

SMS/BCF

PLEASE QUOTE: _____

By direction of the Secretary of State for External Affairs
the attached despatch No 129 of Dec. 26 1942
to The Consul General of Spain in Charge of Japanese
Interests
is referred to the Minister of Custodian of Enemy Property

FOR RECORD

Referred also to:

Custodian
Labour

Ottawa Dec. 26/42 1942

Under-Secretary of State for External Affairs

property which they had left behind them. I have now the
honour to transmit to you information gained from the Depart-
ments of Government concerned.

It is difficult, if not entirely impossible, to issue a
general statement which will serve to enlighten all Japanese
as to the arrangements made for the protection and administra-
tion of the property left in the protected area by each indivi-
dual Japanese as there are almost as many different types of
treatment as there are types of property and almost as many
different types of property as there are individual Japanese.

Every person of the Japanese race who has property vested
in the Custodian is always at liberty to communicate directly
with the Custodian's office and many of them have done so,
asking for statements covering their own affairs. All such
requests for information from individuals of the Japanese race
evacuated from the protected area have in the past, now are
and in the future will be given very sympathetic consideration.

I have the honour to be,

Sir,

Your obedient servant.

H H Wrong

for
Secretary of State for External Affairs.
The Consul General of Spain in
Charge of Japanese Interests,
Sun Life Building,
Montreal, P.Q.

OFFICE OF THE
CUSTODIAN
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DEC 29 1942

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OTTAWA, December 26, 1942.

No. J129

FOR RECORD

Sir,

During a recent visit to this department you expressed the view that some Japanese nationals in Canada who had left their homes in the coastal region were anxious respecting the property which they had left behind them. I have now the honour to transmit to you information gained from the Departments of Government concerned.

It is difficult, if not entirely impossible, to issue a general statement which will serve to enlighten all Japanese as to the arrangements made for the protection and administration of the property left in the protected area by each individual Japanese as there are almost as many different types of treatment as there are types of property and almost as many different types of property as there are individual Japanese.

Every person of the Japanese race who has property vested in the Custodian is always at liberty to communicate directly with the Custodian's office and many of them have done so, asking for statements covering their own affairs. All such requests for information from individuals of the Japanese race evacuated from the protected area have in the past, now are and in the future will be given very sympathetic consideration.

I have the honour to be,

Sir,

Your obedient servant.

H H Wong

for Secretary of State for External Affairs.

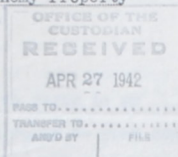
The Consul General of Spain in
Charge of Japanese Interests,
Sun Life Building,
Montreal, P.Q.

PLEASE QUOTE: _____

By direction of the Secretary of State for External Affairs
the attached despatch No. 24 of April 23rd 1942
to The Consul General of Spain, in charge of German
interests
is referred to the ~~Minister of~~ Custodian of Enemy Property

FOR RECORD

Referred also to:



Ottawa April 25th 1942

Under-Secretary of State for External Affairs

Tosh Takacha of Port Alberni, B. C.

The Office of the Custodian of
Enemy Property have now informed me that the
contents of Miss Takacha's letter have been
transmitted to their Vancouver Office and that
all steps necessary will be taken to protect
the property involved. Their Vancouver
representative has also been requested to con-
sult with the appropriate authorities in
British Columbia with regard to the question
of evacuation mentioned by Miss Takacha.

I have the honour to be,

Sir,

Your obedient servant,

Alfred Rive

Under-Secretary of State
for External Affairs.

The Consul General of Spain,
in Charge of Japanese Interests,
1133 Metcalfe Street,
Ottawa, O.C.

No. J. 2

317.

The Office of the Custodian of Enemy Property have now informed me that the contents of Miss Takahara's letter have been transmitted to their Vancouver Office and that all steps necessary will be taken to protect the property involved. Their Vancouver representative has also been requested to communicate with the appropriate authorities in British Columbia with regard to the question of evacuation mentioned by Miss Takahara.

I have the honour to be,
Sir,
Your obedient servant,
Alfred Rive

The Secretary For Under Secretary of State
The Director for for External Affairs,
The General Consul of Spain,
in Charge of Japanese Interests,
1180 Wisconsin Street,
-outgoing, -,-,-
Minister of State and Ambassador,
Tokyo.

MINISTER OF PENSIONS AND NATIONAL HEALTH

My dear Colleague:

The berry industry is an important part of British Columbia's agricultural life. During the war, in particular, large quantities of jam and processed berries have been required for Great Britain.

The British Columbia Security Commission has no authority to deal with the properties, excepting such items as motor vehicles and radios which are ordered confiscated. The Custodian of Enemy Alien Property has no authority to touch these properties unless and until they have been actually abandoned. In practice, the Japanese are endeavouring to lease and sell, often at sacrifice prices. The canneries and market agencies are greatly concerned, lest there be little or no crop on the Japanese farms this year, which will seriously disturb the whole economy of the Fraser Valley.

Unfortunately there is no prospect of the Veterans' Land Act becoming law in time for the Director to be appointed thereunder to deal with these properties. It seems unfortunate, however, that the opportunity should be missed.

I should appreciate your considering the advisability of an Order in Council under the War Measures Act, authorizing the administrator of the Soldier Settlement Act, or some other appropriate official, to step in at once and buy any of these Japanese farms that commend themselves as suitable for soldier settlers. They can be administered meantime exactly as the Director under the Veterans' Land Act would administer them and can be turned over to him when he is appointed. The submission to Council can follow the language of the Veterans' Land Bill with respect to the powers which it would be necessary to confer upon the official selected for this purpose.

The Custodian's representative in Vancouver is already in touch with a committee of white farmers and cannery men who know the properties intimately and who have already brought in a number of white farmers to take over some of the properties. They are of the opinion that they could obtain a suitable number of tenants to maintain these properties, pending their disposal to soldier settlers.

The vital consideration in this proposal is that we act immediately; otherwise the properties will have been disposed of in various unsatisfactory ways and the opportunity to develop sound soldier settlement in that area will be lost.

I should be glad to be associated with you in a joint submission to council, and I may say that we have in the Department, in connection with our A.R.F. organization, Mr. H.G. Eskins, who is one of the two or three best informed men in British Columbia with respect to the berry industry.

Yours sincerely,

"IAN A. MACKENZIE"

*Mr. H. Marchison
Director, Soldier Settlement
of Canada.*

Victoria Building, 7 O'Connor
Ottawa, April 2nd, 1942.

AM/M

Dear Mr. McPherson,

Re: Japanese Evacuees' Radios

I am in receipt of your letter of March
26th regarding files taken to Vancouver by Mr. Read.

I am passing this information on to Mr.
Coghlan and will have these files cancelled on his
records as suggested by you.

Yours sincerely,

(A. H. Mathieu)
Assistant Deputy Custodian.

G. W. McPherson, Esq.,
501 Royal Bank Bldg.,
Vancouver, B.C.

Victoria Bldg., 7 O'Connor St.,
Ottawa, April 2nd, 1942.

Administration.

ARM/M

Dear Mr. McPherson,-

I enclose herewith copies of correspondence received today through the Department of External Affairs as well as a copy of my reply to them. I have no doubt that you have taken charge of this matter and that you will take whatever steps are necessary relative to the property of the internee as well as the question of evacuating the family.

Yours very truly,

(A. H. Mathieu)
Assistant Deputy Custodian.

G. W. McPherson, Esq.,
501 Royal Bank Building,
Vancouver, B.C.

Department of External Affairs
Victoria Building, 7 O'Connor St.

Ottawa, April 2nd, 1942.

Administration
AEM/M

Dear Sir,

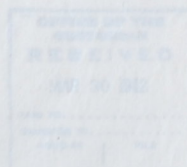
I am in receipt of your letter of March 27th enclosing a copy of a letter from Miss Tosh Takaoka addressed to the Vice Consul of Spain relative to the disposition of her property at Port Alberni, B.C.

This matter would be under the control of our Vancouver office, to whom I am submitting this correspondence immediately. I have no doubt that all steps necessary will be taken by our Vancouver office to protect the property involved, and as for the question of evacuation raised in this letter, this as you know is under the control of the B.C. Security Commission and our representative in Vancouver will communicate with them in this respect.

Yours sincerely,

(A. H. Mathieu)
Assistant Deputy Custodian.

Alfred Rive, Esq.,
First Secretary,
Department of External Affairs,
Ottawa.



Department of External Affairs

OTTAWA, March 27, 1942.

Dear Sir,

I am enclosing copy of a letter of March 5th from Miss Tosh Takaoka addressed to the Vice Consul of Spain as representative of the Protecting Power for Japanese interests. This letter relates to the disposition of her property at Port Alberni.

The Consul General of Spain has brought this letter to our attention and enquired what action may be taken for the protection of Miss Takaoka's interest. I should be grateful if you would indicate what reply should be sent to him.

Yours sincerely,

H. A. Robertson

H. A. Robertson
Under Secretary of State
for External Affairs.

The Asst. Deputy Custodian
of Enemy Property,
Ottawa.

OFFICE OF THE CUSTODIAN	
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C o p y

PLATE GENERAL OF SPAIN
1133 Metcalfe Street
Montreal

P.O. Box 455
Port Alberni, B.C.
March 5/42.

Dear Sir:

I was informed today that all People of Japanese origin must move out of Port Alberni. The it occurred to me that what will happen to all the other stuffs besides household mainly the machines in the shoe shop? The other day a man (a custodian) came to check up and we forgot to give him one information concerning the fact that there are another bunch of things including leather heels etc. and tools. As you know my Dad has been interned for the duration. Could you tell me how to get in touch with the custodian? The other fact that worries me is that we have no money left for us to travel to Vancouver when we are transferred. Could you somehow arrange to give us some money? I believe there is still more money left in Bank. Since we are being sent away very soon would you please give us this information right away to

Tosh Takaoka

Box 455

Port Alberni,
B. C.

Thank you

Tosh Takaoka

DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

501 Royal Bank Bldg.,
Vancouver, B. C.,
March 28, 1942.

A. E. Mathieu, Esq.,
7 O'Connor Street,
Ottawa, Ontario.

Dear Sir:

Re: Japanese Evacuees' Radios

On my request Mr. Reed brought the files which were reported in Ottawa dealing with these radios. The police in Ottawa reason or other that I have not been able to ascertain. The radios are all stored here and we have to take care of them, so we require the files containing the particulars.

I would suggest that you have Mr. Coughlin cancel the file numbers and we will put them into our filing system since they are not enemy property files.

The numbers of the files which Mr. Reed brought are as follows:

- Number 18295 to Number 18311 inclusive
- Number 18363 to Number 18366 inclusive
- Number 18462 to Number 18471 inclusive

Yours truly,

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

GWM:YC.

*for execution
for file*

Ottawa, March 31, 1942.

My dear Colleague,-

With further reference to your letter of the 25th concerning Mr. Salter's firm in Vancouver.

The Deputy Custodian convened a meeting of the Licensed Trustees in Bankruptcy when he was in Vancouver on the 10th March. Mr. Salter's firm was represented by Mr. Salter's brother, but Mr. Shaw is quite in error in stating that the brother indicated that their firm was not prepared to deal with any business which might be confided to it. On the contrary, all the Trustees present agreed to co-operate in connection with the work now under way.

Yours sincerely,

N. A. McLARTY

Secretary of State.

The Honourable Ian Mackenzie, K.C.,
Minister of Pensions and National Health,
Ottawa.

For attention of Dr. Coleman:

Ottawa, March 26th, 1942.

My dear Colleague:

I have your letter of the 25th instant enclosing copy of letter from Mr. Alfred Shaw relative to legal work in connection with the Custodian of Enemy Property in Vancouver.

I will call this to the attention of the Deputy Custodian and see what can be done in connection with the matter.

have been approached by the Custodian of enemy properties.

Yours sincerely,

Any consideration that may be given to this firm will be sincerely appreciated.

N. A. McLARTY

Yours very truly,

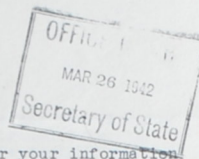
Hon. Ian A. Mackenzie,
Minister of Pensions and
National Health,
Ottawa.

The Honourable Norman McLarty,
Secretary of State,
Ottawa, Ontario.



MINISTER OF PENSIONS AND NATIONAL HEALTH

Ottawa, March 25th, 1942.



My dear Colleague,

I am enclosing for your information
copy of letter which I have received from an old
friend in Vancouver.

The firm to which he refers is
Shaw and Salter, Chartered Accountants, 850 West
Hastings Street, Vancouver, B.C., and I presume they
have been approached by the Custodian of Enemy
properties.

Any consideration that may be given
to this firm will be sincerely appreciated.

Yours very truly,

The Honourable Norman McLarty,
Secretary of State,
Ottawa, Ontario.

CLAREMONT INN

Claremont California

March 19, 1942.

C O P Y

Honourable Ian Mackenzie,
Minister of Pensions,
Ottawa, Canada.

My dear Ian:

It is a long time since I have had the pleasure of seeing you so you will probably be surprised after so long receiving this letter. Its purport is to tell you that my partner Leonard Salter has been under the weather for some weeks and unable to attend to office business happily he is now rapidly recovering and will doubtless be in the office after the end of this month. While he was absent some business was offered by the Government it was to attend to the administration of Japanese assets in B.C. Unfortunately Salter's brother who is looking after the office bungled the matter and gave the impression that the administration would not be undertaken.

I am writing you to ask you to be good enough if possible to rectify this impression in Ottawa as we would certainly like to have the administration. If we got it I would go to Vancouver to assist Salter in the Administration. I hope I am not asking too much, but am relying on old club friendship to evoke your kindly consideration.

Very faithfully,

(Sgd) Alfred Shaw.

P.S. I am staying here for a few days with Salter who is recuperating and will be returning to Vancouver very shortly.

Victoria Building, 7 O'Connor St.

Ottawa, March 25th, 1942.

ARM/M

Dear Mr. McPherson,

Re: Japanese Matters

I am in receipt of your letter of March 20th and am glad to state that Gardner arrived yesterday morning safe and sound, ready to take over his share of the heavy load that we have been under for some time.

I also note that you have an accountant to handle the books.

As for the question of returning the files, if you will turn to my letter of March 17th you will note that I have reference only to those cases which you are finished with. I think that there are quite a number of cases such as bank matters where you evidently gave them an opinion and then advised them to refer the matter to Ottawa, and when they do so they do not state the opinion given but merely ask for confirmation, and not having a copy of your decision it makes it rather difficult for me to decide the issue, not knowing but that I may be giving a contrary opinion from what you have already given them.

I did not intend you to copy the previous letters nor those letters affecting the Japanese evacuation scheme. I am particularly concerned only with those cases which strictly belong to the Custodian's office and which you are finished with, such as debts, customs or other commercial transactions, and bank matters as well as depot accounts.

I have also seen your letter to Mr. Biron regarding insurance questions, and while I have not yet had a chance to go into this with him I think it is only right that these should be transferred to you, unless it is a question of insurance policies on the lives of Japanese now residents of Japan. As you know, the companies report here direct on such cases and we have already received the "D" forms which sometimes require correspondence from time to time. I will

look into the cases that Mr. Biron has written to you about and if they cover internees or residents of Canada then the whole file will be transferred to you.

Beckett and I were quite interested in the latter part of your letter and I wish to thank you for your kind invitation. As a matter of fact I told Dr. Coleman this afternoon that I was going to resign as I had an offer of a job. He laughed when I showed him your letter, but I think you are worrying about your strawberry farms needlessly. We here are of the opinion that owing to the scarcity of labour you and your boys should get up before sunrise and pick the berries for your health.

As for the many chickens you are looking after, I find that you failed to qualify what kind of chickens you meant, perhaps if you spent less time with a certain class of chickens your troubles would be lessened.

From what Gardner tells me you are having quite a hectic time, but the main thing is not to get excited and these matters will work themselves out in due course. I saw a picture of the Vancouver Gestapo going along Granville Street and I must say that you have a very worried look on your face and I am wondering if you were thinking of your chickens.

With best regards.

Yours sincerely,

(A. H. Mathieu)
Assistant Deputy Custodian.

G. W. McPherson, Esq.,
501 Royal Bank Bldg.,
Vancouver, B.C.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ALL
LETTERS
TO
THE
CUSTODIAN
OF
THE
OFFICE
OF
THE
SECRETARY
OF
STATE
Ottawa,
Ontario

I am greatly pleased that Mr. 501 Royal Bank Bldg.,
Vancouver, B. C.,
March 20, 1942.

As I am supervising both organizations the hectic days round
A. E. Mathies, Esq.,
Assistant Deputy Custodian,
7 O'Connor Street,
Ottawa, Ontario.

Dear Sir:

Re: Japanese Matters

I have your letter of March 17th. I have retained an
accountant to handle the books and it is my intention to receive funds
as previously, transferring as required to a Japanese Evacuation Account
to cover the expenses under Mr. Drewry. The accounting system is being
set up under the guidance of Mr. Gates and my counter-signature will be
required on all cheques in both accounts.

As far as returning files is concerned it would appear that
straight commercial debts, which have nothing to do with Japanese companies
operating here, can be returned to Ottawa but for the present it appears
advisable to hold all other files relating to Japanese affairs in this office
and I trust this meets with your approval. It is impossible to say when a
file is closed except in the case of enemy debts. Files which I thought were
closed are being revived every day, particularly now that all the Japanese
are being moved out.

Under the pressure of work existing here at the present time it
is impossible to forward copies of all files, correspondence, etc., to your
office and since Japanese matters are being handled here it would appear that
the additional staff required would not be justified since the questions
would have to be settled on the spot. I am sorry that I have not the time nor
the staff available to carry out your suggestion but I can assure you that I
will forward any files or letters to you which can be handled from Ottawa since
I am anxious to be rid of same. If you could see the straight enemy work here
you would realize that it is impossible to copy everything we have on file and
send it to Ottawa and the duplication would appear unnecessary since many of
of the files will be closed and the whole system transferred to Ottawa in due
course.

Since I am supervising both organizations the hectic days remind me of September 1939 and following. The only trouble is that the days are not long enough to get the work done and qualified staff is not available. The evacuation scheme is one of the biggest things that has ever been undertaken in this country. The men in charge, Mr. Austin Taylor, is a second Donald Gordon who will see the job done. The practical difficulties are tremendous and the work of the Custodian's organization will not likely ever be appreciated by the Japanese. I hope that some time in the future you will be able to come out here and see just what the problem involves. In fact, if you would like to come out within the next ten days I could get you a job picking strawberries on some one of five hundred farms. On the other hand if you are in the market for some eggs I am looking after two hundred thousand chickens and expect to have two million eggs this summer.

A good example of the rapid expansion of the Custodian's organization for recording the property of the Japanese before they move was the case on Wednesday when I was in the swimming pool where there will be ten thousand Japanese and I met a man who asked me what I was doing and I told him I worked for the Custodian. He then informed me that he did also but he little knew that I had hired him earlier in the day.

As far as I am concerned, running circuses and burying the dead was a picnic compared to this.

Yours truly, *G. W. McPherson* *G. W. McPherson* of
the logical correspondence *indicated* on with your office,
and to *some* enter you *give* a decision, but we have no record
of same here.

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

There are also of State and/or Custodian, and
 matters which might now be transferred, and as a
 part of that might be brought back by Gardner when he
 returns.

Victoria Building, 7 O'Connor St.,
Ottawa, March 17th, 1942.

AEM/M

Dear Mr. McPherson,

On Dr. Coleman's return yesterday he asked me to arrange for the transfer of \$5,000 to your Bank account for the new set-up that you are presently organizing in Vancouver to take care of the Japanese evacuation.

We are setting up a new account called "Japanese Evacuation Account" and I would suggest that you arrange to keep the expenses of this account separate from those of the Custodian's office for Japanese enemy property.

As I understand it a special vote of the Government will be given in due course to cover this work, and the amount advanced by the Custodian's office in the meantime should be refunded as soon as the vote has been arranged for.

There is another point I had intended to discuss with you during your visit here, that is the question of returning to the office the files for those cases which you are finished with, and especially those we are now dealing with from this office. I find quite a number of cases of correspondence coming direct to this office which show that the original correspondence was carried on with your office, and in some cases you gave a decision, but we have no record of same here.

There are also the enemy debts files and Customs matters which might now be transferred, and as a matter of fact might be brought back by Gardner when he returns.

If you find that you cannot let the files go at present could you not arrange to have copies of all your correspondence relating to Custodian's work sent here, so that we will have something on record when letters or enquiries are received here.

I appreciate that you are very busy, in fact

Dr. Coleman gave me a pretty good idea of what you were up against, but you will also realize that we are far apart and it would save time if we had some record of what is being done in Vancouver in so far as the Custodian's work is concerned.

I am not so much concerned with the Japanese evacuation scheme as this in my opinion should be kept strictly apart and remain in Vancouver until completed, but I think that we should have a copy of all your correspondence on the regular work of this office.

Mr. Read is arranging to leave on Thursday night as it was impossible for him to get reservation before that day. I presume that Mr. Gardner will leave as soon as Mr. Read arrives, if not before, in order to relieve the extra load at this end.

Yours sincerely,

(A. H. Mathieu)
Assistant Deputy Custodian.

G. W. McPherson, Esq.,
1404 Royal Bank Bldg.,
Vancouver, B.C.

British Columbia Security
Commission will handle all
questions of Japanese evacuation
in B.C.

17/5/42
AEM/M

STATE :

this morning from Vancouver where
at week making arrangements for
duties imposed on the Custodian
property under P.C. 1865, approved

Vancouver I saw Austin C. Taylor,
Esq., Chairman of the British Columbia Security Commission,
explaining to Mr. Taylor that we desired to co-operate
with the Commission in the performance of the very heavy
responsibilities imposed on the Commission in relation to
the evacuation of Japanese from the Coast area.

Very satisfactory arrangements were made for
liaison between the Commission and our officers.

I convened a meeting of the Licensed Trustees
in Bankruptcy resident in Vancouver, Victoria and New
Westminster and had a very satisfactory discussion with
them. I pointed out that it would be difficult and, in
my judgment, wasteful for the Custodian to set up an
elaborate organization to deal with the Japanese property
turned over to him under P.C. 1865, when these trustees,
comprising some ten private individuals and six or seven
Trust Companies, had already staffs and officers equipped
to deal with questions relating to property both real and
personal. At my suggestion the meeting appointed a Com-
mittee of five, two representing the individual Trustees,
two representing the Trust Companies, and the fifth

representing ---

MEMORANDUM

FOR THE SECRETARY OF STATE :

I returned this morning from Vancouver where I spent three days last week making arrangements for the performance of the duties imposed on the Custodian in relation to Japanese property under P.C. 1665, approved 4th March 1943.

On arrival in Vancouver I saw Austin C. Taylor, Esq., Chairman of the British Columbia Security Commission, explaining to Mr. Taylor that we desired to co-operate with the Commission in the performance of the very heavy responsibilities imposed on the Commission in relation to the evacuation of Japanese from the Coast area.

Very satisfactory arrangements were made for liaison between the Commission and our officers.

I convened a meeting of the Licensed Trustees in Bankruptcy resident in Vancouver, Victoria and New Westminster and had a very satisfactory discussion with them. I pointed out that it would be difficult and, in my judgment, wasteful for the Custodian to set up an elaborate organization to deal with the Japanese property turned over to him under P.C. 1665, when these trustees, comprising some ten private individuals and six or seven Trust Companies, had already staffs and officers equipped to deal with questions relating to property both real and personal. At my suggestion the meeting appointed a Committee of five, two representing the individual Trustees, two representing the Trust Companies, and the fifth

representing ---

- 3 -

representing the Canadian Credit Men's Trust Association, to advise and assist in considering plans for the honest and effective administration of property confided to the Custodian by Japanese required to leave the protected area. As you will recognize, we must have an entirely separate accounting and administration system, since the property of these persons cannot be mingled with enemy property.

I met with this Committee again in the afternoon and on the following day I met with the representatives of the leading wholesalers in Vancouver.

The Japanese themselves, so far as we could ascertain, have been pleased that some Government agency has been set up to look after their property. During the past few weeks, not knowing what disposition would be made of their effects, they have been the victims of speculators and instances were told where 1941 motor cars in excellent condition had been sold by the Japanese owners for trifling amounts, far below the value of the cars. In connection with Japanese stores, however, there is another problem, that is, that many of the traders and merchants have been conducting "sacrifice" sales, depleting their stocks and converting every conceivable asset into cash.

While I quite appreciate the desire of the Government to allow the Japanese to take with them their portable property, including their cash deposits, this, in respect to merchants and traders at least, almost invited many of these to leave the Province without making provision for their trade debts. There is also the circumstance that

these ---

those of them who had properties subject to recurring charges might leave the Province with their cash deposits and not make any provision for the necessary outgoings for the protection of their property. It was, therefore, our view, after looking into the question, and it is the view of the British Columbia Security Commission, that that portion of the Order in Council (P.C. 1665) dealing with the custody of Japanese property should be amended, and I am attaching a copy of the proposed amendment.

If you will examine P.C. 1665, paragraphs 12 (1), (2) and (3), you will see the nature of the amendment. You will notice that we contemplate dropping completely 12(3), which reads as follows :

"The property, rights and interests so vested in and subject to the control and management of the Custodian, or the proceeds thereof, shall be dealt with in such manner as the Governor in Council may direct."

I do not think it was ever contemplated by the Government that they would deprive the Japanese owners of their property or the proceeds thereof but that the intention is that the Custodian will account to the owners for the proceeds realized. The terms of 12(3), it seems to me, are susceptible of the interpretation that something in the nature of confiscation is taking place and I am sure this was not the intention of the Government.

Another reason for the proposed amendment is that, to avoid the possibility of claims against the Government in the future, it is very desirable that a full inventory should be had so that an evacuated Japanese cannot

(1) As a protection - 4 -

return in later years and assert that the Custodian, as representing the Dominion Government did not look after his property in British Columbia. If each Japanese is required to make a full disclosure over his signature, the possibility of disputes in the future will be eliminated.

Another reason for the proposed amendment is that I understand, although my information is based only on newspaper reports, that the Federal Reserve Bank in the United States, which is performing duties similar to those of the Custodian, has been empowered to freeze all Japanese accounts and to take complete control of Japanese property in the evacuated areas.

The matter is one of pressing urgency and I hope, therefore, you may see your way clear to discuss with your colleagues the amendment along the lines indicated.

E. H. COLEMAN
Under Secretary of State.

Ottawa, March 16, 1942.

MEMORANDUM

Re Proposed Amendments

Custody of Japanese Property.

(1) As a protective measure only, all property situated in any protected area of British Columbia belonging to any person of the Japanese race who is or was resident in such area on or subsequent to the seventh day of December, 1941 (excepting fishing vessels subject to Order in Council P.C. 286 of the thirteenth day of January, 1942) is hereby vested in and subject to the control and management of the Custodian as defined in the Consolidated Regulations Respecting Trading with the Enemy (1939); provided, however, that no commission shall be charged by the Custodian in respect of such control and management.

(2) In administering the property so vested the Custodian, upon being satisfied that due provision has been made for any debts or liabilities of such person shall, on request being made therefor in writing by such person, release such personal property (such as deposits of money and securities) as, in the opinion of the Custodian, may not be required in the administration of property remaining in the protected area belonging to such person or in which he may have any interest.

(3) For the purposes of the control and management of such property by the Custodian the Consolidated Regulations Respecting Trading with the Enemy (1939) shall apply mutatis mutandis to the same extent as if such property belonged to any enemy within the meaning of the said Consolidated Regulations.

NEW YORK HERALD TRIBUNE

MARCH 11, 1942.

**Enemy Aliens' Property
To Be Protected by U. S.**

**Federal Reserve Bank Plans
Custodianship on Coast**

SAN FRANCISCO, March 10 (P).—The Federal Reserve Bank will set up a custodianship to protect the property rights of persons forced to leave military zones on the Pacific Coast. Thousands of Japanese-American and American-born—and German and Italian aliens are affected. Details of the custodianship were received today from Secretary of the Treasury Henry Morgenthau Jr. by Congressman John H. Tolan, chairman of the House committee investigating defense migration. Those who have to liquidate their property on short notice will receive

protection from fraud, forced sales and unscrupulous creditors.

Secretary Morgenthau telegraphed Congressman Tolan that "properly staffed offices under the direction of the San Francisco Federal Reserve Bank will be opened at once in the local communities from which evacuees will be moved."

Army authorities, planning to start the forced evacuation of Japanese from west coast military areas probably within ten days, renewed pledges that families would be kept intact, and there would be no sudden, mass removals.

No date was set for the probable start of the evacuation, but in Los Angeles the City Council heard that the forced exodus would begin within ten days.

Congressman John Baumgartner said he had learned the Army would start by removing 15,000 Japanese from coastal areas to a reception center in the Owens River Valley.

Japanese Exclusion