

## LESSON 3 SOURCE 3.8 MEMO: MCPHERSON TO COLEMAN

December 12, 1942  
Dr. E. H. Coleman, K.C.,  
Under Secretary of State,  
West block, Ottawa, Ontario

Re: Japanese agricultural lands

Dear Doctor:

I have your letter of December 7th, with enclosures, and regret the delay in replying but the points raised are so important that they required considerable thought and discussion with the people handling the practical problem, including a meeting between myself and Mr. Barnett, the local representative of the Soldier Settlement of Canada, which lasted from 12 o'clock noon today until 4 o'clock.

After very careful consideration of all the facts available I would recommend:

1. That the future policy of the Custodian as to the disposition of all vested real estate is determined as soon as possible.
2. That such a policy be a policy of liquidation.
3. That no attempt be made to segregate the general problems of administering Japanese farmers' affairs from other Japanese affairs and that, except as outlined below, no change in administration be made.
4. That the authority, duties and responsibilities of the Soldier Settlement of Canada be increased as set out below insofar as the administration of agricultural lands is concerned.
5. That either the definition of agricultural land be amended so as not to include densely settled areas, such as Steveston, or the Director give the Custodian a blanket approval with respect to all transactions in such areas.

The reasons why I made these recommendations are as follows:

1. It is obvious, both in the city and country, that Japanese property is going to deteriorate rapidly and will not, in some cases, be sufficiently revenue bearing to pay fixed and operating charges.
2. The policy should be one of liquidation and this policy should

eventually include all chattels that are not required in the Japanese evacuees' new home. I realize the danger of such a policy insofar as it may cause dissatisfaction among the evacuees but the deterioration of real property and the loss of chattels will soon liquidate the capital investment. At the present time evacuees are encouraged to release encumbered property where they have no real equity and to approve reasonable sales.

3. It is apparent to persons administering the practical problem that any attempt to transfer in toto the work of looking after Japanese farmers' affairs to the Soldier Settlement of Canada would be an unnecessary duplication of work and increased interdepartmental correspondence and negotiations. The evacuation is stated to be complete and preliminary negotiations have already taken place as to the movement of the necessary chattels from farms, homes and storage places to the evacuees.

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When Considering, as is suggested in your letter, but not directly in the Hon. Mr. Crerar's letter, the complete transfer of all the work relating to farms, should be considered and in addition the objectives of the two departments namely —

1. The Custodian's objective, as I interpret it, is to minimize the economic loss to the Japanese evacuate and the economic picture generally.
2. The Soldier Settlement of Canada's objective, because of the very purpose of their organization, is to obtain the best of the lands and they are not primarily interested in the Japanese. With the Custodian as owner there is no reason why they could not purchase the land if a liquidation policy were decided upon. Criticism from the Japanese and their legal representatives (who are quite voluble even now) would be voiced because of a trustee purchasing trust assets as it were if the Soldier Settlement of Canada takes over completely.

For the above and other practical reasons, I would recommend consideration of the following plan:—

- (5) The Custodian appoint the Director of his Deputy under Regulation 6 (2) of the Consolidated Regulations Respecting

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Trading with the Enemy (1939) and Mr. Barnett have the necessary authority to act for him; the appointment to give the Director full power to manage and operate the farm lands. I suggest that an amended Order in Council is not necessary and would only confuse the tenants and the Japanese. The Japanese might interpret it as meaning the Soldier Settlement of Canada were taking over and their interest would not be protected. I believe problem can be handled under the Regulations, the Director being in effect official agent of the Custodian.

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A copy of this letter is being handed direct to Mr. Barnett in order that he may be fully informed of my views and to avoid any misunderstanding here as between our two organizations which are now cooperating 100%. An extra copy is enclosed for your convenience.

Yours very sincerely,  
G.W. McPherson