ~~the Interest~~ in Japanese assets in the U. K. which I promised you in my letter FJ 1503/22 of 11th Dec. + ~~have pleasure in endorsing~~

~~a copy~~ for your own information) ~~referred to~~ ~~As~~ we have ~~no~~ such a statement ~~this information~~ to give.

133

the (Government of Japanese) I should like to be grateful if you would treat it as confidential.

3/1.

RECEIVED IN DIVISION. 4 JAN 1951 SENT TO TYPE 5/1/51 DESPATCHED

NOTHING TO BE WRITTEN IN THIS MARGIN.

134

FOREIGN OFFICE, S.W.1.

5th January, 1951.

(PJ 1503/23)

CONFIDENTIAL

I enclose a statement prepared by the Administration of Enemy Property Department on Japanese assets in the United Kingdom which I promised you in my letter PJ 1506/22 of the 11th December last.

For your own information we have refused to give such a statement to the Japanese Government and I should therefore be grateful if you would treat it as confidential.

(C.P. Scott)

E.A. Côté, Esq.,
Canada House.

135 END

CANADA.

W.1.

1503/23 A

OFFICE OF THE
HIGH COMMISSIONER FOR CANADA,
CANADA HOUSE,
LONDON, S.W.1.

Confidential.

January 10th 1951.

Dear Scott,

F J 1503/23 A

Thank you very much for your letter of January 5th (FJ. 1403-23) concerning the Statement prepared by the Administration of Enemy Property Department on Japanese Assets in the United Kingdom.

I have carefully noted the information contained in the second paragraph of your letter and passed it on to the Department in Ottawa.

Yours sincerely,

Escott

C. P. Scott, Esquire,
Far Eastern Division,
Foreign Office,
S. W. 1.

Tel. No. : Whitehall 1234

FO 1503/224 this item.

109

Your Reference .....

Treasury Reference .....

TREASURY CHAMBERS,
GREAT GEORGE STREET,
LONDON, S.W.1.

6th November, 1950

Dear Scott,

As I promised I enclose a copy of the Note which was supplied by the Administration of Enemy Property Department at the time of Mr. Ralph Assheton's P.Q. to the Chancellor of the Exchequer about Japanese assets blocked in this country on 28th April 1949.

Yours sincerely,

D Phelps

C.P. Scott Esq.,
Foreign Office.

Property hel

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and set-offs wh
Any estimate of
but it is probab
Japanese assets
£1 to £1¼ millio

Property held or reported on Japanese Account is:-

	£	£
(a) Cash		480,000
(b) Securities		
Insurance Company Holdings	1,259,000	
Other holdings	223,000	
Vested Companies	91,000	1,573,000
(c) Movable and Immovable Property		14,000
		£2,067,000

The figure probably includes property which belongs to persons not of Japanese nationality.

In regard to (b) the position of the Insurance Companies (by far the largest item) has not yet been settled and it will not be possible to give a firm figure until the winding-up is completed. This is a very intricate and contentious matter and will take time. There are claims for liens and set-offs which have not yet been investigated.

In the circumstances I suggest a reply on the following lines:-

> The value of property reported to the Custodian on Japanese Account is about £2 millions. The figure may include elements of property not owned by Japanese nationals, and includes a substantial proportion of assets the true net value of which will not be known for some time as they are subject to claims for liens and set-offs which have not been fully investigated. Any estimate of value is accordingly highly speculative but it is probable that when the true value of Japanese assets is established it will not exceed £1 to £1¼ millions.

..... H.S.G.
April, 1949.
ADMINISTRATION OF ENEMY
PROPERTY DEPARTMENT

1950

F

FAR EASTERN DEPARTMENT

JAPAN

111

F FJ 1503/22

FROM

Mr. Côté (Canada House)

Mr. Scott.

No. A.R.23/15.

Dated 17th November 1950.

Received in Registry — 23rd November 1950.

Information concerning request from the Japanese Government for information as to the disposal of Japanese assets in Canada.

Encloses text of note from Japanese Government dated 2nd August, and ~~a~~ summary of action taken by Canadian authorities.

REFERENCES

(Print)

(How disposed of)

3(A) Mr. Côté (Canada House) from Mr. Scott. Nov 25

5) Miss Hurtig (A.E.P.D) Nov. 30

D(A) Mr Côté (Canada House) Dec. 11th

3(A) Miss Hurtig (A.E.P.D) Dec. 11th

(Action completed)

(Index)

150

MINUTES

We received a similar request at FJ 1461/8.

Draft.

B.B. Maddock 27/11.

C.L. Hyatt first. Hyatt 27.11

A.R.M. 27/11.

A. Mr. Côté (Canada House) & Mr Scott of Dec 2nd.

AEPD are prepared to pronounce a statement for the banquet.

2 Drafts.

B.B. Maddock 8/12.

D Mr Côté (Canada House) & Mr Scott of 4th Jan

A.R.M. 13/1.

39318

112

OFFICE OF THE
HIGH COMMISSIONER FOR CANADA,
CANADA HOUSE,
LONDON, S.W.1.

Confidential

AR.23/15

17th November 1950.

FJ 1503/22

Dear Shattock,

The Canadian Government has received a request from the Japanese Government for information as to the disposition of Japanese assets in Canada. The text of the Japanese note is attached.

As it seems likely that similar requests were sent to other governments, I have been asked to enquire of the Foreign Office whether you have received similar requests and what action is likely to be taken in this regard. Any information you have on this subject would be helpful for the preparation of the Canadian reply.

You will be interested in knowing, of course, what action the Canadian Government has taken with regard to property in connection with persons of Japanese nationality or origin in Canada as a result of the war. I am accordingly attaching as an annex a summary of the action taken by the Canadian authorities in this respect. I would be pleased to discuss this subject with you after you have had an opportunity of examining these papers and if you think some useful purpose would be served.

Yours sincerely,

(E.A. Côté)

J.S.H. Shattock, Esq., O.B.E.,
Far Eastern Department,
Foreign Office,
S.W.1.

16

general fund ... direction or legislative enactment. The Canadian Government has been asked to direct the Custodian to initiate general liquidation of Japanese assets held by him, although the Government has not as yet rendered a decision in this matter. It is relevant to note that the United States has made provision for the liquidation of their Japanese assets and for the application of the proceeds to the payment of war claims.

18

COPY

Note From Japanese Government

Dated August 2, 1950

It is the desire of the Japanese Government, a desire also shared by the Diet, to obtain as much authentic information as possible, concerning the general measures taken during or after the war with regard to both the property belonging to those Japanese who have resided and are still residing abroad since before the war and the property belonging to non-resident Japanese, including repatriates, in each of the countries or territories concerned, as well as concerning their present condition. Similar information is requested concerning official properties abroad.

17

assets vested in the [illegible]
general fund to be disposed of in accordance with Government direction or legislative enactment. The Canadian Government has been asked to direct the Custodian to initiate general liquidation of Japanese assets held by him, although the Government has not as yet rendered a decision in this matter. It is relevant to note that the United States has made provision for the liquidation of their Japanese assets and for the application of the proceeds to the payment of war claims.

18

A N N E X

1. (a) Property of Japanese Evacuees. All persons of Japanese nationality or origin were evacuated from the Protected Areas of British Columbia during the war. All properties in these areas belonging to any person of Japanese nationality or origin which the owner was unable to take with him were vested in the Custodian of Enemy Property and subject to his control and management. The power and responsibility of the Custodian were deemed to include the power to liquidate, sell or otherwise dispose of such property. The real and personal property of approximately 3,575 persons was disposed of and proceeds from the sales were made available to them. As a result of claims made by persons of Japanese nationality or origin that they had suffered pecuniary loss as a result of this disposition, the Government appointed a Royal Commission which after investigation recommended that awards be made to the claimants. The Government concurred in the recommendations and the money has been made available to meet the claims. Action was taken in this category under the following Orders-in-Council: P.C. 1665 of March 4, 1942, amended by P.C. 2483 of March 27, 1942; P.C. 288 of January 13, 1942; and P.C. 469 of January 19,1943.

(b) Persons Repatriated to Japan. P.C. 7355 of December 15, 1945, authorized the Department of Labour to make the necessary arrangements for repatriation of persons of Japanese nationality or origin who requested repatriation. The Order-in-Council provided for the deposit of the assets of these individuals with the Custodian, for the purchase of suitable foreign exchange and the transfer of such exchange to the owners,whenever reasonably possible. The money was paid to the Canadian Treasury for transfer to the United States Government, which in turn provided for the remittance of the yen equivalent in Japan.

(c) Property of Japanese Nationals Resident in Japan. The Custodian was given wide powers under the Trading with the Enemy (Transitional Powers) Act to deal with properties of enemy nationals vested in him. He was empowered to liquidate, sell or otherwise dispose of such enemy property.

(d) Japanese Consular Property. The Canadian Government took over from the Government of Switzerland, the Protecting Power, all Japanese Government property which had been in the custody of the Government of Switzerland. The Custodian, after careful study of the situation, decided upon a policy of liquidation of these assets, including the property of individuals associated with the Consulates. Separate accounts were opened in the Custodian's office in order that accurate records might be available, showing receipts and disbursements for individual lots.

2. All funds realized under (c) and (d) are deemed to be enemy assets vested in the Custodian and will form part of the general fund to be disposed of in accordance with Government direction or legislative enactment. The Canadian Government has been asked to direct the Custodian to initiate general liquidation of Japanese assets held by him, although the Government has not as yet rendered a decision in this matter. It is relevant to note that the United States has made provision for the liquidation of their Japanese assets and for the application of the proceeds to the payment of war claims.

18

3. It should be noted that certain of the properties dealt with under (a) and (b) above belong to persons who might have possessed either Canadian nationality or Japanese nationality or both Canadian and Japanese nationalities. It is still a matter for decision, therefore, as to how much of this information will be given to the Japanese Government.