ing chicken feed to chickens as most city dwellers, including myself seem to think. It is a science which requires years of training before one can be successful at it. I have given up hope of saving the berry crop and I intend to concentrate on trying to find unemployed chicken experts who are prepared to lease, buy or manage the many chicken ranches throughout the Valley that will likely be vacated within the next few weeks. I think that Cob will be able to give you a clear picture of the many problems facing the office at the present time but I regret that he was not at the meeting yesterday to hear the many plans that were put up as to how the Custodian could have the crop harvested and the few plans that were put up as to how the Custodian can get the crop to the point where it can be harvested.

I am seeing Mr. O'Meara's committee on Wednesday morning but do not think anything will come of the meeting. The Reeve of Mission is a very helpful and fine old gentleman and stated that if the municipality were given a chance they could do something about the problem. Having been advised by the Security Commission that many families will be moved out of Mission this week, I believe the exact number being 40 in the one municipality, I told him the Custodian would present the municipality with the 40 farms this week but I would like to know what plan they were going to follow to operate them. Being faced with this proposition, he finally admitted he did not know.

The meeting closed and the concensus of opinion seemed to be that there is no practical solution unless the Government at Ottawa adopted the plan stated as being followed by the United States on the Pacific Coast of paying the Japanese farmers a wage to operate their farms up to the time that they leave. What is to be done with the farms after they leave, I do not know but I do not anticipate that Ottawa will pay the Japanese in the Fraser Valley a wage to look after their own farms until they leave. This is the only way you will get the Japanese to work and I admit that in a similar position I would adopt their attitude.

I hope that the above will be of some assistance to you in appreciating the problems being faced in the Valley alone as regards strawberries and chicken farming, not to mention the question of Hops, Rhubarb, lettuce, asparagus, etc, etc.

Yours very sincerely,

GWMcP/FC.

P.S. The above information dealing with chicken ranching deals only with one municipality and I have just been advised that in another municipality named Delta, at the end of March this year Japanese owned 49,490 hens and 21,620 chicks.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

Lease No. ..... File No. .....

This Indenture,

Made in triplicate this day of A.D. 194 .

IN PURSUANCE OF THE "SHORT FORM OF LEASES ACT"

Between:

THE SECRETARY OF STATE FOR CANADA, acting in his capacity as Custodian under and by virtue of Order-in-Council P.C. 1665, and Amendments thereto.

Hereinafter referred to as the LESSOR OF THE FIRST PART.

And:

Hereinafter referred to as the LESSEE OF THE SECOND PART.

Witnesseth, that in consideration of the rents reserved under the covenants and agreements hereinafter contained the Lessor doth demise and lease unto the Lessee , **All and Singular** that certain parcel or tract of land and premises, situate, lying and being in the

District, in the Province of British Columbia, more particularly described as

Together with all buildings thereupon erected, or hereafter during the term hereby granted, to be erected, and also with all ways, paths, passages, waters, water courses, privileges, advantages and appurtenances whatsoever to the said premises belonging or otherwise appertaining, saving and excepting

and reserved to the Lessor, and reserving also to the Lessor and to tenants of the Lessor occupying adjoining lands from time to time, their respective families and servants, and all other persons with the Lessor's or their permission, going to or from the said adjoining lands, free and uninterrupted right at all times hereafter and for all purposes to go, return, pass and repass with or without horses, cattle, and vehicles from and to any highway by crossing through and over the demised premises; **and Doth Further Let on Hire** the following chattels, namely:—

from the day of A.D. 19 , (or from the date hereof) for the term of years thence ensuing and fully to be determined on the day of .

Yielding during the said term therefor the clear (annual) rent of $ Dollars, of lawful money of Canada, payable to the Lessor at the Office of the Custodian, Vancouver, British Columbia, on the following days and times, that is to say:—

the first payment to be made on the day of , A.D. 194 .

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

2. **That** the said Lessee covenants with the said Lessor to pay rent; and to pay rates and charges for water, electric light, gas and telephone. AND TO repair; and to keep all ditches and drains clean, open and free from obstruction and in good working order; and to keep up fences; and not to cut down timber; and to insure against fire in the joint names of the said Lessor and the said Lessee, show receipts and to rebuild in case of fire; AND that the said Lessor may enter and view state of repair, and that the said Lessee will repair according to notice, and that the said right of entry and to view the state of repair shall extend to every person to whom may be delegated any power or duty conferred or imposed on the Custodian and to every person authorized by the Director of Soldier Settlement of Canada to act as an Inspector. AND will not assign without leave; and will not sublet without leave; and that he will leave premises in good repair excepting only reasonable wear and tear and damage by tempest; AND that he will not carry on any business on the premises that shall be deemed a nuisance.

The foregoing words of this clause found in Column One (1) of the Short Form of Leases Act shall be constructed according to the extended form in Schedule Two (2) of that Act.

3. **The Lessee Further Covenants and Agrees with the Lessor:—**

(a) To manage, cultivate and manure the portions of the premises now or hereafter brought under cultivation in a good and husbandmanlike manner and in accordance with the most approved method of husbandry used in the district, and to use the said cultivated lands for the purpose of producing the type of crops heretofore produced thereon, and to keep all arable lands clean and free from weeds, and to protect, preserve, prune and manage all orchard, fruit, shade and ornamental trees on the premises.

(b) To spread on the land in a husbandmanlike manner all manure produced on the said premises and not to remove from the lands any manure on the expiration of the term.

(c) During the continuance of the term at his own expense to keep the said chattels in good and substantial repair and condition and to keep the owner indemnified against all loss of, from and against the said chattels from whatever cause it may arise, save only reasonable wear and tear.

(d) Upon the expiration of the term either by effluxion of time or by the Lessor under the right reserved to that effect to deliver to the Lessor peaceably and at the Lessee's risk and expense the said chattels at the said premises.

(e) To keep the hired chattels insured in the name of the Lessor throughout the term against loss or damage by fire to the full insurable value thereof with some reputable insurance company.

(f) To observe fully and at all times the right of way reserved to the Lessor and to tenants of the Lessor occupying the adjoining lands for the time being, their respective families and servants, and all other persons with the Lessor's or their permission going to or from the said adjoining lands.

(g) To put all plumbing works, sanitary arrangements and drains in condition to comply with the requirements of the Municipal Health Officer and of the Board of Health of the Municipality and to comply forthwith with all notices and requests of the Municipal Health Officer or of the Board of Health of the Municipality.

4. **Provided Always** and it is expressly agreed that if the rent hereby reserved, or any part thereof, shall be unpaid for fifteen (15) days after any of the dates after which the same ought to have been paid although no formal demand shall have been made thereof, or in case of the breach or non-performance of any of the covenants and agreements herein contained on the part of the said Lessee, his heirs, executors, administrators and assigns, or if the term hereby granted shall be at any time seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any act that may be in force for bankrupt or insolvent debtors, or in the event of the Lessee failing to keep possession of any of the said chattels, then in any of such events the then current year's rent shall immediately become due and payable, and it shall also be lawful for the said Lessor, his successors in office or assigns, at any time thereafter, into and upon the said demised premises, or any part thereof, in the name of the whole to re-enter, and the same to have again, repossess and enjoy as of his or their former estate, anything herein contained to the contrary notwithstanding.

5. **Provided Further** that if at any time during the term the hostilities in which His Majesty is presently engaged shall have ceased the Lessor may terminate this lease by giving the Lessee one (1) month's notice in writing to vacate the premises, and such notice having been given this lease shall terminate at the end of the said month notwithstanding that it may not be at the end of the current year of the tenancy, and such notice shall have been deemed to have been received by the Lessee on the date on which it shall have been deposited in the Post Office at Vancouver, British Columbia, and mailed and addressed to the Lessee at

,

British Columbia; Such notice may also be served upon the Lessee personally or by posting it on any part of the said premises if vacant, or by serving it upon any grown up person on the said premises if occupied and if the Lease shall terminate as herein provided on any day other than the

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year.

(H) Apart from the hired chattels, to warehouse and store upon the demised premises those chattels and effects of the Lessor now upon the demised premises, hereinafter called the stored chattels, by placing the said stored chattels in a place reasonably safe and to use reasonable care for the protection thereof.

(I) From time to time to deliver up to the Lessor the stored chattels or such portions thereof as the Lessor may demand and to re-deliver to the Lessor the hired chattels in the event of the Lessor so demanding by reason of judgment obtained against the Lessee, or breach of any term of this Lease, or by reason of the Lessor considering his right to the hired chattels to be endangered by their continuing in the possession of the Lessee, of which the Lessor shall be the sole judge.

(J) At the request of the Lessor from time to time to deliver to the Lessor an order on any third person to whom the Lessee may have marketed or delivered any of the crop from the demised premises and in such form as the Lessor may request directing such third person to pay to the Lessor from the proceeds of any crop or of any monies payable to the Lessee a sum equivalent to the rental for the current year.

_____

Signature of the Lessor.

_____

Signature of the Lessee.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

last day of the year of the tenancy the rent for the year in which the lease terminates as aforesaid shall be apportioned by charging the Lessee a reasonable rent having regard to the stipulated rent, and the opportunity of the tenant to have obtained or to obtain the crops in that year, reserving to the Lessee the right to re-enter upon the demised premises to cultivate and harvest crops maturing in the year of the tenancy in which the termination occurs unless the incoming occupant shall pay to the Lessee a fair value for the crops maturing at the time of the termination, which value shall be determined by a person appointed by the Lessor or by an authorized Deputy of the Lessor in his capacity of Custodian from those persons to whom may be delegated any power or duty conferred or imposed on the Custodian.

6. The Lessor covenants with the Lessee for quiet enjoyment.

The covenants of the Lessee and the reservations herein contained shall enure to the Lessor, his successors in office and assigns, and shall be binding upon the Lessee, his heirs, executors, administrators and assigns.

In Witness Whereof the Lessor as Custodian has executed these presents by his duly authorized deputy, and in witness whereof the hand and seal of the Lessee, all on the day and year first above written.

Signed by the said Lessor by his authorized deputy, in the presence of:—

Signed by the said Lessee in the presence of:—

Approved by the Director of Soldier Settlement of Canada.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

Dated A.D. 194

THE SECRETARY OF STATE
OF CANADA

— and —

Lease

(YEARLY BASIS)

LOCKE, LANE, GUILD & SHEPPARD
Barristers, etc.,
Vancouver, B. C.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

THIS INDENTURE made this _____ day of _____ A. D. 194__.

BETWEEN:

THE SECRETARY OF STATE OF CANADA, acting in his capacity as Custodian under and by virtue of Order-in-Council P.C. 1665, and Amendments thereto.

Hereinafter referred to as the LESSOR HEREIN OF THE FIRST PART

AND:

Hereinafter referred to as the LESSEE HEREIN OF THE SECOND PART.

WHEREAS this Agreement is intended to be supplemental to a Lease dated the _____ day of _____ A.D. 194__ and made between _____ as the Lessor therein and the Lessee herein (hereinafter called the Lease);

AND WHEREAS the Lessor named in the Lease is a person of the Japanese race and under the provisions of Order-in-Council No. 1665 and Amendments thereto and by the registration or evacuation of the Lessor named in the Lease all his interest in the demised lands and all his interest as Lessor in the Lease have vested in the Lessor herein;

AND WHEREAS the Parties hereto are desirous of altering the Lease in the manner hereinafter appearing;

WITNESSETH that in consideration of the mutual stipulations:-

1. IT IS HEREBY MUTUALLY AGREED that the Lease shall be varied as follows:-

(a) The rental for the residue of the term after the _____ day of _____ 194__ and in substitution for the rental for that residue reserved by the Lease shall be the sum of $_____ payable on the _____ day of _____ 194__ (or on each of the following days:

)

(b) The term under the Lease shall not be for the term of _____ months to be computed from the ___ day of _____ 194_ as provided in the Lease but shall be for the term of _____ (Months or Years) to be computed from the _____ day of _____ 194_ and thence to be fully completed and ended on the _____ day of _____ 194__.

(c) The Lessor herein shall not be deemed to have given any warranty as to the area of the demised lands or of any acreage thereon under cultivation or other acreage howsoever, or of the fitness of the demised lands or any part thereof for any particular purpose.

(d) The Lease as varied hereby shall continue in full force and effect.

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2. THE LESSEE hereby attorns to the Lessor herein and becomes a tenant of the said lands from the Lessor herein according to the terms of the Lease as hereby varied.

IN WITNESS WHEREOF the Lessor herein as Custodian has executed these presents by his duly authorized deputy, and in witness whereof the hand and seal of the Lessee, all on the day and year first above written.

SIGNED by the said Lessor by his authorized deputy, in the presence of:-)

SIGNED by the said Lessee in the presence of:-)

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

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57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No._____

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

8th April, 1943.

G.W. McPherson, Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

The following is a copy of a letter just received from the Secretary of the Canadian Legion:

"We have received a resolution from one of our Vancouver Branches requesting that the B.C. Command of the Canadian Legion request that they be allowed to nominate a representative on the Citizens Advisory Committees which have been appointed, or will be appointed, in connection with the disposal of alien property in this Province, particularly property owned by the Japanese.

I understand that one Committee has been appointed to deal with city properties and another Committee to deal with rural properties, and it is these Committees upon which we request representation.

The matter was discussed at a meeting of the B.C. Executive Council, held in Vancouver on Wednesday March 31st, and I was instructed to write you requesting that we be allowed to nominate our representatives on these two Committees.

Thanking you and hoping to hear from you at your early convenience."

A copy of my reply is enclosed.

You will note that I have not stated that I am referring this matter to you so that I presume you will wait for them to

57899 [pt 2.1] Soldier settlement and veterans' Land Act

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

G.W. McPherson, Esq.

communicate with Ottawa direct should they decide to do so.

Yours very truly,

F.G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

CANADA
DEPARTMENT OF THE SECRETARY OF
AIR MAIL PAR AVION

8th April, 1943.

The Canadian Legion,
of the British Empire Service League,
Suite 810, Dominion Bank Building,
207 West Hastings Street,
Vancouver, B.C.

Dear Sirs:

This will acknowledge receipt of your letter of the 7th instant in which you request that your organization be allowed to nominate representatives on the two Advisory Committees on Japanese property.

These Committees were set up entirely independently of this office and we are therefore not in a position to make any suggestion in regard to its personnel.

This may be a matter which you may wish to refer to Ottawa.

Yours truly,

F. G. Shears,
Acting Director.

FGS/PMH

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VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No._____

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

8th April, 1943.

G.W. McPherson, Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

See J-498

Two or three articles in which we are interested appeared in this week's "New Canadian". I have borrowed a copy of this paper and have had these articles typed and enclose same herein. I have just time to get these away to you on to-day's airmail.

To what extent do you think it possible that the policy of liquidation might be held up if the validity of our power to act is attacked? I would not be surprised if some action is started as soon as any definite sales are made under our new policy.

The City Advisory Committee met for two or three hours yesterday. I was not present as it is the wish of Judge Smith for his Committee to meet by themselves.

Mr. McMaster is preparing the Minutes of the meeting and is writing advising me of the results of this session. As soon as I have this from him I will write and report to you.

Yours very truly,

F G Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.....

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

2nd April, 1943.

ok
file
Gen

G. W. McPherson, Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

I was glad to receive your wire.

I have not written to you knowing that you would keep me advised when there were any actual developments.

I have not spoken to Mr. Barnet but Mr. McKay indicated to me a few days ago that he thought things were not going at Ottawa quite as smoothly as we anticipated. I will advise Judge Whiteside of the contents of your wire.

For the time being Mr. Yamaga has gone back to Hope and we will call him back as soon as the Committee are ready to proceed.

We are not proceeding very fast in connection with the other Committee, due to the fact that Justice Smith has been so busy that he has not been able to fit in another meeting. However, we are going ahead at the office here in preparation and I enclose copy of a letter which I recently addressed to Mr. McMaster for their consideration as soon as he can get the Committee to meet.

Yours very truly,

FGShears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

C.D. 2X

CLASS OF SERVICE	
Full Rate	
Day Letter	X
Night Message	
Night Letter	
Evening and Sunday Messages	

Please mark an X opposite the class of service desired.

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W. D NEIL, General Manager of Communications, Montreal

CHECK

TIME FILED

Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

7 O'Connor Street,
Ottawa, Ontario.
April 2, 1943.

F G SHEARS ESQ
ACTING DIRECTOR
OFFICE OF THE CUSTODIAN
506 ROYAL BANK BUILDING
VANCOUVER B C

MCCLELLAN'S RESIGNATION HAS BEEN ACCEPTED AND MAYOR W MOTT NEW WESTMINSTER APPOINTED IN SUBSTITUTION STOP PLEASE ADVISE CHAIRMAN NEGOTIATIONS PROCEEDING SATISFACTORILY AND BELIEVE DECISION WILL BE FAVORABLE STOP COST OF LIVING BONUS UNDER DISCUSSION HERE PLEASE FORWARD AS SOON AS POSSIBLE CLASSIFICATION OF SALARIES PAID AS COMPARED WITH COMMISSION REGARDS

G W MCPHERSON
Executive Assistant

GWMcP/FC.
File J-49

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

STANDARD TIME INDICATED

W.D.NEIL, GENERAL MANAGER OF COMMUNICATIONS MONTREAL

CP IX

VR. JA .. 9-COLLECT N.M.

NEW WESTMINSTER B.C. MARCH 31ST/43

T. H. COLEMAN, 1384

UNDER SECRETARY OF STATE,

OTTAWA ONT.

APPRECIATE APPOINTMENT TO ADVISORY COMMITTEE UNDER JUDGE WHITESIDE.

MAYOR W. MOTT.

2-AM 1ST

OFFICE OF THE
APR 1 1943
Under Secretary of State

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

J-49A

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

March 31, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: A. G. Duncan Crux

I wish to advise you that the above solicitor has been notified by the Department of Justice that he is to act as solicitor for the committee which has been set up to liquidate lands in the Fraser Valley.

The Custodian does not anticipate that the committee will require the services of a solicitor but if they should will you have them contact Mr. Crux.

So far as the work done in the Custodian's office is concerned, the Custodian's Counsel, Mr. Sheppard, will advise.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

C.D. 2X

CLASS OF SERVICE	
Full Rate	
Day Letter	X
Night Message	
Night Letter	
Evening and Sunday Messages	

Please mark an X opposite the class of service desired.

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W. D. NEIL, General Manager of Communications, Montreal

CHECK

TIME FILED

Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

OTTAWA, MARCH 31, 1943

MAYOR W MOTT
NEW WESTMINSTER B C

CONFIDENTIAL CUSTODIAN CHARGED WITH ADMINISTRATION AGRICULTURAL PROPERTY OF PERSONS OF JAPANESE RACE EVACUATED FROM PROTECTED AREA HAS CONSTITUTED ADVISORY COMMITTEE CHAIRMAN HIS HONOR JUDGE WHITESIDE STOP WOULD APPRECIATE YOUR ACCEPTING POSITION ON COMMITTEE STOP MEMBERS OF COMMITTEE ARE PAID ACTUAL TRANSPORTATION EXPENSES TEN DOLLARS DAILY LIVING ALLOWANCE WHEN ABSENT FROM HOME AND FIFTEEN DOLLARS DAILY HONORARIUM WHEN ON MEETINGS STOP PLEASE WIRE ME COLLECT IF YOU CAN ACCEPT THIS POSITION IN CAPACITY MENTIONED STOP CUSTODIAN WILL GREATLY APPRECIATE YOUR ACCEPTANCE.

E H COLEMAN
UNDER SECRETARY OF STATE

GWMCp/FC.
File J-49

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

FORM 6122

CLASS OF SERVICE	SYMBOL
Full Rate Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

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D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ONT.

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1943 MAR 31 PM 3 22

MOA337 21 COLLECT=FORTLANGLEY BC 31 1116A

G W MCPHERSON, EXECUTIVE ASSISTANT=

626 CUSTODIAN ADVISORY BOARD OTTAWA ONT=

PLEASE ACCEPT MY RESIGNATION ON JAPANESE LANDS COMMISSION IN ORDER THAT I MAY ACCEPT POSITION WITH SOLDIERS SETTLEMENT REGIONAL BOARD =

J J MCLELLAN.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

CLASS OF SERVICE	
Full Rate	
Day Letter	X
Night Message	
Night Letter	
Evening and Sunday Messages	

Please mark an X opposite the class of service desired.

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W. D NEIL, General Manager of Communications, Montr

CHECK

TIME FILED

Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

OTTAWA, MARCH 31, 1943.

JAMES J MCCLELLAN, ESQ
FORT LANGLEY B C

CONFIDENTIAL CUSTODIAN UNDERSTANDS YOU HAVE BEEN APPROACHED TO ACCEPT POSITION ON SOLDIER SETTLEMENT REGIONAL BOARD AND WHILE RELUCTANT TO CONSENT TO YOUR RESIGNING CUSTODIAN ADVISORY BOARD IN VIEW OF ALL CIRCUMSTANCES WILL NOT OBJECT IF YOU DESIRE TO DO SO STOP ON BEHALF OF CUSTODIAN WISH TO THANK YOU FOR ASSISTANCE ALREADY RENDERED STOP PLEASE WIRE COLLECT YOUR DECISION

G W MCPHERSON
EXECUTIVE ASSISTANT

GWMcP/FC.
File: J-49

57899 [P+ 2.1] Soldier settlement and veterans' Land Act - Farm

March 30, 1943.

MEMORANDUM FOR DR. COLEMAN

Re: Japanese Property

In accordance with your instructions I proceeded to Vancouver, leaving Ottawa on March 10th and arriving in Vancouver on Sunday morning, March 14th. I immediately proceeding with the organizational work relating to the setting up of the two advisory committees and also reviewed the work of the Vancouver organization generally. As a result of a telephone conversation with you on March 24th I left Vancouver that night and arrived in Ottawa on the morning of March 28th. I wish to report briefly the results of my trip.

1. Advisory Committee on Japanese Property in Greater Vancouver

The Honorable Mr. Justice Smith is chairman of the above committee and since he was engaged in an important court case I was unable to see him until Friday, March 19th. At that meeting he advised me that Mr. Kimura had agreed to act on the committee as a representative of the Japanese evacuees. Alderman Jones, the third member of the committee, could not attend. Mr. F. G. Shears, the Acting Director of the Vancouver Office, attended with me.

A preliminary discussion took place and the chairman indicated that he desired the committee to be absolutely independent from the Custodian's organization and that he would, therefore, require an executive assistant who, in turn, would require a secretary and office space. He proposed Mr. A. E. McMaster who had worked with him on the Japanese Fishing Vessels Disposal Committee and agreed that one of the secretaries in the Custodian's office might be assigned to him. Arrangements were therefore made and Mr. McMaster is now occupying a room on the tenth floor of the Royal Bank Building and Miss M. Sullivan has been transferred from the Fishing Vessels Department of the Custodian's office, which is just being closed, and she will act as his secretary.

The Chairman called the first meeting of the committee for Monday, March 22nd at 11 A.M. Alderman Jones, unfortunately, was unable to attend but Mr. Kimura was present, as was Mr. McMaster. Further preliminary discussions took place and it was agreed that the first formal meeting of the committee should be held on Tuesday morning, March 23rd. The committee met at that time and a general discussion took place as to whether or not a policy of liquidation was advisable under the market conditions existing in Vancouver. It was agreed that the Custodian's representative in Vancouver would make a formal request for advice and that the first question to be asked would be the question of whether or not, in view of all the circumstances, the committee would advise that a policy of liquidation be proceeded with.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act +

I might say that before putting this formal question to the committee, and in view of the fact that a negative answer might be considerably embarrassing to the Custodian, the question was discussed and Mr. Kimura stated that, in his opinion, a liquidation of property as a general policy was in the best interests of the evacuees. Alderman Jones thought that it was in the best interests of all concerned.

I suggested that since the Chairman had never visited the Powell Street area, a short tour be arranged for Wednesday afternoon to give him some idea of the problem the Custodian was faced with in the administration of the properties and also the difficulties of marketing such properties, including the chattels stored on same. The tour was made on Wednesday afternoon and I feel that the Chairman was greatly impressed with what he saw. He expressed the definite view that in his opinion the only solution in many cases was to demolish the buildings and sell the land. I have no doubt as to what the answer to the first question now before the committee will be.

Subsequent to the tour the Chairman stated that he felt the committee's work was now well under way and that Mr. Shears could handle the liaison work of the Custodian's office to the entire satisfaction of the committee. I asked the Chairman whether or not he would approve of my returning to Ottawa and he replied in the affirmative.

Insofar as the work of this committee is concerned, I feel that it will be a very active committee and will take a real interest in the problems facing the Custodian's Vancouver office. I also feel that Mr. McMaster, who is entirely familiar with the Chairman's method of doing things, will be of considerable assistance and he has undertaken to supervise a great deal of the preliminary work in the preparation of a real estate catalogue and the gathering of information as to the best methods of sale. Mr. Shears will be reporting from time to time on the work of the committee but I do not anticipate that any sales policy can, or will be, put into effect for at least two weeks.

---

2. <u>Advisory Committee on Japanese Rural Properties</u>

I have reported rather fully to you on the work of this committee and the two organizational meetings which I attended, the first being held on March 15th and the second on March 18th. Copies of the minutes of these meetings were forwarded to you and indicate the trend of the discussions which resulted in my negotiating with Mr. Barnett, the local representative of the Soldier Settlement of Canada; the basis of the negotiations being the suggestion that the Soldier Settlement of Canada should purchase outright 100% of all rural evacuee property in the Protected Area, including fishing villages as well as farm lands.

The committee have already advised that in their opinion such a sale is desirable and,if it can be negotiated, it appears that their work will have finished when they advise on the best methods to be used to agree upon a price. It was not thought desirable, in view of developments, to set up any secretariat for this committee and the secretarial work of the committee is being handled direct by Mr. Shears.

In view of the urgency of determining the future disposition of the farm lands, with particular reference to the Fraser Valley, the planting season now having arrived, I thought it desirable that I should return to Ottawa to discuss the matter with the Director of the Soldier Settlement of Canada direct and it was for this reason that I telephoned you on Wednesday, March 24th, and requested your permission to return since the organizational work of the two committees had been completed.

I had a meeting with the Director, Mr. Murchison, yesterday and he indicated that he heartily supports the proposed transaction and as a first step will have to set up his regional committee in New Westminster. He is anxious to obtain Mr. McClellan as a member of the regional committee and has requested that you agree to Mr. McClellan resigning from your advisory committee to take this new position. He has further suggested a substitute member for your committee, the Mayor of New Westminster, Mr. Mott. I pointed out to Mr. Murchison that Mr. McClellan was an ardent supporter for the Soldier Settlement of Canada and had a very good effect on the committee's deliberations concerning the proposed sale and that he should keep this fact in mind when suggesting an alternative member. He advised me that Mr. Mott was, in his opinion, satisfactory and I would, therefore, recommend that Mr. McClellan be permitted to resign and Mr. Mott be appointed in his stead. The committee has been adjourned at the call of the Chairman and Mr. Shears has been instructed not to hold a further meeting until advised of the result of the negotiations now proceeding with Mr. Murchison.

---

3. <u>Vancouver Organization</u>

I reviewed the work of the entire office with Mr. Shears and again impressed upon him the desirability of curtailing the staff. Since the first of the New Year the total employed has been reduced by eighteen and it is felt that with the work of some departments, for example, the Fishing Vessels Department, having terminated, it will be possible by transferring the staff, to carry on the liquidation of the property without increasing the staff.

I found that Mr. Shears has complete control of the situation and everyone I spoke to, both outside and inside the organization, expressed complete satisfaction with his management. I, personally, am greatly impressed with his ability, energy and integrity and feel that in view of his being financially independent, he would greatly

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appreciate his position of Director being confirmed if you could see your way clear to do this.

There has been considerable sickness in the organization and Mr. Richardson, who has been in charge of the Farm Department collapsed in the office while I was there and I ordered him to take at least two weeks sick leave. He is a very conscientious worker but unfortunately is a shell shock victim of the last war and of a highly nervous disposition. I hope that he will be able to return to his position but have arranged matters so that, if this is impossible, the work of his department will continue under his assistant, Mr. Anderson.

Insofar as the co-operative organizations in the Valley, which the Custodian is controlling through Mr. Ure, who is living at Mission where the co-operatives are situated, are concerned, the situation is greatly improved and I believe it will be possible to liquidate the Japanese interests in an orderly manner within the next few months. This, of course, does not include a liquidation of their capital investment in plant and equipment which, under the circumstances, will be hard to dispose of but which can be protected without a full time control.

Mr. McKay, formerly employed by the Soldier Settlement of Canada, and concerning whose activities there has been some correspondence is, in my opinion, doing a first class job and it is because he is doing a first class job that he is criticized by a certain element in the Fraser Valley. In my discussions with Mr. Barnett and Mr. Murchison I suggested that the Custodian desired to continue to employ Mr. McKay up to the time that a sale might be made to the Soldier Settlement but that if it appears that negotiations will result in a sale, he will act under the directions of Mr. Barnett and Mr. Shears in order that the purchasers' equity in the farms may be protected. I trust this arrangement will meet with your approval, it having already been agreed to by Mr. Murchison and Mr. Barnett.

Insofar as the Enemy Section of the office is concerned, Mr. Wright is, in my opinion, carrying on in a satisfactory manner and the work being handled by P. S. Ross & Sons is being liquidated as quickly as possible and except in one or two cases should be completed some time this summer.

GWMcP/FC.

(G. W. McPherson)
Executive Assistant.

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57899 [pt 2.1] Soldier settlement and veterans' Land Act -

506 Royal Bank Building,
Vancouver, BC.

29th March, 1943.

A. E. McMaster Esq.,
Executive Assistant to the
Advisory Committee on Japanese Properties
in Greater Vancouver,
1012 Royal Bank Building,
Vancouver, BC.

Dear Sir:

We thank you for your letter of the 25th instant informing us that the Advisory Committee has considered the initial question of the desirability of adopting a general policy of liquidation.

We note that in principle they approve of such a policy both with regard to real estate and chattels.

In view of this decision we would appreciate your Committee's advice in regard to the broad methods by which this policy can be best implemented. We would suggest that this will require consideration being given to the following questions:

Real Estate

The necessity or desirability of advertising and calling for tenders.

The type of any such advertisement, whether it should be general or specific.

The period of time to be allowed for submitting tenders.

The possible need of a catalogue of properties being prepared which would be available to the public.

The form of such catalogue.

The question of including enemy properties in any such catalogue.

The question as to whether any such catalogue should be divided into specific areas so that tenders might be called for at different times.

The matter of obtaining appraisals of the value of each property.

The question of any preference being given to existing tenants.

The terms under which properties should be sold, whether for cash or on deferred payments.

The channels through which the intended purchaser can inspect the properties.

The question of listing properties with Real Estate Agents, either by exclusive listing or otherwise.

The question of disposing of properties through the Vancouver Real Estate Exchange or through Real Estate Agents now administering properties for us and collecting rentals etc.

The question of allowances for Agents' Commission.

The matter of negotiating new rental leases, either for short term or for extended periods, pending the disposition of such properties.

The desirability of influencing Japanese owners to deposit Certificates of Title with the Custodian.

Chattels

The general method by which chattels should be disposed of would also need to be considered as follows:

By advertisement calling for tenders.

By public auction, and if so the method of distribution among various Auctioneers.

The matter of valuations and reserve bids.

The question of Auctioneers' expenses

The desirability of selling chattels stored in rented houses prior to the sale of real estate.

The question of getting present tenants a preference to purchasing chattels stored with them.

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A.H. McMaster Esq.

The question of a deadline being set for any further chattels being shipped to Japanese owners.

The matter of storage of certain types of personal property of a sentimental and a religious nature.

The above questions are of course somewhat inter-related and we would be glad if you would give consideration to them as a whole and advise us in regard to a satisfactory and logical order of procedure.

Until some of the main policies referred to above have been decided upon it is our wish to avoid bringing to your attention, as far as possible, specific requests which we may be receiving from time to time. We have some requests, however, upon which it appears necessary to have your advice.

We have some applications where it is suggested that the properties are urgently required for war work and in a separate letter we are outlining these for your consideration and advice.

A decision should also be arrived at as to the answer which should be given to specific enquiries which we are receiving for the purchase of some properties.

There is also the matter of the desirability of negotiating any additional leases possibly for two years in the Powell Street area where considerable expenditures are necessary to conform to City bye-laws.

It would be appreciated if you would give matters of this type your consideration as soon as this is feasible.

Yours truly,

F. G. Shears,
Acting Director.

FGS/PMH

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24th March, 1943.

MEMO - MR. SHEARS

Re: Farm Committee

I think the chances are that the sale to the S.S. of C. will go through but it is also probable that Mr. McLellan will resign from our Committee and go on the Regional Committee for the S.S. of C. The Mayor of New Westminster may be appointed in his place.

I do not think the Farm Department requires a secretary if the sale goes through, but if it doesn't the matter should be discussed with the Chairman.

You may also wish to discuss with the Chairman and the members the question of what constitutes a day's meeting.

I would suggest that you pursue the question of disposing of chattels, both in the country and city, as rapidly as possible and get direction from the two Committees as to how this should be done. I would also suggest that in handling the Farm Department you have your points carefully prepared beforehand and put up your ideas in the initial stages.

GWMcP:LF

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FILE No.

OFFICE OF THE
MAR 24 1943
Under Secretary of State

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

912 Royal Bank Building,
Vancouver, B.C.,
March 22nd, 1943.

Dr. E.H. Coleman, K.C.,
Under Secretary of State,
West Block,
Ottawa, Ontario.

Dear Dr. Coleman:

I had a meeting with Mr. Collins, the new Commissioner, and am enclosing a copy of his letter to me of March 16th, and a copy of my reply of March 17th, 1943.

I hope these arrangements meet with your approval.

Yours very sincerely,

GWM/DG
Encl.2

Approved Ltr. etc.

31/3/43

VIA AIR MAIL

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FILE No.

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

912 Royal Bank Building,
Vancouver, B.C.,
20th March, 1943.

OFFICE OF THE
MAR 22 1943
Under Secretary of State

Dr. E.H. Coleman, K.C.,
Under Secretary of State,
West Block,
Ottawa, Ontario.

Dear Dr. Coleman:

Re: Advisory Committee on
Rural Properties

I arrived in Vancouver last Sunday morning and immediately became embroiled in the preliminary work of getting the two Committees under way.

I must apologize for not having written a preliminary report before this date, but I felt that there was no point in troubling you with correspondence unless something definite had transpired.

Meetings were held with the above Committee during the past week and I am enclosing a copy of the minutes of both meetings. You will note that Mr. Kimura did not feel that he could properly represent the evacuee farmers and that he recommended Mr. Yamaga, the former manager of the Maple Ridge Co-Operative Union. His recommendation was approved by the Committee, some of the members of which knew Mr. Yamaga personally and were satisfied that he was entirely capable. In anticipation of your approving Mr. Yamaga's appointment, I took the liberty of arranging for his being brought into Vancouver for the second meeting held last Thursday.

I regret that the Minutes indicate that I have done considerable talking, but I feel that you will appreciate the fact that it has been more or less necessary to direct this Committee in its initial work. You will notice from the Minutes the negotiations with the Soldier Settlement. Mr. Barnet has written Mr. Murchison and we hope he will consider the matter on Monday.

A sale of this nature will, in my opinion, cause certain criticism from individuals in the Fraser Valley, but I do not think that such a policy can be successfully attacked for patriotic reasons. I am also of the opinion that it is a solution to an otherwise very complicated problem and since Mr. Yamaga has expressed approval and he represents

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DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

/2 --- Dr. Coleman

the Japanese whom the Custodian is protecting, I heartily recommend that sale be made if the Soldier Settlement of Canada are prepared to offer a reasonable price. The Committee of course will advise on the best methods of valuating the property and approve of any sale. Mr. Barnet and I have had several discussions and he personally is strongly recommending the proposal to Mr. Murchison and we both agree that if you could spare the time it would assist the negotiations for you to personally have a word with Mr. Murchison.

I am very anxious to get a decision from Mr. Murchison early next week since I feel that the detail work can then be turned over to Mr. Shears and Committee and I can return to Ottawa before the end of the month.

Up to the moment, no statement has been made to the press although they have been calling daily and it is apparent that some release will have to be given, but you can rest assured that it will be prepared and approved by the Chairmen of both Committees and I will obtain an assurance from Mr. Collins that there is nothing objectionable insofar as the Commission is concerned.

Yours very truly,

GWM/DG
Encl.

Notes by the Custodian.

31/3/43

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AGENDA FOR SECOND MEETING OF ADVISORY COMMITTEE ON RURAL PROPERTY

Held March 18, 1943, at the Office of the Custodian,
Royal Bank Building, Vancouver, B.C.

Business

1. Introduction of Mr. Yamaga.

2. Reading of the Minutes of the last Meeting.

3. Business arising out of the Minutes:

   A. Mr. McPherson's report on interview with Mr. Barnet.

   B. Mr. McPherson's report on interview with Mr. Collins.

   C. Mr. McPherson's report on Greater Vancouver Committee.

4. New business.

5. Adjournment.

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AGENDA FOR FIRST MEETING OF ADVISORY COMMITTEE ON RURAL LANDS

Held March 15, 1943, at the Office of the Custodian,
Royal Bank Building, Vancouver.

Introductory remarks. Mr. McPherson.

Terms of Reference - The Chairman.

Business.

1. Lands

   A. Review of present situation.

   B. Soldier Settlement of Canada.

   C. Leasing Programme.

   D. Sales Policy.

2. Chattels

   A. Review of present situation.

   B. Future policy.

3. Claims

   A. Review of present situation.

   B. Future policy.

4. Publicity.

   Joint press release.

5. Adjournment.

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INTRODUCTION

GENERAL:

1. Original position of the Custodian:-

(a) No legal rights.
(b) Leasing program and S.S. of C.
(c) Result of evacuation on lands.
(d) Crop failure.

2. Decision on Policy of Liquidation - P.C. 469

(a) Urban - Judge Smith
(b) Agricultural - Judge Whiteside.

3. Constitution of Advisory Committee on Rural Lands:

(a) Personnel:

1. His Honor Judge Whiteside - New Westminster.
2. Jas. J. McLellan - Fort Langley
3. D. E. MacKenzie - New Westminster
4. Hal Menzies - Haney
5. Kishiyo Kimura

(b) Financial Arrangements.

Set up - telegrams.
Mr. Kimura.

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J 49

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

March 19, 1943.

G. W. McPherson, Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Mr. McPherson:

I have your letter of March 17th and am enclosing copies of the Terms of Reference for both rural and urban properties, together with a copy of your memorandum covering the meeting with Judge Whiteside and Dr. Coleman. I hope this is the statement you refer to but in any event, the Terms of Reference were copied from Dr. Coleman's file so will be correct.

Nothing startling has happened since you left except that Mr. Bracen in the Accountants office had a stroke last Saturday morning which affected his whole left side and he is very low.

I am still doing "odds and ends" and American Vesting Orders are coming in by the dozens.

I had a letter from Mother the day after you left and she mentioned that there had been no rain there for a month so I suppose the elements have let loose by this time and you are being bathed in plenty of liquid sunshine. Oh well, cheer up, by the time you get back here there will be about 8 inches of slush to wade through.

Sincerely,

P.S. The only other memo you wrote covering the meetings with Judge Whiteside was the one on the meeting held on March 1st at 4 P.M. in the Hon. Ian Mackenzie's office and no reference to the Terms of Reference was made in that memo.

VIA AIR MAIL

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FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

19th May, 1943.

file

Dr. E.H. Coleman, K.C.,
Under Secretary of State,
West Block,
Ottawa, Ontario.

Dear Dr. Coleman,

I am enclosing an original letter from Messrs. Norris & MacLennan, Barristers, addressed to the Secretary of State dated May 13th which was forwarded to me by Miss Carroll. The letter does not indicate that the Secretary of State has considered same as it is stamped with the stamp of the Custodian's Office.

I assume that Miss Carroll thought that I could deal with this letter while in Vancouver, but I am of the opinion that it is a major question and that the letter can only be properly answered by the Secretary of State.

Since my arrival here Mr. MacLennan, the writer of the letter, has endeavoured to get in touch with me on several occasions and he has just left my office after a short interview. He informed me that he has been retained to commence injunction proceedings and that he has retained Mr. McAlpine of the Farris McAlpine law firm to act as Counsel in regard to the injunction proceedings which he will commence immediately upon being informed officially that the Custodian's policy is one of liquidation.

I informed him that this policy had been determined some months ago and that the mechanics to put the policy into effect were practically completed. I advised him that on the basis of the instructions I had received this office would proceed with the liquidation as quickly as possible and that we were not prepared to advertise any particular parcel of land in order to give him a cause of action.

He stated that it was his intention to request the Lieut. Governor under a Provincial statute to refer the constitutional question involved to the Supreme Court of British Columbia. He stated that he was interested in both the city and farm lands but I gave him no information regarding the present negotiations in connection with the farm lands but I did advise him that I expected a public notice would appear in the press in the near future relating to Greater Vancouver properties and that a catalogue would likely be available for the examination of prospective

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CANADA

DEPARTMENT OF THE SECRETARY OF STATE

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FILE No.

Dr. E.H. Coleman, K.C.

buyers. I of course advised him that the Custodian would assume that the law as now existing gave him full power to liquidate and that he will proceed to liquidate until such time as a decision is given by a competent in Court restraining him.

I am of the opinion that if the Secretary of State answers Mr. MacLennan's letter by stating that the Custodian's policy is one of liquidation, he will use such letter as a basis for his submissions to the Lieut. Governor.

I do not think that the Custodian can avoid injunction proceedings and I would suggest for your consideration the advisability of the Secretary of State writing a letter clearly setting out the Custodian's policy in order that the matter may be brought to a head to avoid future complications here, with particular reference to negotiations now proceeding with the Soldier Settlement of Canada.

Mr. MacLennan in the discussion with him today gave me the impression that he was not enthusiastic about his case, but I do believe that as soon as the opportunity arises he will at least initiate injunction proceedings and you might consider the desirability of such proceedings being initiated while I am in Vancouver, having in mind the briefing of Counsel appointed by the Department of Justice to oppose the proceedings.

Yours very truly,

G. W. McPherson,
Executive Assistant.

GWMcP/PMH

encl.

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18th March, 1943.

MEMORANDUM

To: Mr. F. G. Shears

From: Mr. G. W. McPherson

Re: Advisory Committees

The Secretary of State has agreed to pay the members of the two Advisory Committees on the following basis:

All members are to receive their actual travelling expenses and a per diem living allowance where the work of the Committee necessitates them being absent from their homes.

Members of the Committees, other than the two Chairmen, are to receive an honorarium of $15.00 per day where they attend one or more meetings of the Committee in one day.

Members of the Committees will give you a statement of their actual travelling expenses and cheques payable to each member should be issued by Mr. Good in accordance with these arrangements and charged to the Evacuation Administration Account.

G. W. McPherson,
Executive Assistant.

GWMcP/PMH

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506 Royal Bank Building,
Vancouver, B.C.

17th March, 1943.

The British Columbia Security Commission,
Marine Building,
Vancouver, B.C.

Attention: Mr. G. Collins

Dear Mr. Collins:

I have your letter of March 16th which correctly sets out my understanding of the meeting held in your office between the members of our respective departments.

I am giving the necessary instructions immediately to the appropriate officials of this office to carry out our agreement relating to cheques issued to Japanese evacuees. I understand this will go into effect immediately.

I note that you have suggested that payments to evacuees by this office should not exceed $100.00 per month, except of course under exceptional circumstances, in which case such payments will be discussed with your department.

Insofar as proposed publicity is concerned, I have not yet had an opportunity of discussing the matter with Mr. Justice Smith but expect to do so on Friday.

If the Chairmen of the two Committees agree, and I assume they will, I propose imposing on your good nature to consider the proposed press release before it is handed to the papers in order that you may express an opinion, if you care to do so, as to whether or not there is anything objectionable from your Commission's stand point.

I wish to thank you for your co-operation in this matter.

Yours truly,

G.F. McPherson,
Executive Assistant.

GFMcP/PMH

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COPY

BRITISH COLUMBIA SECURITY COMMISSION

March 16, 1943.

G. McPherson, Esq.,
Custodian,
Enemy Alien Property,
Royal Bank Building,
VANCOUVER, B. C.

Dear Sir:

I am submitting the following resume of the meeting held between members of your Department and officials of this Commission in my office this afternoon.

The present policy as suggested at present is:

The Custodian may liquidate Real Estate and Chattels, the proceeds are to be deposited with the Custodian to the credit of the individual Japanese. The Commission officials and myself are of the opinion that with the above-mentioned policy publicly announced the Japanese as a group will not express strenuous opposition to their chattels being disposed of, it being recognized that personal effects of a sentimental nature or religious nature which will not deteriorate with storage will be centralized and stored in safekeeping and withheld from sale or other disposition for the time being.

The Custodian may release funds held in trust for the Japanese in monthly installments if he considers it advisable and that he is prepared to consider recommendations which the B. C. Security Commission may care to offer from time to time as to the maximum monthly payments. It is suggested that payment to persons residing in the Interior Housing Projects should not exceed a maximum of One Hundred.....Dollars per month. The Treasury officials attached to the Commission's administration offices in these towns will advise the Japanese that the Custodian is prepared to hold in trust without monthly payments, if they are not required for maintenance, any monies now on deposit with the Custodian. Also that the Japanese may deposit any cash or securities he now has on his person which are not required for maintenance purposes with the Custodian for safekeeping.

It was mutually agreed that for the time being, any payments made by the Custodian to the Japanese will be turned over to the Treasury representative attached to the B. C. Security Commission for record purposes and distribution to the Japanese wherever they may be located according to our latest information.

G. McPherson, Esq. March 16, 1943.

The Commission officials will, in company with a representative of the Custodian's Department, inspect certain stocks of goods in the nature of food supplies, clothing, hardware, etc., in an endeavour to have these goods taken over by the Commission for use or resale in their Interior Housing Projects.

It was further mutually agreed that no information relative to the policy of the Custodian nor the activities of the Commission set up to dispose of Real Estate or Chattels, will be released or indicated to the Japanese until Mr. Justice Smith and Mr. Justice Whiteside have publicly announced their plans.

When the Custodian is in a position to do so, he will make available to the Treasury officials of the B. C. Security Commission a list showing the net credit balances on deposit with him for the individual Japanese.

All facilities of the B. C. Security Commission are to be offered to the Custodian in the matter of disposal of chattels belonging to any of the Japanese now under their jurisdiction.

Yours very truly,

"Geo. Collins"
GEORGE COLLINS,
Commissioner.

GC/DS

c.c. Mr. Shears,
Custodian's Department.

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FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

17th March, 1943.

Miss F. Carroll,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Miss Carroll,

I arrived in Vancouver on schedule and the work of the Committees is proceeding.

I find that while I seem to have a copy of practically everything I have not got a copy of the Terms of Reference to the Farm Committee which I believe was prepared on a separate sheet of paper, although it is referred to in the Minutes of the Meeting held in Dr. Coleman's office with Judge Whiteside.

I think the Minutes correctly set out the terms as they appear in the statement subsequently prepared by me for Dr. Coleman, but I would appreciate it if you would check up and send me a copy of that statement.

I am hopeful that I may be able to return East before the end of the month.

Yours truly,

GWMcP/PMH

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

ATM

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

Ottawa, March 17, 1943.

G. W. McPherson, Esq.,
Office of the Custodian,
513 Royal Bank Building,
Vancouver, B.C.

I am enclosing copy of a letter which I have today received from the Deputy Minister of Justice.

Mr. Varcoe spoke to me on the telephone concerning this. I reminded him that more than a year ago I had suggested the setting up of a panel of Solicitors whose services might be availed of from time to time and that his Department then nominated only one firm. I told him, of course, that the services of that firm had been eminently satisfactory but if other Solicitors should be nominated in addition to the Locke, Lane firm, work would be divided.

I also explained that the work of the Committee was, in essence, advisory.

In any event, you will know how to avail yourself of the professional services of Mr.Crux from time to time in connection with work which may follow the recommendations of the Committee.

F. H. Gibson

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copy

FPV/ELJ.

DEPARTMENT OF JUSTICE
CANADA

Please address
The Deputy Minister of Justice
Ottawa

OTTAWA, March 16, 1943.

To the Under Secretary of State:

B. 28 - Secretary of State - B.C.

Confirming telephone conversation, I beg to advise that the Minister of Justice has authorized the employment of Mr. A. G. Duncan Crux to act as solicitor for the committee which has been set up to liquidate, on behalf of the Custodian of Enemy Property, the Japanese lands in the Fraser Valley. I am writing Mr. Crux to this effect, and I presume that you will inform the committee of this decision.

F. P. VARCOE

Deputy Minister.

57899 [p+ 2.1] Soldier settlement and veterans' Land Act -

506 Royal Bank Building,
Vancouver, B.C.

17th March, 1943.

J. J. McLelland Esq.,
Fort Langley, B.C.

Dear Mr. McLelland,

Re: Advisory Committee of Rural Properties.

Acting on behalf of the Secretary of State of Canada, I wish to confirm the arrangements made by telegram from Dr. Coleman, the Under-Secretary, whereby you have agreed to act on the above Committee under the Chairmanship of Judge Whiteside.

My understanding of the financial arrangements are that the Custodian's Vancouver office will reimburse you for all travelling expenses involved in the Committee's work, plus a $10.00 per diem living allowance where the work of the Committee require you to be absent from your home. In addition to this an honorarium of $15.00 per day will be paid for each day upon which you attend the Meetings of the Committee.

In order that you may be reimbursed properly, it will be greatly appreciated if you will give Mr. Shears a statement of your travelling expenses following each Meeting of the Committee.

Yours truly,

G. W. McPherson,
Executive Assistant.

GWMcP/MH

5	Tofino	500.00	3,400.00	3,900.00
None	Qualicum Beach	----------	----------	----------
None	Cranberry Lake	----------	----------	----------
None	Westview	----------	----------	----------
2,024		1,459,015.00	2,198,458.00	3,717,473.00

57899 [pt 2.1] Soldier settlement and veterans' Land Act

506 Royal Bank Building,
Vancouver, B.C.

17th March, 1943.

His Honour Judge Whiteside,
New Westminster, B.C.

Dear Judge Whiteside,

Re: Advisory Committee of Rural Properties.

Acting on behalf of the Secretary of State of Canada, I wish to confirm the arrangements made with you to act as Chairman of the above Advisory Committee, the other members being acceptable to you.

I attach to this letter copy of the Terms of Reference as agreed upon when you were in Ottawa and it is my understanding that the Custodian's Vancouver office is to reimburse you for all travelling expenses incidental to the Committees work and in addition $10.00 per diem living allowance where the work of the Committee requires you to be absent from your home.

Yours truly,

G. W. McPherson,
Exeuctive Assistant.

GWMcP/PMH

attach.

5	Tofino	500.00	3,400.00	3,900.00
None	Qualicum Beach	----------	----------	----------
None	Cranberry Lake	----------	----------	----------
None	Westview	----------	----------	----------
2,024		1,459,015.00	2,198,458.00	3,717,473.00

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

THE ADVISORY COMMITTEE OF RURAL PROPERTY

1. Present position.

   (a) Leasing situation

   (b) Government Policy.

      (i) Liquidation primarily to preserve assets.
      (ii) Not a forced liquidation.

2. Soldier Settlement of Canada position.

   (a) First option to purchase provided price reasonable.

   (b) Their requirements.

   (c) Leasing programme in relation to them.

3. Leasing Programme.

   (a) Present policy of one year leases, 30 day cancellation.

   (b) Tenants dissatisfied and sales policy will affect immediate future of tenants and their action on the farms.

   (c) All sales would apparently have to be made subject to leasing contracts otherwise compensation on cancellation will have to be provided and this will create considerable difficulty.

4. Sales Policy

   (a) General. The Custodian is not going to make forced sales and it does not necessarily follow that because of liquidation all farms are to be sold. See terms of reference.

   (b) Method of Sale.

      (i) Manner of valuing property. Possibly members of the Committee will undertake this responsibility and if not, might consider Mr. McKay with particular reference to properties other than those of the Soldier Settlement of Canada.

      (ii) Manner of advertising. The policy followed in the liquidation of the cars might be considered by the Committee and the time limit for bids will have to allow for examination of the properties.

5	Tofino	500.00	3,400.00	3,900.00
None	Qualicum Beach	----------	----------	----------
None	Cranberry Lake	----------	----------	----------
None	Westview	----------	----------	----------
2,024		1,459,015.00	2,198,458.00	3,717,473.00

The Advisory Committee of Rural Property.

(c) Terms of Sale. The terms at least in the first instance should be cash and will have to be subject to existing leases and encumbrances.

(d) Sales to S.S. of C. These will have to be considered separately and Mr. Barnett advises this morning that they might be prepared to purchase 75% of the farms depending on the price. The question of whether it is possible to make a private deal with the S.S. of C. without advertising all the lands in order to obtain values is one that should be considered. It would appear equitable that we should advertise all the property and then the S.S. of C. should be given the opportunity to meet the highest bid, and if there are not bids, then to pay the Arbitrate value. It also appears that the question of the immediate leasing programme with relation to planting new berries this year has affect by the sales policy will have to be considered immediately so that the Custodian's office will know whether they should proceed to give extension of leases for 1944 at least.

(e) Sales to Other Persons. The question of publicity, valuations, terms and any right of priority to the tenants should be given consideration.

5. Chattels

The Committee under paragraph (e) of the terms of reference to consider the situation as regards Chattels and it is by this that this is related to the disposition of the land as at the present time, in most the tenants are of the chattels. Before this matter can be satisfactorily discussed information should be obtained from the B.C. Security Commission that they are not anxious to have any further chattels shipped to the camps. Question of liquidation is one for the Committee but it would appear undesirable to liquidate religious articles and such things as 145 funeral urns now in storage.

6. Claims for Compensation resulting from alleged misrepresentation of acreage. Mr. Shears will explain the position here.

7. Publicity for the Newspapers. It would appear desirable that a carefully prepared statement on the policy of the Custodian and the work of the Committees should be prepared and submitted to the Chairmen of both Committees and then issued to the press.

None	Terrace	----------	----------	----------
5	Tofino	500.00	3,400.00	3,900.00
None	Qualicum Beach	----------	----------	----------
None	Cranberry Lake	----------	----------	----------
None	Westview	----------	----------	----------
2,024		1,459,015.00	2,198,458.00	3,717,473.00

57899 [p+ 2.1] Soldier settlement and veterans' Land Act -

	Total Available for Leases	Collaterals	Continuing Leases	New Leases	Leases to be made.
P.C.U.	220	100		20	100
and Other Leases	480		95	135	190
				70 (renewals)	
	700	100	95	215	290

You will understand of course that of the 100 leases to be made in connection with the P.C.U.'s properties are not vacant and in most cases the tenant is on the property and it is just the matter of making a collateral agreement with him. Similarly a number of the 190 other properties will have tenants occupying the farms.

	Terrace			
5	Tofino	500.00	3,400.00	3,900.00
None	Qualicum Beach			
None	Cranberry Lake			
None	Westview			
2,024		1,459,015.00	2,198,458.00	3,717,473.00

57899 [p+ 2.1] Soldier settlement and veterans' Land Act -

LIST OF MUNICIPALITIES IN THE PROTECTED AREA OF B. C. SHOWING THE ASSESSED VALUE OF REAL PROPERTY OWNED BY PERSONS OF THE JAPANESE RACE.

No. of Parcels	Municipality	Assessments Land	Imp.	Total.
CITY				
None	Alberni			
None	Chilliwack			
2	Courtenay			
9	Cranbrook	1,040.00	2,920.00	3,960.00
1	Cumberland	2,900.00	6,840.00	9,740.00
17	Duncan	2,480.00	6,725.00	9,205.00
1	Ladysmith			
None	Nanaimo			
None	Nelson			
78	New Westminster			
4	North Vancouver	57,630.00	76,740.00	134,370.00
29	Port Alberni	3,600.00	5,150.00	8,750.00
1	Port Coquitlam	3,260.00	13,140.00	16,400.00
6	Port Moody	1,396.00	3,000.00	4,396.00
24	Prince Rupert	2,335.00	3,700.00	6,035.00
637	Vancouver	14,145.00	34,095.00	48,240.00
18	Victoria	681,300.00	1,105,140.00	1,786,440.00
		26,740.00	26,320.00	53,060.00
DISTRICT.				
24				
1	Burnaby			
15	Chilliwack	13,865.00	17,630.00	31,495.00
78	Coquitlam	3,750.00	1,500.00	5,250.00
None	Delta	8,545.00	6,150.00	14,695.00
None	Esquimalt	34,297.00	8,875.00	113,172.00
None	Fraser Mills			
40	Kent (Agassiz)			
325	Langley			
87	Maple Ridge	22,425.00	22,950.00	45,375.00
140	Matsqui	186,370.00	310,315.00	496,685.00
17	Mission	46,634.00	82,913.00	129,547.00
19	North Cowichan	75,687.00	104,485.00	180,172.00
None	North Vancouver	4,610.00	24,050.00	28,660.00
42	Oak Bay	22,117.00	10,890.00	23,007.00
58	Pitt Meadows			
68	Richmond (municipality)	39,200.00	17,200.00	56,400.00
125	Richmond (townsite)	20,330.00	59,070.00	79,400.00
6	Steveston Townsite	69,139.00	94,480.00	163,619.00
1	Saanich	19,429.00	36,120.00	55,549.00
108	Sumas			
4	Surrey	285.00	600.00	885.00
	West Vancouver.	71,252.00	85,985.00	157,237.00
		2,740.00	4,700.00	7,440.00
VILLAGE				
None	Abbotsford			
None	Gibsons Landing			
None	Hope			
34	Mission			
None	Stewart	21,014.00	23,375.00	44,389.00
None	Terrace			
5	Tofino			
None	Qualicum Beach	500.00	3,400.00	3,900.00
None	Cranberry Lake			
None	Westview			
2,024		1,459,015.00	2,198,458.00	3,717,473.00

57899 [p+ 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

PRESS RELEASE

The Secretary of State as Custodian of Japanese evacuee property has appointed two Advisory Committees for the purpose of advising him on matters relating to the disposition and effective use of such properties.

The Honourable Mr. Justice Sidney Smith has accepted the position as Chairman of the Advisory Committee on Japanese Properties in Greater Vancouver and the members of his Committee are:

Alderman Charles Jones, Vancouver.
Kishizo Kimura, Christina Lake.

Mr. A. E. McMaster will act as Executive Assistant to the Committee.

Mr. Kimura has agreed to represent the Japanese evacuee interests in the work of the Committee.

His Honour Judge Whiteside of New Westminster has accepted the position as Chairman of the Advisory Committee on Rural Japanese Properties and the members of his Committee are:

D. McKenzie, New Westminster
J. J. McLellan, Fort Langley
Hal Menzies, Haney
Yasutaro Yamaga, Tashme.

Mr. Yamaga, the former manager of the Maple Ridge Co-operative Produce Exchange, will represent the Japanese evacuees on such Committee.

The Custodian during the past year has, in accordance with Orders in Council appointing him for that purpose, endeavoured to take protective custody of all Japanese evacuee assets located in the protected areas of British Columbia. It appears to the Custodian that in view of conditions and circumstances at present existing it is probable that the interests of Japanese evacuees in the protected area will be adversely affected and he has come to the conclusion that in order to properly protect such interests it is advisable to carry out an orderly liquidation of evacuee property.

In so far as the public is concerned, the Custodian's Organization will continue to administer the affairs of the Japanese evacuees and to deal with the public and the evacuees directly in all matters relating to the proposed liquidation.

The manner and method whereby the property will be liquidated will be decided in due course and made known to the public and the evacuees through the press.

Mr. F.G. Shears, the Acting Director of the Custodian's Vancouver Office, advises that G.W. McPherson, the Executive Assistant to the Secretary of State, has been in Vancouver during the past week assisting in the organizational work of the Advisory Committees and he is quoted as having stated:

"The Custodian is anxious that the public and the evacuees understand that the properties will not be sacrificed but that the liquidation will be carried out in an orderly manner and that the proceeds of the liquidation will be credited in the Custodian's Office to the account of the individual evacuee owner and will be made available to him in co-operation with the British Columbia Security Commission in such amounts as he may require. The whole purpose of the Custodian's taking over the property of evacuees is in order that it may be properly protected and there is no intention that the property or the proceeds of the liquidation of same have been, or will be, confiscated and this applies regardless of the nationality of the evacuee owner."

57899 [Pt 2.1] Soldier settlement and veterans' Land Act - Pt 1

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

OFFICE OF THE
MAR 10 1943
Under Secretary of State

DEPUTY MINISTER OF LABOUR
CANADA

Ottawa, March 8, 1943.

Mr. E. H. Coleman,
Under-Secretary of State,
Department of the Secretary of State,
Ottawa, Canada.

I have your letter of March 5 and note that at the request of Justice Smith you propose to nominate Kishizo Kimura as a representative of the evacuated Japanese on the Advisory Committees being set up in respect to disposition of Japanese property. I would suggest that as Kimura's nomination is being made by your Department it would be preferable that your officers contact Kimura and ascertain whether he is prepared to act, rather than that the request should come from this Department. However, we shall be very glad to make arrangements to ensure Kimura's attendance at the meetings of the Committee, and I am writing Mr. Collins today asking that Kimura be sent in to Vancouver for a preliminary meeting of the Committee on March 15, at 10:30 a.m., at 513 Royal Bank Building.

A. MacNamara.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

ATM

Ottawa, March 5, 1943.

The Commissioner,
Royal Canadian Mounted Police,
O t t a w a .

I am enclosing copy of a letter which I have sent to the Deputy Minister of Labour and particularly direct your attention to paragraphs 3, 4 and 5.

I understand Kimura is now at Cascade, B.C., and will require a permit to enter the protected area. The Secretary of State, as Custodian, will be very grateful if such a permit may be issued to Mr. Kimura.

E. H. Coleman
Under Secretary of State.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

Ottawa, March 5, 1943.

Dear Mr. MacNamara,-

I received your letter of March 1st enclosing copy of a letter received from Mr. Collins, Commissioner, British Columbia Security Commission, concerning remittances to evacuated Japanese.

Mr. McPherson of the Custodian's Office has arranged to go to Vancouver by air next Wednesday evening. He has undertaken to discuss the matter with Mr.Collins and I am quite sure a satisfactory arrangement will be worked out between them.

Not having heard from your Department concerning a nomination for the Advisory Committees in respect to the disposition of Japanese property, the Custodian, who had secured the consent of Mr. Justice Sydney Smith to act in relation to the urban (Vancouver) property, and of Judge Whiteside of New Westminster in relation to agricultural property, to serve as Chairmen of the respective committees, consulted Mr. Justice Smith and Judge Whiteside concerning Japanese representation on the Committees. Both of them agreed to serve if Kishizo Kimura should be nominated as the representative of the evacuated Japanese people. It appears that Mr. Justice Smith had experience with Kimura in relation to the disposal of fishing vessels.

In these circumstances I shall be grateful if you will have Mr. Collins communicate with Kimura at Cascade, B.C., and ask if he will be willing to serve. In any event, can Mr. Collins arrange that Kimura might come to Vancouver for a preliminary meeting on Monday, March 15th, at 10.30 a.m., at 513 Royal Bank Building.

I am writing the Commissioner of the Royal Canadian Mounted Police to ask that the necessary travel permit may be granted Kimura.

Yours sincerely,

E. H. Coleman

A. MacNamara, Esq.,
Deputy Minister of Labour,
O t t a w a .

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

DEPUTY MINISTER OF LABOUR
CANADA

UNDER SECRETARY OF STATE
MAR 2 1943

O t t a w a, March 1, 1943

Mr. E. H. Coleman
Under-Secretary of State
Department of Secretary of State
O t t a w a.

I enclose herewith copy of letter received from Mr. George Collins, Commissioner, British Columbia Security Commission, which is self-explanatory.

I would appreciate it if arrangements can be made to meet Mr. Collins' request that cheques released by the Custodian to evacuated Japanese be sent through the office of the British Columbia Security Commission, Vancouver, for distribution.

A short time ago you asked us to suggest the name of a Japanese for appointment to the local committee which you are setting up at the Coast to act in an advisory capacity, in respect to the disposition of Japanese farm property. We are now sending forward to you the name of Arthur Nishiguchi as a suitable person for appointment to this committee.

We are advised that he is a naturalized Canadian, 44 years of age, was president of a large Japanese departmental store in Vancouver, and is a veteran of the last war. This nomination, which has come through to us from our Vancouver office, has also been checked with Assistant Commissioner Mead, who gives Nishiguchi a very good report.

A. MacNamara.

A. MacNamara.

Enc.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

COPY

BRITISH COLUMBIA SECURITY COMMISSION
355 Burrard Street, Vancouver, B. C.

February 27th, 1943.

A. MacNamara, Esq.,
Deputy Minister,
Department of Labour,
O T T A W A, Ontario.

Dear Mr. MacNamara:

Sometime ago, during an interview with representatives of the Custodian's Department, our Treasury officials requested that all cheques being released by the Custodian to Japanese persons be sent to this office in order that the particulars of the cheque could be recorded on the Treasury Master cards for each Japanese and then to be released to their local Treasury officers in each of the centres for delivery to the Japanese concerned at which time the local Treasury officials would obtain signatures for the cheques.

The purpose for doing this was that we could build up a system of knowing in advance what returns the Japanese were receiving from time to time. This, you will appreciate, would have a direct bearing on whether or not maintenance is necessary. This arrangement has been negotiated and is now in effect in respect to distributing cheques for Soldiers' pensions, Old Age Pensions, Workmen's Compensation and recently the Registrar of War Saving Certificates advised us that he will follow this procedure when making refunds of War Savings Certificates which the Japanese wish to cash in.

The Custodian's office has advised us that they will, from time to time, send us nominal lists of the cheques showing the amount and the person to whom they are paid. However, the Treasury feel that without any great inconvenience to them, the Custodian could have the cheques forwarded to this office. In view of the fact that several of the Government Departments are co-operating to this extent and that the Order-in-council dated February 5th, 1943, paragraph 12 states that the Minister may request the assistance of various departments, I would suggest for your consideration that the Honourable Minister of Labour contact the Honourable Minister of State in regard to this matter.

Yours very truly,

(Sgd.) George Collins,
Commissioner.

GC/DS

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

ATM

Ottawa, March 5, 1943.

Dear Mr. Green,-

I have received your letter of the 2nd March enclosing copy of a letter addressed to you concerning the farm of a person of the Japanese race evacuated from the protected area.

Some weeks ago, after consultations between the Soldier Settlement Board and the Custodian's Office, both of which have been charged with certain responsibilities in respect to agricultural lands, new arrangements were worked out. In pursuance of these arrangements the Custodian is completing the setting up of an Advisory Committee, headed by His Honour Judge Whiteside of New Westminster. This Committee, which will include a representative of the evacuated persons of the Japanese race, will be charged with the duty of advising the Custodian as to the liquidation by means of sales of particular properties and the prices which should be realized therefrom, and also in respect to the leasing of properties of which it may be not thought advisable to recommend immediate sale,and the terms of any contract of lease.

Judge Whiteside, who was in Ottawa during the early part of this week, is now on his way back to the Pacific Coast and it is hoped that the Committee will be finally organized, probably next week. I am, therefore, referring your letter and its enclosure for the attention of the Committee.

It is, of course, understood that the Director of Soldier Settlement administering the Veterans Land Act may be in the market for certain of the parcels.

With kind personal regards,

Yours sincerely,

Howard C. Green, Esq., M.P.,
House of Commons,
O t t a w a .

MAR 3 1943
UNDER SECRETARY OF STATE

House of Commons
Canada
O T T A W A
2nd March 1943

E. H. Coleman, Esq.,
Deputy Custodian, Enemy Alien Property,
Victoria Building,
Ottawa.

Dear Dr. Coleman,-

I enclose hereiwth a copy of a letter from a farmer at Mission City, B. C., outlining difficulties he is meeting in an attempt to buy the farm of a Japanese who has been evacuated from ~~in~~ that district. I also enclose a copy of his letter to Mr. McKay.

Would it be possible to have this situation checked?

There is some urgency in view of the fact - as Collins points out - that there is a limited time in which to take steps to arrange for this year's crop.

With kindest personal regards,
Yours sincerely,

Howard Green

Enclosure

HCG/P
Encls.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act

(C O P Y)

Mission City, B. C.,
Feby. 20. 1943.

Mr. Howard Green, M. P.,
Parliament Buildings,
Ottawa.

Dear Mr. Green.-

Enclosed you will find a copy of a letter I have writ-tem to Mr. G. B. McKay of the Custodian's Office in Vancouver; it will serve as a text of what I want to say to you.

I don't suppost it needs me to tell you that the Jap farm situation here has almost reached the phase of a public scandal. What is perhaps worse is that the officials and their help in the Custodian's office appear to be at loggerheads with each other, and, as a consequence, the farms are either being left idle, get into the hands of ne'r-do-wells or go to the bidder who thinks he can make a fortune out of the crop and is willing to pay anything to get the farm for a crop season. Add to this situation a pyramiding of growers organizations plus a cat and dog fight amongst the packers for control of the growers organized or ,otherwise and you have a boiling cauldron that is going to overflow and wreck the peace and prosperity of the Fraser Valley. One packing concern has already thrown up its hands, gone out of business and I can see more doing the same until the industry has ceased to exist. I agree with the Minister of Agriculture that berry growing is not essential but I can see no reason why it should be deliberately allowed to get into such a condition that it will be in no position to be re-established after the war. Berry growing may not be essential but it comes mighty close to being a major industryfor the future prosperity of the Fraser Valley.

If, as Mr. Gardner has said, berry growing is not essen-tial to our war effort, dairy farming, cattle, hog and poultry raising is admittedly so. For that reason those who would take over these Jap farms with the idea of necessary production along these lines and at the same time keep them producing fruit in reasonable quantities ought to be encouraged by being given a preference over those who have no other thought than to pick the fruit until it runs out and then abandon the farm to the kind? hand of nature.

The particular farm I have written Mr. McKay about is one across the road from my own and was leased last year to a man by the name of H. D. Arnett. Arnett's record from almost any

standpoint .....

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

standpoint you like to investigate it, is to say the least, unenviable. The company he shipped to last year say "we do not want him on the farm this year." He owes them over $200 on last year's transactions. The Banker says "no good. His methods are questionable". Those who worked for him as pickers last year refused to remain with him because he was so over-bearing and lazy. He is 24 years of age, married, with one child, German origin, and, I believe, a Mennonite. So much for the man, now for the farm.

It is a farm of about 90 acres on which there are strawberries raspberries, logan berries, barpenberries, grapes (two kinds), tree fruits and nuts. There is hay land and land capable of being cultivated for other farm crops, there is a good water supply and buildings of various kinds. Last year the tennant took off the crop but that is all he did. No cultivating was done after the crop was removed, no new plantings were made, one patch of strawberries was ploughed up as being run out and the land left to go to weeds. Another patch had the first crop it produced picked and then it was allowed to go to grass and clover and this was cut for hay in July. The picking equipment of boxes, crates, pans, etc. were left lying all over the farm, the machinery was left out in the field, the buildings have had no repairs made to them and in some cases boards and doors blown off by the wind left lying where they have fallen. The water system was allowed to freeze up during the late cold spell, the main pipes are burst and will have to be replaced. The wine grapes were not picked because he could not get pickers and was just too lazy himself to pick them. Pears were picked and left in orchard a shed and are still there rotten in the boxes into which they were picked.

With the aid of his father-in-law (to whom he is head-over-heels in debt) he secured a Cafe in Abbotsford, 10 miles from here and moved over there just before Christmas. He came back here about a week ago when he found out he would have difisulty in getting a renewal of this lease unless he resided on the farm. Now his wife is here and he goes to Abbotsford to run the business, coming home at night, this in spite of the fact that we have a gas shortage. During the time he was away I looked after his dog and the horse on the place. Last fall he decided to go into the dairy business, bought a lot of cows and hired a man, a young fellow about 19 or 20, to look after them. Then, for days at a time he left the place. The dairy business lasted less than three months and ended in complete failure.

All but one of the strawberry patches will have to be renewed, the cane berries and grapes will have to be plowed between the rows before they can be cultivated; this will mean a reduced crop this year of all these things and no new producing acreage of strawberries is possible until 1945 and then only providing plantings are made from this year's runners.

I have .....

I have said in the letter to Mr. McKay that I know that the present tennant has neither the intention nor the experience to farm this place. You will naturally ask, how do I know. Simply because he offered to sub-lease all the land except that in fruit, to me, and last Sunday two men were up to look over the farm and told me he had offered to let them run the fruit end on a share basis. He is not one bit interested in farming this place but wants to use the lease as a means to an end. The realization of that end for him will be the end of this farm's usefulness as a food-producing property for years.

I want this property and am willing to enter into an agreement to buy it, I need it to maintain and expand my dairy, poultry and hog activities. We own the 35 acres on which we live but it has not enough cleared land to maintain the size herd I have now.

As far back as last December I wrote the Custodian about leasing this property amd later about buying it. I have been tossed from the Custodian to the Soldier Settlement Board and back to the Custodian. While all this was going on and in face of all the representations made, McKay tells me a lease has been signed for 1943 by Arnett. I claim a sale of this property should receive consideration ahead of the lease and also that the condition of the farm and of the expressed intentions of the tennant after he signed the lease warrant its cancellation.

I would appreciate your interest in this particular farm to the extend of taking the matter up with the Department of the Secretary of State under whose jurisdiction the Custodian is. Your interest also would be appreciated in the whole general situation as it affects all the Jap farms, even to the extent of bringing the matter up in the House if there is no other way to get action. I can assure you of my utmost in co-operating to secure any information you require.

What I have outlined here of the conditions on this one farm, known as the Hashizumifarm is just an example of the condition that exists on these properties all over the valley.

I hope you can find time to give this your attention at once for a few weeks from now will be too late.

Sincerely yours,

(SGD.) Gordon L. Collins

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57899 [Pt 2.1] Soldier Settlement and veterans' Land Act

(C O P Y)

Mission City, B. C.,
Feb. 20. 1943.

Mr. G. B. McKay,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sir:-

I am rather surprised, in view of your letter to me of Feb.17. that you had been in Mission without making any contact with me regarding the Hashizumi property.

I do not agree with your statement in that letter nor with the one you made to Mr. J. R. Wilson, that nothing can be done in this matter because a lease has already been signed. An Order-in-Council exists authorizing the sale of these properties. I have expressed the desire as far back as December to your office, the Soldier Settlement Board and others, to purchase this property. I ~~am~~ understand ~~certain~~ the terms of the lease make it subject to ~~the~~ sale of the property. It is also my understanding that a lease is valid only so long as the properties are cultivated and cared for in a way that will maintain their selling value or ability to produce a crop. I believe a careful examination of the Hashizumi property and the conditions under which the present tennant has, and is, operating, will convince you that a decided deterioration in value and producing ability has already taken place, and will continue as long as it remains in the present hands.

There is another angle to this matter that I would ask you to consider, it is this. The Minister of Agriculture, Ottawa, has made it clear that berry growing is not an essential part of agricultural activity, but dairying, beef cattle, poultry and hog raising, are so considered. As far as berries are concerned, they would only be incidental to my activities. I have a dairy herd, hogs and poultry but have not sufficient cleared land on the place I own to meet my requirements; I need the other place for fodder crops, pasture and hay. Certain parts of the Hashizumi place can be utilized for this purpose without interfering with the production of the other less essential crop of berries. I know that the present tennant has neither the intention nor the experience to farm this place, and I submit, that it would be in the interest of the war effort - if for no other reason - to let the one who can and will make the best contribution to this effort have control or possession of this property.

In view of these facts I would appreciate having a personal discussion with you again on the matter. Please let me hear from you.

Yours very truly,

(SGD.) Gordon L. Collins.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

Telegraphic Address
Cable Address
PACO

PHONES
Mission Office 65, Plant 55
Matsqui, 5411

PACIFIC CO-OPERATIVE UNION

GROWERS AND SHIPPERS OF
FRESH FRUITS AND RHUBARB

MISSION CITY, B.C.

March 5th, 1943.

Mr. G.W. McPherson,
Office of the Secretary of State,
Ottawa, Ontario.

Dear Mr. McPherson:

We are enclosing herewith a copy of our letter written to Mr. G.A. Cruickshank, M.P.

Yours very truly,

PACIFIC CO-OPERATIVE UNION

Per

J. B. Shimek Gen. Mgr.

JBS/EK

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

March 5th, 1943.

Mr. G. A. Cruickshank, M.P.,
Ottawa, ontario.

Dear George:

We were very pleased to have your letter and no doubt you are working hard back there to create a workable policy in connection with these unfortunate evacuated farms. We suppose that Mr. McPherson has made you aquainted with the telegram we sent him as a result of a meeting that we had here in our office with Messrs. Shears, McKay, Wright and Ure, all of the Custodian's office.

At this meeting, all attending seemed to have a willingness to co-operate and bring these farms under lease in the shortest possible time. As a result of that spirit shown at that meeting I wired to Mr. McPherson but since that time it has been shown that there is really very little improvement.

While over 100 of the agreements have now been received, some policy of trying to obtain too much for these farms is followed. The ambition of Mr. McKay seems to be to obtain an amount of money for these leases that compares reasonably favourable with what they paid last year. This ambition is perfectly alright when a new tenant is offered a farm that is in reasonably good shape and which farm has been left by the tenant that was on the farm in 1942. But if the farm is again leased to the same tenant who lost every PENNY that he had and in most cases also what we advanced him to purchase the crop and carry him through, which loss was caused in practically all cases, through no fault of their own, and in fact considering conditions prevailing, the tenant had paid the Japanese far too much since he lost the biggest part of his crop through weather conditions and lack of pickers, for which loss the Japanese farmer, in his agreement made personally with the tenant, agrees, that in case of loss of crop through an Act of God or through anything caused by the war, this tenant should have consideration for such a los in the following year which is 1943.

As pointed out to you before, in such a case where

over

the same tenant is leasing the farm again and where he has paid the Japanese farmer an average of $125.00 per acre of full bearing crop, with the crop being practically ready to harvest at the time when the agreement was made last year, there should not be any attempt to compare that payment, with what he should pay this year, since if he has fairly good prospects for a crop this year, ~~which~~ it is so, because the tenant must do all the work and carry through from the end of last years season until now.

$100.00 per acre is a fair estimate for expenses on an acre of berries, therefore, an average of $25.00 or $30.00 per bearing acre is a fair basis to work from. Mr. McKay also seems to be putting emphasis of his arguement on acreage that has no crop at all on it but could be used for beans, peas, corn and potatoes etc. While it is true that such an acreage has a potential value it is also true that it has only a gambling value, since all these crops mentioned and others as well, normally have only a very low profit value on this highland and he certainly can only pay but very little rent for any acreage used for such a purpose.

The big trouble is still the uncertainty about the tenant being on these farms next year and the year after. This situation completely stops any new planting and also prevents the farmer from putting his whole hearted effort behind his individual enterprise and this condition can only be remedied by the granting of a several years contract of tenure of the land he holds now, with a proper compensation clause inserted in all agreements, for only in this way will The Honourable Ian MacKenzie be able to make good on his promise, which he made to the Public over the radio, that he will have ready, several hundreds of flourishing Japanese evacuated berry farms, to be turned over to returned soldiers as going concerns.

There are enough empty henhouses on these evacuated farms to house about 100,000 laying hens and this in itself is criminal to permit the possibility of these empty houses going unused. Even though the Honourable Minister of Agricutlure at Ottawa seems to think that berries have no value, speaking from a war effort standpoint, he seems to ignore the fact that each berry farm has as much or a greater acreage than that planted into berries, available for other and necessary food producing crops. No one can imagine the deplorable condition that hundreds of these farms are in and we know that since you love this Valley as much as we do you will do everything possible to help us to again bring these idle farms into production in the shortest possible time.

Assuring you that any effort that you will no doubt make to bring about this desired condition will be appreciated not only by ourselves out here, but it will be a definite service to the whole of our country.

Knowing that I can leave this matter with you and that you will do everything that is possible, I remain, with kindest regards

Yours very truly,

JBS/EK

J. B. Shimek Gen. Mgr.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act-

57899 [pt 2.1] Soldier settlement and veterans' Land Act

CD 1X

STANDARD TIME INDICATED

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W.D.NEIL, GENERAL MANAGER OF COMMUNICATIONS MONTREAL

VR QN 26 COLLECT NL

HANEY BC MAR 3RD

MAR 4 1943

UNDER SECRETARY OF STATE

E H COLEMAN

UNDER SECRETARY OF STATE 1280

OTTAWA ONTARIO

PLEASED TO ACCEPT INVITATION TO SERVE ON COMMITTEE UNDER JUDGE WHITESIDE TO CONSIDER DISPOSAL AND ADMINISTRATION OF JAPANESE AGRICULTURAL PROPERTIES STOP AWAIT YOUR FURTHER INSTRUCTIONS.

1024P HALMENZIES

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

FORM 6122

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	D L
Night Message	N M
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

TELEGRAPH AND CABLE — CANADIAN NATIONAL

D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ONT.

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

STANDARD TIME

MAR 3 AM 5 19

MOA 31 34 NL COLLECT=FORTLANGLEY BC 2

E H COLEMAN=1 1206

UNDER SECRETARY OF STATE OTTAWA ONT=

UNDER SECRETARY OF STATE

MAR 3 1943

MAR 3 1943

ACKNOWLEDGING YOUR WIRE MARCH SECOND RE ADVISORY COMMITTEE STOP AM PREPARED TO ACCEPT POSITION OFFERED STOP WILL BE ON HAND FOR MEETING AT FIVE THIRTEEN ROYAL BANK BUILDING AT VANCOUVER ON MARCH FIFTEENTH=

JAS J MCLELLAN.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

FORM 6122

CLASS OF SERVICE	SYMBOL
Full-Rate [illegible]	
Day Letter	DL
Night Message	NM
Night Letter	NL

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

CANADIAN NATIONAL TELEGRAPH AND CABLE

D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ONT. (42)

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

STANDARD TIME

1943 MAR 3 PM 3 3

MOB37 11 COLLECT=NEWWESTMINSTER BC 3 1134A

E H COLEMAN= 582

UNDER SECRETARY STATE OTTAWA ONT=

RETEL SECOND ADVISORY COMMITTEE WILL ACCEPT NOTE DATE

PLACE MEETING=

D E MACKENZIE.

MAR - 3 1943

UNDER SECRETARY OF STATE

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Form 6102B

Exclusive Connection with WESTERN UNION TELEGRAPH CO.
Cable Service to all the World
Money Transferred by Telegraph

CANADIAN NATIONAL TELEGRAPHS

D. E. GALLOWAY, Assistant Vice-President, Toronto, Ont.

CLASS OF SERVICE DESIRED
FULL-RATE MESSAGE
DAY LETTER
NIGHT MESSAGE
NIGHT LETTER X
PATRONS SHOULD MARK AN X OPPOSITE THE CLASS OF SERVICE DESIRED. OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

RECEIVER'S NO.	TIME FILED	CHECK
		ATM

Send the following message, subject to the terms on back hereof, which are hereby agreed to
Veuillez expedier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

Ottawa, March 2, 1943.

James McLennan, Esq.,
Fort Langley, B.C.

Confidential. Custodian charged with administration agricultural property of persons of Japanese race evacuated from protected area desires constitute advisory committee of five to consider problems of disposal and administration. STOP His Honour Judge Whiteside New Westminster has consented act as Chairman and it is proposed that other members of committee should be yourself, D. E. MacKenzie, New Westminster, Hal Menzies, Haney and Kishizo Kimura. STOP Judge Whiteside who has been here proposes organization meeting at office representative Custodian five thirteen Royal Bank Building Vancouver Monday morning March fifteenth ten thirty. STOP Proposal is that members of committee should be paid actual transportation expenses, ten dollars daily living allowance when absent from home and fifteen dollars daily honorarium for meetings. STOP Please wire me collect if you can accept this invitation to serve in capacity mentioned. STOP Custodian will greatly appreciate your acceptance.

E. H. Coleman
Under Secretary of State.

Chg. Custodian's Office.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

Form 6102B

Exclusive Connection with WESTERN UNION TELEGRAPH CO.
Cable Service to all the World
Money Transferred by Telegraph

CANADIAN NATIONAL TELEGRAPHS

D. E. GALLOWAY, Assistant Vice-President, Toronto, Ont.

CLASS OF SERVICE DESIRED
FULL-RATE MESSAGE
DAY LETTER
NIGHT MESSAGE
NIGHT LETTER X

PATRONS SHOULD MARK AN X OPPOSITE THE CLASS OF SERVICE DESIRED. OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

RECEIVER'S NO.	TIME FILED	CHECK
		ATM

Send the following message, subject to the terms on back hereof, which are hereby agreed to
Veuillez expedier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

Ottawa, March 2, 1943.

D. E. MacKenzie, Esq.,
103 Third Avenue,
New Westminster, B.C.

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E. H. Coleman
Under Secretary of State.

Chg. Custodian's Office

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CLASS OF SERVICE

Full Rate	
Day Letter	
Night Message	
Night Letter	X
Evening and Sunday Message	

Please mark an X opposite the class of service desired.

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W.D.NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTR

C.D.

CHECK ATM

TIME FILED

STANDARD TIME

Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

Ottawa, March 2, 1943.

Hal Menzies, Esq.,
Haney, B.C.

Confidential. Custodian charged with administration agricultural property of persons of Japanese race evacuated from protected area desires constitute advisory committee of five to consider problems of disposal and administration. STOP His Honour Judge Whiteside New Westminster has consented act as Chairman and it is proposed that other members of committee should be yourself, D. E. MacKenzie, New Westminster, James McLennan, Fort Langley, and Kishizo Kimura. STOP Judge Whiteside who has been here proposes organization meeting at office representative Custodian five thirteen Royal Bank Building Vancouver Monday morning March fifteenth ten thirty. STOP Proposal is that members of committee should be paid actual transportation expenses, ten dollars daily living allowance when absent from home and fifteen dollars daily honorarium for meetings. STOP Please wire me collect if you can accept this invitation to serve in capacity mentioned. STOP Custodian will greatly appreciate your acceptance.

E. H. Coleman
Under Secretary of State.

Chg. Custodian's Office.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

March 2, 1943.

MEMORANDUM

Re: Japanese Rural Properties

At a meeting held in Dr. Coleman's office at 2:30 this afternoon Judge Whiteside, Dr. Coleman and myself were present and the following points were decided.

1. The committee would be called "the Advisory Committee on Rural Property", with Judge Whiteside acting as Chairman. The other members of the committee, who are to be contacted by Dr. Coleman by wire and requested to act, are as follows:

Hal Menzies, Haney
D. E. McKenzie, New Westminster
James McLennan, Fort Langley
K. Kimura

2. The first meeting of the committee is to be held on Monday, March 15th at 10:30 A.M. in the Custodian's Office, Royal Bank Building, Vancouver.

3. The members of the committee, including the Chairman, are to receive their out-of-pocket travelling expenses and a living allowance of $10. per day when they are away from home on committee business.

4. The members of the committee other than the Chairman are to receive an honorarium of $15. per day when sitting.

(Note: Dr. Coleman authorizes me to increase these allowances where considered necessary and where approved by the Chairman)

5. The terms of reference are:

To advise the Custodian in respect to the disposal or effective use of rural properties vested in him on behalf of persons of the Japanese race evacuated from the Protected Areas of British Columbia under the various Orders-in-Council relating to the evacuation and in particular without limiting the generality of the foregoing in relation to -

(a) Liquidation by means of sales of particular parcels and the prices which should be realized therefrom.

(b) Sales, the methods to be adopted in appraisals, the manner of offering for sale and the terms of any contract of sale.

(c) The leasing of properties of which it may not be thought advisable to recommend immediate sale and the terms of any lease contract.

(d) The review of, and if thought advisable, the arbitration of claims now made or which may hereafter be made in relation to leases entered into between persons of the Japanese race and lessees from them.

(e) The disposition of any farm equipment or other chattels.

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

March 2, 1943.

MEMORANDUM

Re: Meeting in Hon. Ian Mackenzie's office
March 1st at 4 P.M.

Present: Hon. Mr. McLarty
Judge Whiteside
Thomas Reid, M.P.
Mr. Cruickshank, M.P.
J. G. Turgeon, M.P.
Dr. E. H. Coleman
G. W. McPherson

My memorandum of March 1st was used as a basis of discussion and copies of the statement dated February 26th and showing the positon of the farms were distributed. Mr. McLarty retired after a few opening remarks. The Members of Parliament made three points:

1. That the leasing program be proceeded with as rapidly as possible and with satisfactory terms.

2. That the work of the committee get under way as soon as possible.

3. That I should proceed to Vancouver to assist in getting the work under way.

After considerable round-table discussion several suggestions were made for consideration by the committee:

1. Mr. Reid suggested that since sales to the Soldier Settlement of Canada would be for cash, all other sales should be for cash even though the price had to be reduced.

2. The committee should handle all of the land including the Village of Steveston and the City of New Westminster, excluding only the City of Vancouver which would be handled by Judge Smith's committee.

3. Mr. Cruickshank expressed very definite views that the Soldier Settlement of Canada should have the first choice since they would be holding the lands for returned men and tenants who wished to purchase would have to take a secondary position.

4. Mr. Kimura was satisfactory and insofar as Arthur Nishiguchi is concerned Mr. Reid, M.P. was very much annoyed to hear that the Department of Labour had even suggested him.

5. It appeared to be the opinion of the meeting generally that a one year lease is not sufficient and that leases should be for two years, possibly with an option for an additional year provided war did not end within that time or the Custodian did not desire to sell to the Soldier Settlement of Canada.

6. It was agreed by the Members of Parliament that Judge Whiteside's committee would be acceptable to them to arbitrate disputes over misrepresentation of acreage and I pointed out that there would be no cash payments for misrepresentation but merely credits as a set-off against current rent.

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7. Mr. Cruickshank, while stating that he held no brief for the Pacific Co-Operative Union, expressed the opinion very emphatically that he felt P.C.U. by risking considerable cash had gone a long way to saving the berry situation last season and should be given some consideration in any leasing program relating to their members' farms.

8. The committee, consisting of the following people, was accepted as satisfactory -

Chairman - Judge Whiteside
Mr. McLennan
Mr. McKenzie
Mr. Menzies
Mr. Kimura.

9. It was agreed that I should proceed to Vancouver the first of next week.

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

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J-49

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

March 2, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Farm Lands

I attended a meeting yesterday in the Hon. Ian Mackenzie's office and several Members of Parliament and Judge Whiteside were present together with the Custodian and the Deputy Custodian.

The Custodian's leasing program was under fire and some changes will be made in consulting with Judge Whiteside's committee. The personnel of the committee was approved of by the Members and Judge Whiteside leaves for Vancouver tonight. He will, however, stop enroute and does not expect to arrive there until Thursday of next week.

The Members of Parliament requested that I should go to Vancouver temporarily to co-operate with Judge Whiteside in organizing the liquidation of the farm lands and this suggestion was concurred in by the Custodian. I expect to leave on Monday morning by plane, being trip #1 and arriving in Vancouver at 10:40 P.M. Monday night, where I will proceed directly to the hotel. I would appreciate it if you would arrange a reservation at the hotel for me as of Monday night. I will likely be in Vancouver for two weeks which should be ample time to organize the work of both committees and to review Custodian work generally with you.

Mr. Alexander referred to his holidays in a personal letter to me but I think it would be desirable if he would delay his holidays until after my visit as I think you will be busy working with me and he will have to control the Evacuation Section. If there is a change in my plans I will wire you. Otherwise you might keep in touch with Trans-Canada

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to see whether or not the plane will arrive on Monday night since I might be delayed over night East of the Rockies.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

March 2, 1943.

MEMORANDUM

Re: Japanese Agricultural Lands

Mr. A. H. Brown, Local 7063, of the Department of Labor telephoned me yesterday and stated that the Security Commission in Vancouver recommended Mr. Arthur Nishiguchi as the Japanese representative on Judge Whiteside's committee.

I advised Mr. Brown that I was under the impression that the Department of Labor were not anxious to suggest a nominee because of the nature of the work to be done.

I also told Mr. Brown that Mr. Kimura had been suggested some time ago and had been approved by Judge Smith as a member of his committee, and that I would mention Arthur Nishiguchi's name at the meeting to be held in the Hon. Ian Mackenzie's office in the afternoon. I did mention his name and Nishiguchi's appointment was opposed vigorously by Mr. Thomas Reid, M.P.

Mr. Brown also suggested that the Custodian forward all cheques to evacuees through the Treasury Department of the Security Commission and I told him that was a problem I would discuss with Mr. Collins on my arrival in Vancouver.

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

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57899 [pt 2.1] Soldier settlement and veterans' land

March 1, 1943.

MEMORANDUM

Re: Japanese Farm Lands

The following are some of the points that should be considered at the meeting to be held in the Hon. Ian Mackenzie's office this afternoon at 4 o'clock:

1. Committee

Judge Whiteside will act as chairman and there will be two other white nominees and a representative of the Japanese. Mr. Kimura is well known to Judge Smith and also known to myself and I believe he would be satisfactory. Mr. Brown of the Department of Labour called this afternoon and said the British Columbia Security Commission had suggested as a possible representative Arthur Nishiguchi. I advised Mr. Brown that I understood the Department of Labour had informed the Deputy Custodian that they did not care to make a nomination and Mr. Kimura was, therefore, being considered. I know Mr. Arthur Nishiguchi and do not feel that he would be satisfactory as Mr. Kimura.

2. Liquidation Policy

(a) Leasing Program -

Any liquidation of the farm lands will, in equity to the tenants, have to be subject to existing leases. A statement to show the present standing is attached.

There has been considerable criticism of the present leasing policy due to the fact that originally the Soldier Settlement would only consent to a one year lease but they have no control over the leasing program now. The committee considering the question of liquidation will have to consider whether or not the farms should be leased for more than a current year and also the question of the cancellation of the leases now dealt with in paragraph 5, which has always been considered as inequitable by the Custodian's office but was inserted at the request of the Soldier Settlement of Canada.

(b) In any liquidation program the question of the advisability of giving tenants an opportunity of purchasing the land leased to them will, in my opinion, have to be considered, and if agreed to in principle, by the committee this may cause some friction with the Soldier Settlement of Canada who have indicated they are prepared to buy 50% of all the land. S.S.C.

(c) Method of liquidation -

The method of handling sales either by public advertisement, advertising individual properties or by a public notice that Japanese owned agricultural lands generally are for sale, will have to be considered and the possibility of restricting any public notice to lands other than those coming within the Soldier Settlement of Canada offer. It would not appear fair

to indicate to the public that all of the lands were for sale and at the same time be negotiating with the Soldier Settlement of Canada to sell them 50% on what would amount to a closed market.

A method of valuing the lands will also have to be considered and I do not think the Soldier Settlement valuations can be taken as the vendor's price and it might be desirable to consider using farm real estate companies as agents.

3. Custodian's organization

The position of the Custodian's organization in relation to the committee and the Custodian's duties and responsibilities should be considered.

4. Chattels

Any policy of liquidation must take into consideration the fact that to a large extent the chattels, including farm equipment, were left on the farms by the evacuees and are being stored by the tenant or rented to him, with the result that a sale necessitating the removal of chattels would create a storage problem for the Custodian and this would require negotiations with the Security Commission as to the possibility of shipping the chattels to the Japanese evacuees.

The question of the disposal of chattels is left in the hands of Dr. Coleman and Mr. MacNamara by the special committee of the Cabinet at the meeting which decided on the policy of liquidation.

5. Claims & Reorganization

(C. W. McPherson)

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57899 [pt 2.1] Soldier settlement and veterans' Land

March 1, 1943.

MEMORANDUM of G.W.M. Mackenzie / Mackenzie / Mackenzie

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(G. W. McPherson)

COPY

TERMS OF

57899 [Pt 2.1] Soldier settlement and veterans' Land

C O P Y

TERMS OF REFERENCE - RURAL PROPERTY

To advise the Custodian in respect to the disposal or effective use of rural properties vested in him on behalf of persons of the Japanese race evacuated from the Protected Areas of British Columbia under the various Orders-in-Council relating to the evacuation and in particular, without limiting the generality of the foregoing, in relation to -

(a) Liquidation by means of sales of particular parcels and the prices which should be realized therefrom.

(b) Sales, the methods to be adopted in appraisals, the manner of offering for sale and the terms of any contract of sale.

(c) The leasing of properties of which it may not be thought advisable to recommend immediate sale and the terms of any contract of lease.

(d) The review of, and if thought advisable, the arbitration of claims now made or which may hereafter be made in relation to leases entered into between persons of the Japanese race and lessees from them.

(e) The disposition of any farm equipment or other chattels.

C O P Y

TERMS OF REFERENCE - URBAN PROPERTY

To advise the Custodian in respect to the disposal or effective use of properties in Greater Vancouver vested in him on behalf of persons of the Japanese race evacuated from the Protected Areas of British Columbia under the various Orders-in-Council relating to the evacuation and in particular, without limiting the generality of the foregoing, in relation to -

(a) Liquidation by means of sales of particular parcels and the prices which should be realized therefrom.

(b) Sales, the methods to be adopted in appraisals, the manner of offering for sale and the terms of any contract of sale.

(c) The leasing of properties of which it may not be thought advisable to recommend immediate sale and the terms of any contract of lease.

(d) The review of, and if thought advisable, the arbitration of claims now made or which may hereafter be made in relation to leases entered into between persons of the Japanese race and lessees from them.

(e) The disposition of any chattels.

57899 [Pt 2.1] Soldier settlement and veterans' Land

57899 [pt 2.1] Soldier settlement and veterans' land

J-49

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

March 1, 1943.

Director of Soldier Settlement
of Canada,
Ottawa, Ontario.

Dear Sir:

Re: Mr. G. T. McKay

I have your letter of February 24th which confirms the conversations I have had with your Mr. Jones recently.

In accordance with the arrangements made, the Custodian's Office in Vancouver will pay Mr. McKay direct at the rate of $250. per month as long as he is employed on Custodian work. Any expenses which he may incur on the Custodian's behalf will also be taken care of by the Vancouver office.

The Custodian's Vancouver office will also reimburse your department for the use of the automobile used by Mr. McKay, cheques payable to the Soldier Settlement of Canada to be remitted monthly and forwarded to your Vancouver Office. Payment will be on the basis of 6¢ per mile as set out in your letter.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

57899 [pt 2.1] Soldier settlement and veterans' land

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

February 27, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Farm Lands

I have your letter of February 25th and I would not like you to think that I am at all disturbed at the way you are handling the situation. Considerable pressure, however, is being brought to bear on various parties at present in Ottawa by parties in the Fraser Valley who are well known to yourself and myself.

I agree with you that it is not desirable I should proceed to Vancouver prematurely and in fact I am doing everything in my power to avoid the trip since I have considerable work to do here on enemy matters.

Confidential. I expect that a meeting will be held on Monday morning with Judge Whiteside of New Westminster who has accepted the position as Chairman of a five man committee to deal with agricultural lands, this committee to be separate and distinct from Judge Smith's committee which will deal only with urban property. Judge Whiteside is now on his way to Ottawa at the request of the Custodian and will be here early next week. It is possible that I may be instructed to go to Vancouver in the very near future as soon as the policy of liquidation is clearly defined in order that you and I may discuss the part that the Custodian's organization will play in co-operating with the two committees.

I received a wire from Mr. Shimek yesterday which I assume was sent after your meeting and possibly with your

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

knowledge as to the contents. This wire indicates that everything is under control insofar as the leasing program is concerned.

It is more than two months since we have had an opportunity to discuss the Custodian's work generally and if I am instructed to proceed West I think we can spend some useful time together.

Yours very sincerely,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

FEB 27 1943
UNDER SECRETARY OF STATE

Ottawa, Feb. 27th, 1943

Memo. to Dr. Coleman:

As you know a conference was arranged to take place in the Honourable Ian Mackenzie's room in the House of Commons Monday next at 4 p.m. at which Mr. Mackenzie, Mr. Tom Reid and Mr.Cruickshanks would discuss with yourself and Judge Whiteside the question of Japanese properties.

Mr. Mackenzie has suggested that it might be of advantage if we had Mr.McPherson and Major Murchison attend as well.

I can see no objection to this.

Mr. Mackenzie and Mr. Cruickshank are both very anxious for Mr. McPherson, if possible, to return to the Coast for a short time to see if there could not be something done especially in connection with the berry farms in the Fraser Valley.

N.A.McL.

Unless hearing from you to the contrary, I will assume this to be satisfactory.

Yours sincerely,

The Honourable
Ian A. Mackenzie,
Minister of Pensions & National Health,
O t t a w a.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

Ottawa, February 27th, 1943.

My dear Colleague:

I have your letter of the 25th instant and as it was arranged for yourself, Mr. Reid and Mr. Cruickshank to meet in your office in the House of Commons on Monday next at 4 p.m. with Judge Whitewide, I will endeavour to see if Mr. McPherson and Major Murchison could not be there at the same time.

The further matter as to Mr. McPherson returning to the Coast would also be discussed at that meeting.

Unless hearing from you to the contrary, I will assume this to be satisfactory.

Yours sincerely,

The Honourable
Ian A. Mackenzie,
Minister of Pensions & National Health,
O t t a w a.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

J-49

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

February 27, 1943.

G. A. Cruickshank, M.P.,
House of Commons,
Ottawa, Ontario.

Dear Sir:

Re: Japanese Agricultural Lands

Operative following

As requested by Mr. Shimek of the Pacific Co-Union I wish to advise you that I received the telegram from him relating to the above matter:

"Meeting today with Shears McKay Wright and Ure stop results quite satisfactory stop only drawback now leases for one season only and absence of compensation clause stop thank you for quick action stop please convey thanks and contents of this wire to Cruickshanks and Hon. Ian Mackenzie."

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

J-49

Victoria Building,
7 D'Connor Street,
Ottawa, Ontario.

February 27, 1943.

Norman Senior, Esq.,
Private Secretary to
The Hon. Ian Mackenzie,
Dept. of Pensions & National Health,
Daly Building,
Ottawa, Ontario.

Dear Sir:

Re: Japanese Agricultural Lands

Operative following As requested by Mr. Shimek of the Pacific Co-Union I wish to advise you that I received the telegram from him relating to the above matter:

"Meeting today with Shears McKay Wright and Ure stop results quite satisfactory stop only drawback now leases for one season only and absence of compensation clause stop thank you for quick action stop please convey thanks and contents of this wire to Cruickshanks and Hon. Ian Mackenzie."

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

27th February, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

The following is a copy of what has just appeared in the New Westminster paper:-

"

WHITESIDE TO HEAD NEW BOARD ON JAP AFFAIRS
City Judge Summoned to Ottawa as Chairman
of Commission Composed of Fraser Valley
Representatives.

Judge David Whiteside will leave tonight by Canadian National Railways for Ottawa. He goes at the call of the Under-Secretary of State who telephoned him from the capital. The judge is to be chairman of a commission, composed of members from various parts of the Fraser Valley, to deal with some phase of Japanese affairs. Exactly what the functions of this body will be, he does not know. He assumes that the project will be fully explained when he gets to Ottawa and that the work of the commission will commence on his return at an early date.

The assumption is that the function of the commission will be to sell Japanese farm lands in the valley. These lands are at present in the hands of G. W. McPherson, custodian of alien enemy property, but his authority extends only to leasing them. It was recently announced at Ottawa that the lands will

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

AIR MAIL

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

G. W. McPherson

"now be offered for sale, and that separate organization would be set up for that purpose."

Yours very truly,

F. G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

26th February, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

Regarding the attached list, you will notice of the 220 Pacific Co-Operative Union properties we have completed 98 agreements, which is approximately 44%. We have 35 collaterals in the office and assuming these will be approved, 133 will be completed, or a total of 60%.

In regard to the other 435 rentable farms, you will notice that 310 are now under lease, or approximately 70%.

Yours very truly,

F G Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act

VIA AIR MAIL

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FILE No.....

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

SPECIAL DELIVERY

26th February, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

I went to Mission yesterday and was there all day, arriving back in the evening.

We had a long session with Shimek. I first took up the matter of his letter to Mr. Cruickshank and the telegram which the Berry Growers had sent and asked if he thought that the statements made would present a true picture to those receiving the information in Ottawa.

He was aware of the wire being sent of course and claimed that he had suggested toning it down somewhat but those that had prepared it wanted the situation to appear as disturbing as possible.

I pointed out to him that he must have been aware that Mr. Ure had been obtaining signatures to collateral agreements from approximately 100 existing tenants and therefore stating that 90% of the tenants have no lease was at least misleading. He claimed that until the agreement was returned with the Custodian's signature that the Pacific Co-Operative Union could not feel safe in making any advances to the tenants and that only 20 collaterals had been completed.

There was some reason in this of course, provided he thought that there was any doubt in regard to the renewals being granted. In connection with this we told him that nearly 50 had been completed and that the other collaterals had only recently been sent in for approval and that there was no reason to suppose they also would not be approved as the earlier ones had been, except perhaps in a few cases.

I suggested to Shimek that a reference to auctioneering would convey the idea of bartering with several prospects for the same property. In the majority of cases of course the negotiation was simply with the existing tenant and only in one or two cases so far had there been any change made in the collateral application.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

G. W. McPherson

Three or four specific cases were discussed and I have asked Mr. McKay to set down the actual facts as far as he is concerned and I will include same in this letter.

I can fairly say that without any doubt the net results of the whole of yesterday's session indicated that so far there has really been no very serious difference of opinion or anything particularly disturbing.

McKay and Anderson are going to concentrate in the next week or ten days in finishing off the P.C.U. collaterals and we have arranged that Mr. Shimek will be advised immediately the tenant signs and that he can be assured that this office will complete and return the document without undue delay.

Mr. Shimek was quite aggreeable all through, and the whole of the discussion was carried out purely in an effort to disclosing the actual facts and difficulties in the problems involved.

The matter of the cars still in their possession was also discussed. A certain number which they have been holding in storage and which have not been used at all, we intend to have appraised and sold.

A number of cases where an arrangement to sell the truck was entered into and which was later changed to a rental basis, are being straightened out and we started a statement while I was there and which Mr. Ure has promised to complete.

Mr. Shimek is to be at our office to-morrow and we will endeavour to make some definite arrangements in regard to the balance of the cars not sold and fully paid for.

Your wire has been received advising me of the meeting on Monday. The information supplied to me by Mr. McKay and Mr. Richardson concerning the present standing of farm lands in the Valley is attached and you will see from this that the situation is fairly well in hand

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

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PLEASE REFER TO

FILE No.

G. W. McPherson Esq.

and is a distinctly different picture to that shown by the Berry Growers Association's wire.

Yours very truly,

F. G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.....

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

26th February, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

Re: Japanese Real Estate

I am enclosing herein a list showing the number of parcels of land and the assessed values of same together with improvements thereon. This list has been obtained from the various municipalities.

We now have a card for each property and in the very near future we will be able to prepare a list separating the Internee from the Evacuee properties and also distinguishing between farm lands and urban properties.

One thing the list indicates is that we are not handling as many properties as was at first thought.

As soon as I have a fairly accurate statement I will forward same to you.

Yours truly,

F Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

JAPANESE PROPERTIES

(Unsuitable)

MUNICIPALITY	No. of Ppties.	Total Acreage	Cultivated Acreage	1942 Taxes	Appraised Value Total	Appraised Value Land	Buildings	Dist. Supt. Valuation.
Mission	41	526	265	$ 1,167.95	$ 37,235.	$ 19,040.	$ 18,195.	$ 35,250.
Mission Village	5	29	13	102.85	1,418.	1,013.	405.	1,600.
Pitt Meadows	14	131	91	402.26	10,779.	5,654.	5,125.	9,650.
Matsqui	40	1424	190	1,367.75	38,596.	23,566.	15,030.	33,375.
Langley	26	735.	120	680.96	18,464.	10,104.	8,360.	16,300.
Delta	13	87	14	168.60	10,017.	1,662.	8,355.	10,450.
Richmond	6	14	14	236.03	11,534.	4,134.	7,400.	11,200.
Maple Ridge	94	1460	327	2,986.59	71,315.	29,855.	41,460.	67,450.
Surrey	39	457	154	1,135.06	28,856.	14,673.	14,183.	27,750.
Chilliwack	1	46	46	131.85	7,213.	5,113.	2,100.	7,000.
Dewdney (Unorganized)	1	19	-	11.58	191.	191.	-	50.
Coquitlam	4	39	8	207.87	3,126.	966.	2,160.	2,850.
Granthams Landing	1	4	-	10.50	110.	110.	-	100.
Irvine's Landing	1	10	-	17.25	710.	150.	560.	350.
Sechelt	1	156	-	49.92	Nil.	-	-	50.
Gibson's Landing	1	5	-	2.75	48.	48.	-	50.
	288	5142	1242	$ 8,679.77	$ 239,612.	$116,279.	$ 123,333.	$ 223,475.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act - Forestry

JAPANESE PROPERTIES
(Suitable)

MUNICIPALITY	No. of Ppties.	Total Acreage	Cultivated Acreage	1942 Taxes	Appraised Value Total	Appraised Value Land	Buildings	Dist. Supt. Valuation
Mission	93	1040	653	$ 2,497.50	$ 95,249.	$ 46,359.	$ 48,890.	$92,550.
Mission Village	23	135	87	480.73	17,439.	7,584.	9,855.	17,600.
Pitt Meadows	38	398	288	1,498.28	35,962.	17,612	18,350.	33,500.
Matsqui	66	2075	452	2,290.46	80,525.	47,430.	33,095.	71,675.
Langley	36	955	189	933.14	35,016.	17,861.	17,155.	31,200.
Delta	71	561	179	1,381.34	74,335.	19,424	54,911.	77,550.
Richmond	83	322	322	3,347.44	128,917.	72,622.	56,295.	127,100.
Maple Ridge	233	2815	1124	8,195.25	256,511.	105,401.	151,110.	246,950.
Surrey	100	1126	498	3,567.14	111,384.	45,910.	65,473.	109,250.
Chilliwack	1	46	46	131.85	7,213.	5,113.	2,100	7,000.
Dewdney (Unorganized)	7	103	76	344.59	11,212.	7,052.	4,160.	11,350.
Sumas	1	9	9	19.78	1,075.	675.	400.	1,200.
Coquitlam	10	66	27	548.47	8,822.	4,007.	4,815.	8,050.
Grantham's Landing	1	4	-	10.50	110.	110.	-	100.
Irvine's Landing	1	10	-	17.25	710.	150.	560.	350.
Sechelt	4	189	9	101.92	2,493.	893.	1,600.	2,450.
Gibson's Landing	1	5	-	2.75	48.	48.	-	50.
	769	9859	3959	$ 25,368.39	$867,021.	$ 398,251.	$ 468,769.	$ 837,925.

NAME

DEBITS

COPY	DATE	FOL.	PARTICULARS	LIABILITIES PAID	REAL ESTATE OPERATION DISBTS.	CASH	SUNDRY	TOTAL DEBITS
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
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26								
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28								
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30								
31								
32								
33								
34								
35								

AREA	NO. OF PPTIES.	CROP ACREAGES							ACREAGE CLEARED	TOTAL ACREAGE OF PPTIES.
		Straws.	Rasps.	Other Canes	Bush Fruit, Orchard Grapes	Rhub.	Aspar.	Hops		
FRASER VALLEY & LOWER MAINLAND	839	985.59	289.59	126.15	135.64	105.2	130.05	67.29	4,091.91	9,995.7
VANCOUVER ISLAND & GULF ISLANDS	100	2.5	2.25	1.30	-	-	5.95	-	207.72	3,085.28
	939	988.09	291.84	127.45	135.64	105.2	136.00	67.29	4,299.63	13,080.98

DATE	FOL.	SUMMARY OF THE APPRAIS IN THE DEFENC	
		TOTAL ANNUAL TAX LEVY	No. of Dwelling
		$37,824.21	652
		2,366.62	92
		$40,190.83	744

REGISTRATION No.

File No.

Sheet N

SUMMARY OF THE APPRAISALS OF LANDS HELD BY JAPANESE IN THE DEFENCE AREA OF BRITISH COLUMBIA

Real Estate Operation Debits.	Cash	Sundry	Total Debits	Date	Fol.	Particulars	Credits: Cash or Bank Account	Real Estate Income	Miscell. Assets Income	Securities Income	Real Estate Realization	Miscell. Assets Realization	Sundry	Total Credits

Acreage Cleared		Total Acreage of Ppties.	Total Annual Tax Levy	Buildings			Electricity		Valuation			
ar.	Hops			No. of Dwellings	Poultry House Accommodation (birds)	Greenhouses, Area Under Glass (sq.ft.)	Ppties. with Electricity Installed	Total Value of Bldgs.	Value of Land	Value Bldgs. Add to Land	Extras	Total Ppty. Value
67.29	4,091.91	9,995.7	$37,824.21	652	185,661	293,498	382	$810,074.00	$410,726.15	$539.646.50	$8,115.65	$977,788
-	207.72	3,085.28	2,366.62	92	5,440	156,718	27	61,606.20	32,456.75	49,174.29	-	81,63
7.29	4,299.63	13,080.98	$40,190.83	744	191,101	450,216	409	$871,680.20	$443,182.90	$608,820.79	$8,115.65	$1,059,4

REGISTRATION No. ..... File No. .....

Sheet No. .....

CREDITS

PARTICULARS	CASH OR BANK ACCOUNT	REAL ESTATE INCOME	MISCELL. ASSETS INCOME	SECURITIES INCOME	REAL ESTATE REALIZ-ATION	MISCELL. ASSETS REALIZ-ATION	SUNDRY	TOTAL CREDITS	CE

APPRAISALS OF LANDS HELD BY JAPANESE

DEFENCE AREA OF BRITISH COLUMBIA

	BUILDINGS		ELECTRICITY		VALUATION				LEASES
of lings	Poultry House Accommodation (birds)	Greenhouses, Area Under Glass (sq.ft.)	Ppties. with Electricity Installed	Total Value of Bldgs.	Value of Land	Value Bldgs. Add to Land	Extras	Total Ppty. Value	Ppties.known to be Leased or Rented, 1942
	185,661	293,498	382	$810,074.00	$410,726.15	$539.646.50	$8,115.65	$977,788.30	418
	5,440	156,718	27	61,606.20	32,456.75	49,174.29	-	81,631.54	35
	191,101	450,216	409	$871,680.20	$443,182.90	$608,820.79	$8,115.65	$1,059,419.84	453

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

NAME

DEBITS

JAPANESE LANDS - FRASER VALLEY & LOWER MAINLAND

DATE	FOL.	PARTICULARS	LIABILITIES PAID	REAL ESTATE OPERATION DISBTS.	CASH	SUNDRY	TOTAL DEBITS	DATE	FOL.

C O P Y

MUNICIPALITY	NO.OF PPTIES.	CROP ACREAGE: Straws.	Rasps.	Other Bush Fruit, Orchard, Grapes	Rhub.	Aspar.	Hops	ACREAGE CLEARED	TOTAL ACREAGE OF PPTIES.	TOTAL ANNUAL TAX LEVY	No.of Dwellings	BUILDINGS: Poultry House Accomodation (birds)	Green-houses, Under Glass	ELECTRICITY: Ppties.with Electricity Installed
COQUITLAM DISTRICT	9	10.53	1.92	.55	.33	.33	.42	-	21.08	46.84	$ 467.30	4	-	1
CITY OF PT. COQUITLAM	1	.46	-	-	-	-	.94	-	6.13	17.45	118.03	1	2,500	-
PITT MEADOWS DISTRICT	39	85.09	20.79	-	7.07	2.85	7.3	7.75	298.92	410.82	1,566.85	34	1,495	9,870
MAPLE RIDGE DISTRICT	241	246.0	100.83	10.69	21.37	21.35	59.33	26.06	1,155.93	2,934.63	19,093.29	212	42,161	271,544
MISSION DISTRICT	93	127.1	38.8	39.63	5.95	25.43	9.53	24.53	658.28	1,040.25	2,497.58	68	10,335	-
MISSION VILLAGE	25	11.48	9.12	6.46	.6	4.01	2.25	1.7	103.62	110.41	480.73	17	90	-
RICHMOND DISTRICT	140	20.3	9.9	28.14	23.86	.28	-	-	342.73	347.82	4,747.85	95	1,959	-
DELTA DISTRICT	73	19.88	8.73	.9	20.6	.94	3.45	-	187.78	566.88	1,403.32	46	67,067	-
SURREY DISTRICT	99	211.23	10.98	-	29.63	25.73	8.81	-	518.76	1,117.23	3,525.62	81	52,863	-
LANGLEY DISTRICT	36	65.59	9.9	.95	4.35	.35	19.78	-	192.91	956.22	933.14	25	5,320	2,464
MATSQUI DISTRICT	66	165.92	48.38	36.62	20.13	15.63	18.24	5.25	457.80	2,077.02	2,327.07	58	1,549	9,620
CHILLIWACK DISTRICT	1	-	-	-	-	-	-	-	46.48	46.48	131.85	1	180	-
SUMAS DISTRICT	1	3.4	4.5	-	-	-	-	-	8.71	9.05	19.78	1	-	-
UNORGANIZED DISTRICT (DEWDNEY)	7	18.11	25.74	2.21	1.75	8.3	-	2.0	83.23	103.66	344.59	5	42	-
BURNABY	1	.5	-	-	-	-	-	-	.75	2.5	34.79	1	100	-
MAINLAND COAST	7	-	-	-	-	-	-	-	8.8	208.44	132.42	3	-	-
	839	985.59	289.59	126.15	135.64	105.2	130.05	67.29	4,091.91	9,995.7	37.824.21	652	185,661	293,498

REGISTRATION No. File No.

Sheet No.

JAPANESE LANDS - FRASER VALLEY & LOWER MAINLAND

DATE	FOL.	PARTICULARS	CASH OR BANK ACCOUNT	REAL ESTATE INCOME	MISCELL. ASSETS INCOME	SECURITIES INCOME	REAL ESTATE REALIZATION	MISCELL. ASSETS REALIZ. ATION	SUNDRY	TOTAL CREDITS

UNDRY	TOTAL DEBITS	TOTAL ACREAGE OF PPTIES.	TOTAL ANNUAL TAX LEVY	BUILDINGS No. of Dwellings	BUILDINGS Poultry House Accomodation (birds)	BUILDINGS Greenhouses, Area Under Glass	ELECTRICITY Ppties. with Electricity Installed	VALUATION Total Value of Bldgs.	VALUATION Value of Land	VALUATION Value Bldgs. Add to Land	VALUATION Extras	VALUATION Total Ppty. Value	LEASES Ppties. known to be leased or rented, 1942.
		AGE RED											
08	46.84	46.84	$ 467.30	4	-	-	2	2,880.00	3,710.92	2,655.00	-	6,365.92	4
3	17.45	17.45	118.03	1	2,500	-	1	4,250.00	297.10	2,160.00	-	2,457.10	-
	410.82	410.82	1,566.85	34	1,495	9,870	13	26,315.00	18,104.36	18.725.00	150.00	36.979.36	26
	2,934.63	2,934.63	19,093.29	212	42,161	271,544	139	305,251.80	111,173.74	196,370.30	2,125.00	309,669.04	78
	1,040.25	1,040.25	2,497.58	68	10,335	-	45	75,420.00	44,927.20	48,840.00	1,495.25	95,262.45	47
	110.41	110.41	480.73	17	90	-	9	14,075.00	6,779.75	9,855.00	805.00	17,439.75	9
	347.82	347.82	4,747.85	95	1,959	-	72	121,205.20	84,678.82	99,262.20	-	183,941.02	88
	566.88	566.88	1,403.32	46	67,067	-	42	89,727.00	19,291.29	56,361.00	349.00	76,001.29	42
	17.23	17.23	3,525.62	81	52,863	-	41	94,663.00	44,306.78	65,323.00	1,209.40	110,839.18	62
	6.22	6.22	933.14	25	5,320	2,464	6	21,500.00	17,383.50	17,180.00	487.00	34,350.50	15
	.02	.02	2,327.07	58	1,549	9,620	6	40,792.00	47,015.04	33,095.00	313.00	80,423.04	42
	48	48	131.85	1	180	-	1	2,990.00	5,113.30	2,100.00	-	7,213.30	-
	05	05	19.78	1	-	-	-	490.00	665.15	400.00	10.00	1,075.15	-
	6	6	344.59	5	42	-	4	6,375.00	5,907.60	4,160.00	1,147.00	11,214.60	3
			34.79	1	100	-	1	1,320.00	193.75	1,000.00	-	1,193.75	1
			132.42	3	-	-	-	2,820.00	1,177.85	2,160.00	25.00	3,362.85	1
	37.824.21	652		185,661	293,498	382		$810,074.00	$410,726.15	$559,646.50	$8,115.65	$977.788.30	418

NAME

REGIS

DEBITS

DATE	FOL.	PARTICULARS	LIABILITIES PAID	REAL ESTATE OPERATION DEBTS.	CASH	SUNDRY	TOTAL DEBITS

COPY

DATE	FOL.	PARTICULARS

JAPANESE LANDS - VANCOUVER ISLAND & GULF IS

DISTRICT	NO. OF PPTIES.	CROP ACREAGE							ACREAGE CLEARED	TOTAL ACREAGE OF PPTIES.	TOTAL ANNUAL TAX LEVY	BUILDINGS			ELECTRICITY	
		Straws.	Rasps.	Other Bush Canes	Fruit Orchard, Grapes	Rhub.	Aspar.	Hops				No. of dwellings	Poultry House Accommodation (birds)	Green houses, Area Under Glass (Sq. Ft.)	Ppties. with Electricity Installed	Total Va of Bldgs
SAANICH DISTRICT	1								1.27	1.35	19.60	1	-		-	$ 340.
DUNCAN DISTRICT	2								16.9	20.6	50.25	2	-		2	600
CHEMAINUS DISTRICT	6								3.0	63.76	244.44	7	260		5	6,82
NANAIMO DISTRICT	14								1.71	9.908	320.23	17	-		9	6,32
ALBERNI DISTRICT	1								1.5	15.75	19.93	1	-	7,728	-	1,0
PARKSVILLE DISTRICT	1								-	5.6	8.37	-	-		-	
CUMBERLAND, COURTENAY, COMOX & ROYSTON DISTRICT	15								88.75	698.78	512.96	9	610		4	6,
CAMPBELL RIVER DIST.	1								.12	.12	3.60	-	-		-	
QUATHIASKI COVE	5								2.55	3.4	134.58	5	-		-	
CORTEZ & RENDEZVOUS ISLANDS	2								10.3	279.0	23.15	2	-		-	
MAYNE ISLAND	11								45.4	935.89	176.35	8	705	112,070		1
SALT SPRING ISLAND	11	2.5	2.25	1.30	-	-	5.95	-	36.22	928.53	273.59	8	2,200	36,920		6
	70	2.5	2.25	1.30	-	-	5.95	-	207.72	2,962.688	1,787.05	60	3,775	156,718		27
WEST COAST DIST.(Van.Is.)	30								Bldg.sites only	122.60	579.57	32	1,665	-		-
	100	2.5	2.25	1.30	-	-	5.95	-	207.72	3,085.28	2,366.62	92	5,440	156,718		27

REGISTRATION No. File No.

Sheet No.

JAPANESE LANDS - VANCOUVER ISLAND & GULF ISLANDS

DATE	FOL.	PARTICULARS	CREDITS: CASH OR BANK ACCOUNT	REAL ESTATE INCOME	MISCELL. ASSETS INCOME	SECURITIES INCOME	REAL ESTATE REALIZ. ATION	MISCELL. ASSETS REALIZ. ATION	SUNDRY	TOTAL CREDITS
		BUILDINGS								
		ELECTRICITY		**VALUATION**						
			Ppties. with Electricity Installed	Total Value of Bldgs.	Value of Land	Value Bldgs. Add to Land	Extras	Total Ppty. Value		
			-	$ 340.00	$ 254.00	$ 340.00	-	$ 594.00		
			2	600.00	1,077.00	600.00	-	1,677.00		
			5	6,825.00	708.89	5,200.00	-	5,908.89		
			9	6,327.00	1,086.15	5,625.00	-	6,711.15		
			-	1,000.00	146.25	600.00	-	746.25		
			-	-	28.00	-	-	28.00		
			4	6,150.00	12,795.77	4,800.00	-	17,595.77		
			-	-	25.00	-	-	25.00		
			-	3,000.00	399.00	2,350.00	-	2,749.00		
			-	550.00	856.25	550.00	-	1,406.25		
			1	14,974.20	5,922.41	11,024.29	-	16,946.70		
			6	10,490.00	5,719.03	7,385.00	-	13,104.53		
			27	$50,256.20	$29,017.75	$38,474.29	-	$67,492.54		
			-	11,350.00	3,439.00	10,700.00	-	14,139.00		
			27	$61,606.20	$32,456.75	$49,174.29	-	$81,631.54		

SUNDRY	TOTAL DEBITS	TOTAL ACREAGE ...TIES.	TOTAL ANNUAL TAX LEVY	No. of dwellings	Poultry House Accommodation (birds)	Greenhouses, Area Under Glass (Sq. Ft.)	LEASES: Ppties. known to be leased or rented, 1942
		35	19.60	1	-	-	1
		50.25	2	-	-		-
		244.44	7	260	-		2
		320.23	17	-	-		-
		19.93	1	-	7,728		-
		8.37	-	-	-		-
		312.96	9	610	-		7
		3.60	-	-	-		-
		.58	5	-	-		1
		15	2	-	-		2
		5	8	705	112,070		8
			8	2,200	36,920		5
		60	3,775	156,718	27		26
		32	1,665	-	-		9
		92	5,440	156,718	27		35

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

506 Royal Bank Building,
Vancouver, B.C.
February 26th, 1943.

MEMORANDUM TO MR. SHEARS:-

With reference to a telegram recently sent by the Secretary of the Berry Growers' Protective Association to Minister of Agriculture Gardiner, Mr. Ian McPherson, and Mr. Cruickshank, M.P., and our recent discussion with Mr. Shimek of the Pacific Co-operative Union, I feel that it may be as well for me to give you the facts in respect to those cases used apparently as the foundation for the statements made in the telegram and by Mr. Shimek.

I will deal first with the matter of the alleged auctioning of leases. In this respect Mr. Shimek admitted at the time of our discussion with him yesterday that the term "auctioning" was scarcely correct, and could name just two instances where dissatisfaction arose in dealing with individuals. He referred to the cases of D. Haffner on the Hisaoka farm and G. Thiessen applying to rent the A. Kinoshita place.

In the case of Haffner, the 1942 rent was $400.00; a Collateral Agreement was submitted to the Custodian's office setting $85.00 as the amount of rent which should be received for 1943. I called at the farm and discussed the matter with the tenant, Haffner, who in his remarks to me admitted that a fair rental for the place would be in the neighbourhood of $125.00 to $150.00, but when I told him that $125.00 was the amount that we would require, he declined to meet that figure and argued that $85.00 had been set by the Custodian's representative working at the Pacific Co-operative Union plant and that on the advice of the Union's own officials, he should not pay more.

Regarding the second instance, this is to be said: in the week preceding February 19th Thiessen and a brother appeared before me to enquire about renting the T. Shimomura property, formerly occupied by Hartman at a rental of $900.00 in 1942, and the A. Kinoshita place operated in 1942 by Grant at $500.00. I had not seen these properties personally and informed the Thiessens that until I was able to do so I could not tell them what the rental would be, but asked them what they might be prepared to offer. They submitted offers in each instance of $100.00. Three or four days elapsed and they came into the office again and I had still been unable to get out to the farms and informed them that nothing could be done in the meantime. I did suggest that the figures submitted by them appeared to me to be too low, and Thiessen, asking for the Kinoshita farm, indicated that he might increase his offer to $150.00.

On the 18th of February, I examined the parcels concerned and satisfied myself as to what they should rent at. While in the Mission area one

MEMO TO MR. SHEARS-(Cont'd)

George Miller approached me with an offer of $200.00 for the Kinoshita place, which to my mind is what the place is worth, and having in mind Thiessen's statement that he would only go to $150.00, I rented it to Miller, and subsequently rented the Shimomura place to the other Thiessen for $285.00.

There appears to be the feeling that I am taking a more or less arbitrary stand in dealing with the Collateral Agreements sent in for your signature. That is not the case and I think possibly the best way for me to cite the reason for my hesitating to recommend wholesale the acceptance of the documents that have been sent in is to quote two instances, one being that of A. Wice on the Aomoto property.

In September this tenant made an offer in writing of $200.00 as the rental for 1943. In January a Collateral Agreement came in setting out $125.00. Wice has recently re-signed on the basis of $200.00.

In the case of Conrad on the Yanamoto place a written offer was received at $200.00 and a Collateral submitted at $100.00. He also has since completed an agreement on the basis of $200.00.

All that was necessary, of course, was to write these people and draw their attention to the fact that they had agreed to the higher figure. I might just say that there are fifteen cases in this category and I have mailed Collateral Agreements to them for signature based on the original offers submitted.

There are at this writing one hundred and sixteen cases where no Collaterals have been submitted at all. I have in hand thirty-five to check. Weather permitting, it is, I believe, safe to say that the whole situation, as far as Pacific Co-operative Union accounts are concerned, will be cleaned up. in ten days or so

I may say, in concluding, that as far as I know, there is no dissatisfaction among tenants not tied up last year through the Co-operative Union.

G.T. McKay,
FARM DEPARTMENT.

GTM/W

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act

CANADA

MINISTER OF PENSIONS AND NATIONAL HEALTH

OFFICE OF THE
FEB 27 1943
Secretary of State

OTTAWA, February 25, 1943.

My dear Colleague:-

I enclose herewith copy of a letter received from Mr. George Cruickshank, M.P., and I should like to support his two principal recommendations.

1. That a conference be arranged among Judge Whiteside, Mr. McPherson, Major Murchison and Messrs. Cruickshank and Reid.

2. That Mr. McPherson be permitted to return to the Pacific Coast for at least a short time to assist Judge Whiteside's committee in the preparatory phase of their work.

I have received representations on a number of occasions both last year and this to the effect that while the Custodian and the Soldier Settlement Board officials are doing conscientious and efficient work in their own spheres each has a strictly limited responsibility. Outside their direct responsibility but greatly affected by their activities is the broad question of the preservation of the productivity of the Fraser Valley berry farms as a whole. The berry industry has become a major industry in that part of British Columbia and there is a serious danger that this vital economic interest may suffer unless it becomes somebody's definite business to protect it.

....over,...

The Honourable Norman McLarty,
Secretary of State,
Ottawa.

Messrs. Reid and Cruickshank, who represent two constituencies in which this industry is situated, should be able to give to the officials directly concerned a great deal of useful information and advice. The proposed conference is, therefore, of real importance and owing to the early season in British Columbia an immediate solution is urgent.

Yours sincerely,

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

Hon. Mr. Ian Mackenzie,
House of Commons,
Ottawa, Ontario.

Dear Mr. Mackenzie,

HOUSE OF COMMONS
CANADA

Ottawa,
Feb. 25, Ontario

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

HOUSE OF COMMONS
CANADA

Ottawa, Ontario,
Feb. 25, 1943.

Hon. Mr. Ian Mackenzie,
House of Commons,
Ottawa, Ontario.

Dear Mr. Mackenzie:-

RE:- JAPANESE FARMS

As it is urgent that early action be taken in connection with the leasing of the above farms, I would like to make several suggestions in this connection.

1. It is necessary that early action be taken to give a fair and reasonable lease to bonafide farmers in order to salvage the current year's crop and that the farms be maintained in a state that they will be of value to the veterans who may take them over from the S.S.B. At present the leases are not for sufficient length of time to warrant the proper care of the land and I am of the opinion are being more or less "auctioned" off and the rate of rental largely based on the class of house rather than productive value of the farm.

2. At the present time there appears to be a confliction of authority in the leasing of these farms which is not to the interest, either of the lessee or the eventual owners. The entire crop of these farms has always been handled by the Pacific Cooperative Union and the value of such an organization to a farming district should be recognized.

3. As the majority of the farmers concerned are in my riding and the remainder are in Mr. Tom Reid, M.P.'s riding, I suggest that a meeting should be held between Judge David Whiteside, who is to arrive on Monday, Mr. G.W. McPherson, Major Murchison, of the S.S.B., and ourselves to discuss this matter.

4. I would strongly urge that representation be made to the Secretary of State to have Mr. G.W. McPherson of the Custodian Enemy Property Branch return with Judge Whiteside to B.C. to straighten the matter of leases out.

Mr. McPherson formerly was stationed in Vancouver in

charge of this work and has a thorough knowledge of the problem through having had to build up a complete organization in a short time last year, to handle the matter, and while it would not be necessary for him to remain in Vancouver, I am firmly of the opinion that it is to the best interest of all concerned for him to return to the coast and adjust the lease problem in particular, in view of the fact that he enjoys the confidence of the farmers who operated under most difficult conditions last year.

Your assistance will be greatly appreciated.

Yours very truly,

(Sgd) George A. Cruickshank,M.P.,
Fraser Valley, B.C.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

25th February, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

Re: Farm Lands

Your letter of the 22nd crossed mine of the 23rd which indicated to you that we were aware of the telegram you received from the B.C. Berry Growers Protective Society at Mission.

To some extent I anticipated your request for a statement showing the number of farms leased etc. but I will have this checked and include more details in the near future.

You will not misunderstand me I know when I say that I would not urge you to make a rush trip at the present time. I would rather you came when the situation in regard to liquidation was more clarified at your end and when the Committee had been set up and was ready to operate.

You referred to a letter from Shimek to Cruickshank. While I do not know the specific cases to which you refer, I am sure you need not be over anxious and imagine that any very serious condition has arisen. One case to which Shimek possibly referred was Hisaoka and Haffner. I am aware of the circumstances regarding this case and have the matter in hand.

As regards the so called auctioneering, this has not been done. The tenant under the old Pacific Co-Operative Union lease has sometimes been challenged in regard to the amount of consideration to be agreed upon in the collateral lease, but this is not in the nature of auctioneering as between tenant and tenant.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

G. W. McPherson Esq.

There is only one thing where, on paper at least, there is a suggestion of our not being in agreement and that is in reference to the remark that Dr. Coleman has stated that we should not make any new leases for agricultural lands until Judge Smith is consulted. If there would be any one thing that would cause a lot of criticism and trouble in the valley it would occur if we refrained from having farms put under cultivation as far as possible.

As mentioned in previous correspondence, we are only making collateral arrangements with P.C.U. tenants and agreements with tenants on other Japanese property, apart from the P.C.U., for not longer than the present crop year.

Mr. Murchison has been in town for the last two or three days and I understand he is leaving tonight. They have had some sessions which Mr. McKay has attended.

I am dictating this before leaving for Mission and Mrs. Harrop will type and mail it and I will be advising you to-morrow I hope of what may transpire at Mission to-day.

I am taking McKay and I will have him, Mr. Ure and Mr. Shimek together so that there may be no misunderstanding as to what we agree upon. I am also taking Mr. Wright.

Yours very truly,

F. G. Shears, PMH.

F. G. Shears,
Acting Director.

FGS/PMH

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

C.D. 1R

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OFFICE OF THE SECTY OF STATE OTTAWA

MEETING TODAY WITH SHEARS MCKAY WRIGHT AND URE STOP RESULTS QUITE SATISFACTORY STOP ONLY DRAWBACK NOW LEASES FOR ONE SEASON ONLY AND ABSENCE OF COMPENSATION CLAUSE STOP THANK YOU FOR QUICK ACTION STOP PLEASE CONVEY THANKS AND CONTENTS OF THIS WIRE TO CRUICKSHANKS AND HON IAN MCKENZIE

J B SHIMEK PACIFIC COOP

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

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Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

7 O'Connor Street,
Ottawa, Ontario.
February 25, 1943.

F. G. SHEARS, ESQ.
ACTING DIRECTOR
OFFICE OF THE CUSTODIAN
506 ROYAL BANK BLDG.
VANCOUVER B C

MEETING HERE MONDAY WILL REQUIRE ALL AVAILABLE INFORMATION

CONCERNING FARM LANDS STOP AIRMAIL PRESENT STANDING AS

REQUESTED MY LETTER

G W McPHERSON

Chare: Custodian of Enemy Property.

File J-49. GWMcP/FC.

57899 [p+ 2.]

Soldier settlement and veterans' Land Act -

Form 6102B

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Send the following message, subject to the terms on back hereof, which are hereby agreed to
Veuillez expedier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

Ottawa, February 24, 1943.

His Honour Judge Whiteside,
New Westminster, B.C.

Thanks for telegram. Will look forward your calling my office West Block Monday morning. STOP I have spoken to Chateau Laurier reserving room for you and hope it may be available on your arrival.

E. H. Coleman
Under Secretary of State.

Chg. Custodian's Office.
Japanese Administration

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

Ottawa, February 24, 1943.

Dear Mr. Cruickshank,-

I have received your letter of the 22nd. Since it was written, the Under Secretary of State has had a telephone conversation with Judge Whiteside, who has agreed to become Chairman of the proposed committee dealing with farm lands. Judge Whiteside is coming to Ottawa in the next few days to confer with us.

Mr. McPherson of the Custodian's Office has already brought up the point you mention in your letter and has recommended immediate action. I have thought, however, that we should inform Judge Whiteside as soon as he arrives of the situation and, if possible, secure his concurrence to temporary leases for this year in many cases. If we proceeded without any consultation with him, he and the other members of the committee might feel that in some degree we had anticipated the work of the committee. I think, however, from the data relating to the situation which has been collected by Mr. McPherson, the Judge will be disposed to agree that we should endeavour to lease as many of the cultivated properties as possible, so that arrangements may be made for the 1943 crop. Judge Whiteside has promised to telegraph as soon as he has made his plans, but he will probably be in Ottawa in the early part of next week.

Yours sincerely,

Secretary of State.

George A. Cruickshank, Esq., M.P.,
House of Commons,
O t t a w a .

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

OFFICE OF
THE DIRECTOR OF SOLDIER SETTLEMENT

Bd.File 8-6

CANADA

OTTAWA, February 24,1943.

E.H. Coleman, Esq., K.C.,
Deputy Custodian of Enemy Property,
Victoria Building,
70 O'Connor St.,
O t t a w a.

FEB 25 1943
UNDER SECRETARY OF STATE

Attention Mr. McPherson

This will confirm our telephone conversation today and also the arrangements made at the conference in this office on January 20th last between Mr. Murchison, Director of Soldier Settlement and Veterans' Land Act, Mr. McPherson and Mr. I.T. Barnet, our District Superintendent at Vancouver, with regard to seconding Mr. G.T. McKay of this department to the Secretary of State as senior representative of the Custodian in connection with the administration of Japanese lands.

In an Air Mail letter received today from Mr. Murchison, who is now in Vancouver, it is stated that Mr. McKay reported to the office of the Custodian as from the 7th of this month. Since that date he has been actively engaged in supervising the current leasing of Japanese farms.

The salary agreed upon was at the rate of $3000 per annum. In addition expenses will have to be provided for as well as the cost of the Soldier Settlement motor car operations. Our customary charge in such cases where a motor car is loaned is an all-inclusive charge of 6 cents per mile, which would be refunded direct to Soldier Settlement through the local Custodian's office. Our regulations are that all our motor car drivers must carry their own insurance for public liability and property damage. It will be confirmed through our Vancouver office whether Mr. McKay has such a policy. It was estimated by Mr. McPherson that the services of Mr. McKay would be required for approximately 8 months.

(P.T.O.)

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

Briefly then the arrangements may be summarized as follows:

(1)That you will arrange for the payment of Mr. McKay's salary as from February 7,1943, at the rate of $250 per month as long as he is required.

(2) That you will arrange to pay expenses from the same date.

(3) That this department will be reimbursed at the rate of 6 cents per mile for the use of the departmental motor car.

As you are aware Mr. McKay is a temporary civil servant, therefore the Civil Service Commission is being advised today as to the above arrangements,and that from February 7,1943, Mr. McKay will be shown in our records as seconded to the Deputy Custodian, Secretary of State Department.

W.W. Jones.

for Director.

VIA AIR MAIL

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FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

23rd February, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

A letter from Mr. K. Richardson, Secretary-Treasurer of the Berry Growers Protective Society is just to hand, he writes:

> " I enclose copy of telegram sent to G. McPherson deputy Custodian, Hon. James Gardiner, Minister of Agriculture, and George Cruickshanks Mp. I believe the telegram is self explanatory and our purpose in mailing you a copy is to keep you informed of the steps we are taking in the matter."

You will doubtless have received the wire to which he refers and as you are acquainted with Mr. Richardson I know you will not assess all he says at full value.

The statement that 90% of the tenants, old and new, still have no leases is of course ridiculous. While I am not in a position, before getting this letter away, to give you accurate figures, the attached statement will indicate to some extent the present position in regard to leases.

With regard to leases outside of the Pacific Co-Operative Union, you are of course aware that we have only recently come into the picture and that prior to the start of this month it was the Soldier Settlement Board who were negotiating for tenants.

With regard to the P.C.U. leases, as I intimated in my letter of the 19th, I was getting anxious about this matter and thought that Mr. Ure should perhaps have got more collateral agreements under way. It is true of course that for about four weeks the whole of the valley was tied up on account of snow and weather conditions.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

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FILE NO.

G.W. McPherson Esq.

The reference to the auctioneering off of farm leases by McKay doubtless has reference to the fact that some of the collateral agreements (not many so far) submitted by Ure have not been approved by McKay and on contacting the tenant again McKay has stated that he had no trouble in raising the amount of the lease rental.

McKay has told me that the statements made by a number of tenants are to the effect that Mr. Shimek may be coaching them only to agree to pay very small sums and they also have made statements to McKay similar to the following:

"If we can get our lease for $100.00 why pay $175. even if it is worth it".

One interpretation of Richardson's wire might be that Shimek, Richardson and his party have felt that they can get what they want through Ure and therefore dislike a firmer attitude being taken by McKay. However, at the moment I am not passing any judgment on Ure in this regard.

You will note from the copy of a letter I am attaching, which was written before I had any word in connection with the above telegram, that I figure on going to Mission on Thursday morning next, at which time I will have Shimek, Ure and McKay altogether and endeavour to reach a definite conclusion in regard to this matter of leasing and plan a method for finishing this matter up in as short a time as possible.

Yours very truly,

F.G.Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

23rd February, 1943.

J. B. Shimek Esq.,
Pacific Co-Operative Union,
Mission City, B.C.

Dear Sir:

It is my intention to be at Mission on Thursday morning next and I hope you will make it convenient to spend some time together with myself and Mr. Ure.

The matter of leases to which you referred in your telephone conversation will be discussed fully in order that this matter may be put on a satisfactory basis and the work of making the collateral agreements and other leases proceeded with quickly.

There is another matter which must also be settled and about which I confess to a considerable degree of disappointment.

On several occasions the matter of accounting for the trucks which have been sold or rented by the P.C.U. has been asked for. You will recall that you promised to provide this before the end of last year. Mr. Ure has been asked on several occasions to secure this information but nothing satisfactory to this office has been forthcoming. I am asking you to have the following information ready for me on Thursday so that this whole matter can be discussed, not only in a general way, but by specific reference to each individual truck.

Starting with the complete list of trucks in your possession. On those which have been sold, will you please have ready the consent of the Japanese owner to the sale and his agreement to the selling price and I will also require to know the present position regarding each sale.

On those which have been rented, will you please set out the basis of the rental arrangements and the evidence of the owner's consent to such. An accounting of the rental that has accrued under such arrangement and the present position in regard to each truck rented will also be necessary.

I understand that in some cases entries have been made in your ledger indicating a sale arrangement and the entries afterwards reversed. If this is so, I will need to be provided with the full facts and the reason for such entries and also the present position in regard to such trucks.

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I sincerely hope that you will view this matter in the light of its importance and urgency and have prepared and ready the list of all trucks and the relative information clearly set out against each one of them and its present location. We will then be in a position to discuss with you future arrangements for the handling of the cars on hand.

If Mr. McPherson should arrive at our office to-morrow I would be ashamed to have to admit the unsatisfactory position that matters relating to trucks are in, and as mentioned above, with your full co-operation and that of your office, on Thursday this matter must be fully clarified.

Yours truly,

F. G. Shears,
Acting Director.

FGS/PMH

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

J-49

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

February 22, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Farm Lands

I received the following telegraph today from the B.C. Berry Growers' Association -

"Situation regarding leasing Japanese evacuated farms critically chaotic spring work should start at once. Ninety percent of tennants old and new still have no lease. Policy of auctioneering off farm leases employed by McKay in charge unfair and rotten. Consequence loss of confidence all round and further destruction of valuable productive acreage. Growers extremely hard up owing to disaster. Must have financial assistance which is withheld by shippers because tennants have no lease. Would like to know who is in charge and has final authority to lease these farms. Immediate definite corrective action requested."

I have also received a letter from Mr. Shimek dated February 20th together with a copy of his letter to Mr. Cruickshank, M.P. of the same date. In addition to this I have your letter of February 19th dealing with the farm lands but more particularly with the question of compensation for alleged misrepresentation of acreage.

I have replied to the telegram as follows:

"Retel contact Shears after he receives airmail letter sent tonight."

You will, no doubt, be hearing from Mr. Richardson

within the next two days.

As you were previously advised it is the intention of the Custodian to set up a committee to carry out the policy of liquidation set down by the special committee of the Cabinet and I understand from Dr. Coleman that the personnel of the committee has been more or less determined with Judge Sydney Smith likely acting as chairman. It is the intention that there will be two committees with Judge Smith on both, one to handle urban property and the other to handle farm lands. I have been pressing this matter for several weeks, particularly realizing the necessity of giving you directions and I am hopeful that the entire matter will be clarified within the next ten days. I do think, however, that everything possible should be done to retain the good will of the tenants and prospective tenants since I know how hard it was to get their good will in the first place.

Dr. Coleman has stated that we should not make any new leases for agricultural lands until Judge Smith is consulted but you should proceed to complete lease documents where applications have been accepted. This may, to some extent, reduce criticism.

Your letter and Mr. Shimek's indicate that an embarrassing situation may develop if a definite policy as to arriving at the value of the farms is not determined immediately. I do not agree with Mr. Barnett's arguements of last winter that we are renting houses but feel that we are renting farm lands and the value of the premises should be based on the potential value of the farm as such except where there is a house that has insufficient land to really describe it as a farm proposition.

I note that you have already taken Mr. McKay onto the staff although Mr. Barnett understood, according to minutes of the meeting I had with him while he was here, that we would not take over Mr. McKay until the machinery for handling the liquidation of the lands had been set up. However I do not think any change should be made at this time and I feel that the entire problem may result in my having to make a trip to Vancouver to discuss the situation with you.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

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57899 [P+ 2.1] Soldier settlement and veterans' Land Act

For your private information Dr. Coleman is endeavouring to arrange that Judge Smith come to Ottawa immediately for a conference and I am very anxious to have as many facts as possible available at that time. Therefore, would you let me have a statement showing the number of farms leased by the Japanese and tied up to the co-operatives; the number of farms leased by the Custodian; the number of farms for which applications have been received from prospective tenants and the number of farms either vacant or undisposed of.

Insofar as Mr. Ure is concerned it was my understanding that he would look after the Pacific Co-Operative Union and the Maple Ridge Co-Operative Produce Exchange, handling all leases and disputes relating to their members' farms, but I did not think he was handling any renewals of such leases since the renewals are to be considered as new leases and will not contain marketing provisions. The second last paragraph on page 1 of your letter indicates that Mr. Ure has withdrawn from renewal of leases and the entire responsibility has been placed on Mr. McKay. I have complete confidence in Mr. McKay's ability to handle the farm situation but some of the statements made in Mr. Shimek's letter to Mr. Cruickshank, with particular reference to certain specific cases, are rather disturbing, and I hope you will see that there is no so-called auctioneering of farms.

I think you know that I, personally, am very much worried about the farm situation and have been since the Soldier Settlement were originally inserted into the picture. They are now entirely out of the picture and you have the necessary authority to complete leases now pending without reference to the Soldier Settlement. I am hopeful that I will be able to give you more concrete directiveness within the next week and I am particularly anxious that there should be no justified criticism of the Custodian's policy of leasing.

If Dr. Coleman directs me to proceed to Vancouver, and I am trying to avoid this since I have considerable work to do here, I will, of course, go but it will be a hurried trip and I will expect that all problems which you desire to discuss will be set up in some form of memorancum and I will be prepared to discuss the farm situation with any person interested insofar as the Custodian's policy is concerned. I have no doubt that between yourself and Mr. McKay you will be able to work this

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thing out and I appreciate the difficulties you are having.

As regards the claims for compensation, I cannot write you at this time since I feel that Mr. Sheppard's opinion requires careful consideration.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

OFFICE OF THE
FEB 23 1943
Secretary of State

House of Commons
Canada

Ottawa, Ontario,
Feb. 22, 1943.

Mr. Norman McLarty,
Secretary of State,
Ottawa, Ontario.

Dear Mr. McLarty:-

I would like to urge that immediate steps be taken to stabilize the leasing of the Japanese berry farms in B. C. While I am entirely in accord with the principle of the sale of these farms and that all suitable ones be purchased by the S.S.B. yet it is my information that most of this year's crop will be lost unless immediate releases are granted and at a fair and reasonable rate.

I am informed that a lot of this property is now being taken away from those who had been given to understand by the custodian that they were to have it for the current year and had worked accordingly and gave to other renters who had apparently increased the bid for rental of the property and it looks very much as if the man in charge in B. C. had given the information as to what rental was to be paid by certain parties to the Department by agreement with the former custodian, Mr. McPherson in order that they might raise the ante a few dollars and leave those who had ~~permits~~ crops last year and who lost heavily through crop failure, and other reasons, holding the bag..

It will be no use saving these farms for the veterans if they are allowed to become abandoned and run down as well as losing this year's crop.

I consider it imperative that some action be taken immediately if we are not to have hopeless confusion as to the preservation of the farms and the very heavy loss of this year's crop.

Yours sincerely,

George Cruickshank

George A. Cruickshank, M.P.
Fraser Valley, B.C.

GC/ls

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W. D NEIL. GENERAL MANAGER OF COMMUNICATIONS MONT

CHECK

TIME FILED

Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

7 O'Connor Street,
Ottawa, Ontario.
February 22, 1943.

B. C. BERRY GROWERS ASSOCIATION
MISSION B. C.

RETEL CONTACT SHEARS AFTER HE RECEIVES AIRMAIL LETTER SENT

TONIGHT.

G. W. MCPHERSON

Charge to the Office of the Custodian,
7 O'Connor Street, Ottawa, Ontario.

File #J-49
GWMcP/FC.

57899 [p+ 2.1] Soldier settlement and veterans' Land Act

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CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W.D.NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL

RAA67 104 NL 1 EX CNT PERIODS

1943 FEB 22 AM 4 41

MISSION BC 21

G MCPHERSON DEPUTY CUSTODIAN

OTTAWA ONT 1689

SITUATION REGARDING LEASING JAPANESE EVACUATED FARMS CRITITCALLY CHAOTIC SPRING WORK SHOULD START AT ONCE. NINETY PERCENT OF TENNANTS OLD AND NEW STILL HAVE NO LEASE. POLICY OF AUCTIONEERING OFF FARM LEASES EMPLOYED BY MCKAY IN CHARGE UNFAIR AND ROTTEN. CONSEQUENCE LOSS OF CONFIDENCE ALL ROUND AND FURTHER DESTRUCTION OF VALUABLE PRODUCTIVE ACREAGE. GROWERS EXTREMELY HARD UP OWING TO LAST YEARS

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CD. 1R

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W.D.NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL

RAA67/2 MCPHERSON OTTAWA ONT

1943 FEB 22 AM 4 41

DISASTER. MUST HAVE FINANCIAL ASSISTANCE WHICH IS WITHHELD BY
SHIPPERS BECAUSE TENNANTS HAVE NO LEASE. WOULD LIKE TO KNOW WHO
IS IN CHARGE AND HAS FINAL AUTHORITY TO LEASE THESE FARMS.
IMMEDIATE DEFINITE CORRECTIVE ACTION REQUESTED

B C BERRY GROWERS ASSOCIATION

K RICHARDSON SECRETARY..

57899 [pt 2.1] Soldier settlement and veterans' Land Act

VIA AIR MAIL

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FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B. C.

19th February, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson,

When you first wrote to me in regard to the new Order-in-Council and the removal of the Soldier Settlement Board from the picture, you advised me that we were to take over Mr. McKay.

Upon Mr. Barnet's arrival back I had a talk with him and he of course was aware of the arrangement and I gathered from him that this was to be effective at any time we said. After considering the whole situation in regard to the valley proposition and leases etc. I arranged with Mr. McKay to come over to us at the start of the month.

We have switched the office space around a little. I have left Richardson where he is and I have put the Farm Department in Room 501 with McKay in the cubicle in the corner. There has been quite a stream of general public calling at our office in regard to farm matters.

Gibson has Room 500 for his own use together with his stenographers and McAlister is now in Room 508, next to the Accounting Dept.

At first I arranged that Mr. Ure should look after the collateral agreements for this year in connection with Pacific Co-Operative Union lease renewals and have him submit them to us for checking by McKay. It is not working quite as smoothly as I hoped and I can sense a little antagonism as between Ure and McKay and a readiness to criticise the terms of leases which the other has started to negotiate.

Ure was at the office a day or so ago and I am getting him to withdraw entirely from the matter of renewal of these leases and placing the whole of the responsibility on McKay.

To be candid, I have been somewhat disappointed with the results Ure has produced. He has of course been on the ground all the time and has been advised of several matters which we require to be brought to a conclusion, but he does not really get things cleaned up. I have been

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FILE No.

G. W. McPherson Esq

threatened evacuation they approached Shimek, a member of the Co-Operative, and obtained his assistance in finding tenants during their absence. The various holdings of these Japanese are suitable commercially only for the production of berries. Early in April 1942, Shimek advertised in various papers, namely at Mission, Abbotsford, New Westminster and Chilliwack inviting tenants generally but giving no specific description of the lands. From time to time prospective tenants came to the C-operative and were then sent out to interview the particular Japanese concerned. Frequently the Japanese and prospective tenant would return to the Co-Operative, and interview Shimek who would then send them to Campbell, the local solicitor, to prepare a lease. It is, therefore, apparent that Shimek was fully aware of the negotiations and equally aware was Campbell. In the discussion between the Japanese and Shimek it was decided that the basis for the rental would be as follows:-

For the number of acres in strawberries and raspberries if not fertilized - $100.00 per acre.

IF fertilized, $125.00 per acre.

If fertilized and cleanly hoed, $150.00 per acre.

For the number of acres in loganberries and blackberries, $60.00 to $80.00 per acre.

For the number of acres in blackcurrant $125.00 per acre.

For the number of acres in rhubarb, $20.00 to $30.00 per acre.

in the earlier leases; no allowance for rhubarb in the later leases in that rhubarb had then become of no value.

If a house were on the land the rental was increased at an amount up to $100.00 to provide a fair rental for the house.

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DEPARTMENT OF THE SECRETARY OF STATE
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G.W. McPherson Esq.

It is, therefore, apparent that the amount of the rental was determined exclusively by the acreage under these respective crops and that this method was accepted both by the Japanese and by the white tenants. This was confirmed by Shimek and also by Campbell who was acting as Solicitor for the Union and for the Japanese in preparing the leases, and their statements to that effect are corroborated. The crop rental under the lease could be broken down on the basis of these figures and further it appears that Shimek had warned the tenants whom he met that the acreage would be the basis of fixing the rental and suggested that they verify with the Japanese as to the acreage. It was found by reason of the irregularity in the various areas under cultivation in each holding that it was impossible to estimate the acreage merely by observation and as a result the representations of the Japanese as to acreage were accepted. Further when the parties came to Campbell in certain instances the rental stipulated did not appear to him to conform to the stipulated basis and he would discuss the matter with the parties and get in touch with Shimek when it would be that there might be some minor variation for a poor crop or some other factor taken into consideration but in every instance the rental was fixed by regard to the acreage and with regard to these respective allowances per acre. When the leases were drawn the rental was fixed at a certain sum without stating the basis to be the acreage but there is included in each lease a covenant by the tenant whereby the Lessee undertakes to cultivate the represented acreage. The leases are in common form other than the description of the property, the amount of rent and amount under cultivation. The typical lease could be taken as that of April 6th, 1942, from Kosaku Yasumitsu to Anthony Jackson, which describes the leased premises by the legal description, provides for rental of $2,000.00 and contains a covenant by the Lessee "to cultivate, fertilize, harvest and market all of the growing crops upon the said land, which growing crops consist of:-

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by the Lessor in the written lease. There is in the lease a warranty by the Lessee to cultivate the growing crops described by the type of crop and acreage thereof, but this warranty is by the Lessee not by the Lessor.

A promise by the Lessor of the acreage must therefore be found outside the lease. This lease is for a period less than three years, therefore such promise need not be in writing. The basis for such a promise is found in the representations by the Jap as to the acreage under cultivation. We appreciate that a representation in itself is distinguishable from a promise or warranty; a person may represent a fact to be true but not be prepared to promise that it is so. Accordingly these representations could be held to be a promise of the acreage represented only if the respective parties so intend it and further intended that that promise be a part of that bargain which they were then making, (Behn v. Burness 1862, 3 B & S. 751). That is essentially a question of fact, namely what did the parties intend as the whole bargain.

Under the circumstances here existing we are of the opinion that the weight of evidence herein is in favour of those representations being also a promise by the Japanese of the acreage represented and that that promise was term of the lease.

The important circumstances are as follows:-

1. The parties arrived at the rental on the basis of a fixed price per acreage of crop. Therefore, the method of fixing the rent shows that the Lessee was paying that stipulated rental on the basis of receiving that specified acreage, and it would be unusual for a person to undertake to pay for a thing without any promise that he would receive that for which he was

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G. W. McPherson Esq.

paying. It would therefore appear the more reasonable construction would be that the Lessee was promising to pay the rent because of his belief that the Japanese by representation was promising to deliver that acreage of crop for which the tenant was promising to pay.

2. The parties have mutually agreed upon the basis of the rental, that is the stipulated rental for acreage under cultivation. Therefore, the gross rental stated is merely the computation of that acreage under crop at that price per acre. These leases are quite distinct from those instances where the parties arrive at a gross rental without agreeing on the basis on which it is to be computed. Shimek, Campbell and the respective tenants afford evidence which in our opinion is overwhelming on this point.

3. The Lessee's covenant under the lease is to cultivate a specified area of crop. This reference to a specified area of crop and the obtaining of a covenant by the Lessee to cultivate that area indicates that the specified area of crop was an essential part of the bargain to which the minds of the parties were directed. The undertaking by the Lessee to cultivate that specified area is some evidence indicating that the Lessor must have promised there was that area to be cultivated.

For these reasons we are of the opinion that if the matter were litigated the Court would find that each Japanese had promised there was that specified area of crop shown by his lease and that that promise was intended to be a part of the bargain. The preponderance of evidence appears to us to so indicate. It, therefore, appears that the Lessor

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G. W. McPherson Esq.

has warranted the area under cultivation and the Lessee has his remedy in damages for breach of this warranty. The measure of damages would be the deficiency in area at the crop price per acre for the respective crops. This must be determined in each instance. Assuming a deficiency of two acres in the strawberry crop and the basis under the lease was $100.00 per acre the Lessee should have a reduction of $200.00 as against this, however, there is apparently some slight advantage to the Lessee by reason of the Japanese practice of overcrowing crops, that is, in many instances the Japanese have placed the plants at a distance of twenty-four inches rather than the usual distance, varying up to thirty-four inches. This overcrowding does not permit a crop increase in proportion to the increased number of plants per acre nor does it reduce the deficiency in acreage but the overcrowding of plants does to some extent reduce the deficiency of plants, and in effecting a settlement we are of the opinion that this overcrowding might be considered.

Having regard to all the circumstances we are of the opinion that a fair settlement would be arrived at by allowing the Lessees' claims at sixty to seventy per cent of the deficiency claimed and to offset that amount against the rental."

Previous to this Mr. Ure had assured me that he could settle these claims on a basis of 50% of the amount of the claim, figured on an acreage basis so that Sheppard's suggestion of 60% to 70% made the possibility of concluding a settlement that much easier.

It was my understanding that Ure would effect this agreement among those who had filed claims by personal contact. I found, however, that he mailed out a notice as follows:

"I hereby agree to accept settlement of my claim against

_____ on a basis of 70% of the total."

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10.

G. W. McPherson

$281.00	$152.00	$265.00
206.00	187.00	634.00
252.00	150.00	845.00
613.00	290.00	218.00
211.00	102.00	150.00
368.00	126.00	242.00
151.00	246.00	320.00
205.68	191.00	162.00
357.00	175.00	79.00
167.00	294.00	195.00
278.46	169.00	40.00
556.00	100.00	

Yours very truly,

F. G. Shears,
Acting Director.

FGS/PMH

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

February 16, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Sale of Japanese Property

I have your letter of February 12, with enclosures.

The method whereby you are dealing with the newspapers and also with applications for property is approved by the Custodian. As usual, the newspapers are publishing many reports but nothing definite has been settled so far as I know even as to the members of the committee.

Unfortunately I cannot advise you as to when either the Doctor and/or myself may arrive in Vancouver but will do so as soon as possible.

Yours truly,

(G. W. McPherson)
Executive Assistant.

GWMcP:FC.

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OFFICE OF
THE SECRETARY OF STATE

MEMORANDUM Feb.16/43

Memo to Dr. Coleman:

Mr. McLarty has been advised by the Honourable Mr. Mackenzie that appointment of Kishizo Kimura to the Committee would be quite satisfactory.

Mr.Mackenzie suggested that Kimura may not be in Vancouver at the present time and it would thus be necessary to arrange with the Department of Labour for his transfer.

A.W.H.

1943 FEB 16 PM 2:0[illegible]

Ottawa, 193

FORM 6122

NATIONAL
RAM

PRESIDENT, TORONTO, ONT.

Exclusive Connection
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TELEGRAPH CO.
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R DISPOSAL JAPANESE REAL
ZO KIMURA AS HIGHLY QUALIFIED
STOP HE DID SPLENDID JOB FOR
AS SATISFACTORY TO BOTH
STOP PRESENT ADDRESS CASCADE

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

FORM 6122

OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

CANADIAN NATIONAL TELEGRAPH AND CABLE

D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ONT.

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G W MCPHERSON= 1038

:DEPT OF STATE OTTAWA ONT=

REFERENCE PROPOSED COMMITTEE FOR DISPOSAL JAPANESE REAL ESTATE STRONGLY RECOMMEND KISHIZO KIMURA AS HIGHLY QUALIFIED TO REPRESENT JAPANESE INTERESTS STOP HE DID SPLENDID JOB FOR FISHING VESSELS COMMITTEE AND WAS SATISFACTORY TO BOTH PURCHASERS AND JAPANESE OWNERS STOP PRESENT ADDRESS CASCADE BC=

=A E MCMASTER.

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

12th February, 1943.

OFFICE OF THE CUSTODIAN
RECEIVED
FEB 15 1943
PASS TO.....
TRANSFER TO.....
ANSWER | FILE

Your Ref. - Legal Section

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson,

The newspaper comments in regard to the sale of Japanese properties is bringing in a large number of requests for information, either in a general way or on specific properties. I am keeping a file for all enquiries received and in order that our replies may be uniform, the enclosed copy of a circular letter is being used.

The newspapers have been hot on my trail almost daily, but everything that the papers have published has been released from Ottawa.

It has brought to the fore in newspaper articles the question of Japanese repatriation and their return to the coast after the war, which at the present time might not be well received in the Japanese work camps.

What was supposed to be an "off the record" few remarks to the Province regarding this I find was published in last night's paper. However, it was not too garbled and I think is innocuous and the cutting is enclosed.

Mr. Justice Smith and Alderman Jones have been mentioned as two members of the Committee for civic property and another Committee of four in connection with farm lands has been mentioned. We will no doubt be advised in due course or upon your arrival.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

DEPARTMENTAL CIRCULAR NO. 31
MAIL
AIR MAIL
AVIATION MEDIA
CUSTODIAN'S OFFICE
IN THE
COMMUNICATIONS
VOUCHER VIA

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

G. W. McPherson Esq.

Can you see far enough ahead yet to have an approximate idea s to when you might be coming? Will you require me to book rooms for you?

Fine weather here!!

Yours very truly,

F. G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

RNMENT PREFERS MONEY

ing of Japanese Property Does Not Mean Japs Banned

Indication that Japanese property in British Columbia may be sold does not not necessarily mean that Japanese will not be allowed to re-establish themselves on the Pacific coast when the war is over, F. G. Shears, acting director of the custodian of enemy property office in Vancouver said Wednesday.

"A lot of people are assuming that because the property may be sold the Japanese will not come back. The indications are that if this property is sold it is to be done with a view toward this end, but on the other hand it could also mean that the Dominion Government prefers to have the property held for them in cash," said Mr. Shears.

Should the Japanese be allowed to return here it may be in the better interests of both the government and the Japanese to hand them a cash sum rather than return their property.

NO POLICY CHANGE.

"As it stands now the only change in the situation is that the office of the custodian of enemy property now has the power to dispose of such property as he sees fit but so far our policy has not changed.

"Outside of disposing of the Japanese fishing boats, cars and trucks, virtually no other property has been sold. "What our future course will be depends on what orders we get from Ottawa,"

The custodian here said he had known for some time that a three-man committee was to be set up, but what its functions will be and under what orders it will operate has not been disclosed.

The new committee will probably work in co-operation with the custodians office but it may be some time before any definite action is taken.

Your enquiry regarding the sale of Japanese
s has been received at this office. Newspaper
n this connection has brought forward many other
for information regarding this matter.

At the present time we have no advice from Ottawa
details of any plan for the disposal of Japanese

We assume that when such a policy is decided upon
public announcement will be made, at which time
have an opportunity to follow any procedure out-
d contact us again.

Yours truly,

F. G. Shears,
Acting Director.

FGS/PMH

Ottawa, Feb. 9th, 1943.

Memo. to Dr. Coleman:

I believe we should get the advisory committees in connection with Japanese property set up as soon as possible. Mr. Reid has supplied two names and Mr.Cruickshank one for the rural sections and if the Department of Labour could advise as to who would protect the Japanese interests we could set up the Rural Committee.

The Honourable Mr.Mackenzie is asking the City to name one man and he will name another, and possibly the Department of Labour nominee could serve on both committees.

N.A.McL.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

Ottawa, Feb. 9th, 1943.

Memo. to Dr. Coleman:

I believe we should get the advisory committees in connection with Japanese property set up as soon as possible. Mr. Reid has supplied two names and Mr.Cruickshank one for the rural sections and if the Department of Labour could advise as to who would protect the Japanese interests we could set up the Rural Committee.

The Honourable Mr.Mackenzie is asking the City to name one man and he will name another, and possibly the Department of Labour nominee could serve on both committees.

N.A.McL.

C. A. Cruickshank, Esq., M.P.,
House of Commons,
O t t a w a.

Mr. Menzies is a qualified real estate man, whose business is situated within the principal Japanese berry farming district of British Columbia. I am sure he will be satisfactory in every way.

I apologize for not having submitted these sooner, but have been absent through illness for the last week.

Yours very truly,

C. A. Cruickshank, M.P.

CAC/VD

OFFICE OF THE
FEB 9 1943
Secretary of State

House of Commons
Canada

Ottawa, February 9th, 1943

Dear Mr. Cruickshank:

I have your letter of the 8th inst. recommending the appointment of Mr. Hal Menzies, Haney, B.C. to the Valuation Committee on Japanese farms.

I will bear in mind your recommendation when this Committee is being set up.

Yours sincerely.

C. A. Cruickshank, Esq., M.P.,
House of Commons,
O t t a w a.

GAC/MD

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

OFFICE OF THE
FEB 9 1943
Secretary of State

House of Commons
Canada

Ottawa, Ontario,
February 8, 1943.

Honorable Norman McLarty,
Secretary of State,
Ottawa, Ontario.

Dear Mr. McLarty:

Further to my telephone conversation I would like to recommend that Mr. Hal Menzies, Haney, B.C., be appointed to the Valuation Committee on Japanese farms.

Mr. Menzies is a qualified real estate man, whose business is situated within the principal Japanese berry farming district of British Columbia. I am sure he will be satisfactory in every way.

I must apologize for not having submitted the name sooner, but have been absent through illness for the last week.

Yours very truly,

G. A. Cruickshank, M.P.

GAC/MD

57899 [pt 2.1] Soldier settlement and veterans' Land Act

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

DEPARTMENT OF ... OFFICE OF THE CUSTODIAN

...yal Bank Building,
...iver, B.C.

...bruary, 1943.

...CE OF THE ...TODIAN
...CEIVED
...B 10 1943
...
...TO.....
...FILE 1

G. W. McPherson Esq.,
Office of the Custodian
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson,

The attached ... 'ternoon's
Vancouver Sun. I have ... you by
to-day's airmail.

FGS/...

COMMISSIONER



ALD. CHARLES JONES
On 3-man board to sell seized Japanese property here.

3-Man Board To Sell Jap Property Here

News of the appointment of a three-man commission by the Federal Government to dispose of Japanese-owned real estate in Vancouver was conveyed today to City Council by telegram from Hon. Ian Mackenzie.

The wire to Mayor Cornett stated that a Supreme Court judge, a representative of the City Council and a spokesman for Japanese interests will comprise the disposal board.

Mr. Mackenzie's request that the council nominate its representative was adopted, after aldermen stated they have agitated for months for the sale of these properties to white citizens.

Ald. Charles Jones, chairman of the City Council's properties' committee was named.

The message from the Minister made no distinction between properties owned by Japanese aliens, naturalized Japs or second generation Nisei.

Councillors interpreted the move as an indication that the Federal Government shares their belief that Japanese must not be permitted to return to Vancouver from evacuation centres.

"Their properties will never be re-occupied," said Ald. G. H. Worthington. "They will be dispossessed for all time and this is certainly a step in the right direction."

Ald. W. D. Greyell stated that the action is indicative "of the government's attitude in dealing with these people when the war is over."

Machinery to handle the sale has already been set up by the local deputy custodian of alien property, reported Ald. George Buscombe.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.....

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

8th February, 1943.

OFFICE OF THE CUSTODIAN
RECEIVED
FEB 10 1943
PASS TO.....
TRANSFERRED TO.....
ATTND BY FILE

G. W. McPherson Esq.,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson,

The attached was published in this afternoon's Vancouver Sun. I have just time to get this to you by to-day's airmail.

Yours very truly,

F. G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

57899 [P+ 2.1] Soldier settlement and veterans' Land Act -

3

Victoria Building,
7 O'Connor Street,
Ottawa, Canada.

4th February, 1943.

Legal Section
GWM/DI

Dear Sir:-

Re: Japanese Property

I have your letter of February 1st. In so far as Japanese enemy property is concerned, where the Custodian considers it desirable to liquidate property, he does so by advertising in the public press in the locality where the property is situate.

The Custodian has a branch office in Vancouver in the Royal Bank Building, which handles Japanese enemy property on Vancouver Island, and if you have any particular property in mind, I would suggest that you write to that office, addressing your correspondence to the attention of Mr. F. G. Shears, the Acting Director.

Yours truly,

G. W. McPHERSON,
Executive Assistant

H. Readshaw, Esq.,
533 Sherbourne Street,
Toronto, Ontario.

Feb 1st/43 533 Sherbourne St
Toronto

Dear Sir

Would you kindly send me all information regarding the sale of enemy property on Vancouver Island if so as soon as it is available

Yours Very Truly
H Readshaw

533 Sherbourne St
Toronto

OFFICE OF THE CUSTODIAN
RECEIVED
FEB 4 1943
WORK TO.....
TYPING FOR TO.....
ANS'D BY FILE"

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

57899 [pt 2.1] Soldier settlement and veterans' Land Act

Victoria Building, 7 O'Connor Street,
Ottawa, Ontario, February 1st, 1943.

Legal Section.

GWM/MSD.

Dear Sir:-

Re: Japanese Land.

I am enclosing a letter received from a Lieut. Harper, I believe, although the signature is not very clear, concerning the purchase by him through the Soldier Settlement of Canada of a Japanese farm.

This would appear to be a matter concerning the Soldier Settlement rather than the Custodian since he will apparently be buying from them rather than through the Custodian when the property is liquidated. This is a matter that concerns your office and I have not replied to the letter. You will no doubt desire to do so and I would suggest that you refer the original, keeping a copy for your file to Mr. Barnet.

Yours truly,

G. W. McPHERSON,
Executive Assistant.

ENC.

F. G. Shears, Esq.,
506 Royal Bank Building,
VANCOUVER, B.C.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

Victoria Building,
7 O'Connor Street,
Ottawa, Canada.

Legal Section
GWM/DI

27th January, 1943.

Dear Mr. Shears:-

Re: Japanese Assets.

I have your letter of January 23rd with enclosure, and I discussed the matter with Dr. Coleman. He approves of your actions and feels that the less publicity given by the Custodian's office, the better. In so far as the leases are concerned, we are anxious not to tie up farm lands for any longer period than is absolutely necessary, in view of the proposed liquidation, but I agree with you that the farms are better protected with tenants than without, and the purchaser will have to take the land subject to existing leases.

The Custodian will not object to your completing leases for the coming season, and no doubt a few will run on into 1944, but this matter is left to your discretion.

As soon as I have anything definite, I will advise you of Dr. Coleman's plans regarding his trip to Vancouver.

Yours very truly,

G. W. McPHERSON,
Executive Assistant.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

Victoria Building,
7 O'Connor Street,
Ottawa, Canada.
23rd January, 1943.

Legal Section
FR/DI

Dear Mr. Shears:-

Re: P.C. 469

I am enclosing a copy of the above Order-in-Council, which clears up several of the points we have discussed. The provisions of this Order-in-Council will require certain amendments to the brief which I left with you. It is my intention, as soon as Miss Carroll arrives here, to review the brief and bring it up to date by making the appropriate amendments on the pages immediately opposite the statement of policy that is to be amended, and I will at that time, forward you a complete list of such amendments and where they should be inserted. In the meantime, you might read over the Order-in-Council, and make notations in those sections of the brief to which it relates, as referred to in my recent letter to you.

Arrangements have been made for Miss Carroll to come to Ottawa, and I am hoping it will be convenient for you to release her as soon as possible, since I have considerable work for her to do, and I expect to do some travelling within the next month. In fact, I will be in New York on February 7, 8 and 9 attending meetings of the Liason committee with the American and British Custodians. Subsequent to that date, I think it is highly probable that I will visit Vancouver with Dr. Coleman to put into effect the new policy. With Miss Carroll here, I am hopeful that she will be able to keep the correspondence up to date with you, writing letters to you on my direxction.

C

Yours very truly,

G. W. McPHERSON,
Executive Assistant.

F. G. Shears, Esq.,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B.C.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.
23rd January, 1943.

Your Ref. - Legal Section

G. W. McPherson Esq.,
Office of the Custodian,
Victoria Building,
7 O'Connor Street,
Ottawa, Ont.

Dear Mr. McPherson,

Your letter of the 20th re the passing of Order-in-Council has just been received this Saturday morning.

I had scarcely read your letters through when the Sun Newspaper called and stated that they had been advised from Ottawa that an Order-in-Council had been passed authorizing the disposal of Japanese assets in British Columbia.

Without any hesitancy I stated that I was not aware of the Order-in-Council they referred to and that powers vested in the Custodian were not necessarily exercised and that this office had no advice on any change in policy. I stated that our policy had been one of protective custody and that we were continuing along these lines. They added, however, that their information was to the effect that war veterans were to be given preference and that fair prices were to be maintained.

It is evident from this that they have been supplied with a fair amount of information and I will await with interest anything which they may publish in their paper. You will doubtless send us a copy of the Order-in-Council as soon as it is published.

I had our "Board" sit in with me for a few minutes this morning and for the first time gave them an idea of what the future policy of the Custodian might be and at the same time cautioned them very strongly that these matters should not be discussed. I did not refer to all the details which you mentioned.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE NO.

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

G.W. McPherson Esq.

The only question which presents a little difficulty is your remark that it is not desirable to execute any further leases although this is qualified somewhat by the words "at any rate for more than this year".

I think that perhaps some approximately ninety leases have been so far executed, about seventy of which expire from September to December of this year and the others will run into 1944.

I do feel that even though a policy of liquidation is to be carried out that it will take time to put into full operation and that the properties in the Fraser Valley will be best protected by continuing to make leases so long as they expire at the end of the present crop year.

Once an Order-in-Council is published in the Gazette it very soon becomes public property, but I was very surprised to have the 'phone call from the Sun Newspaper so soon as I would not think that the Order-in-Council had actually been printed.

I know that you will be interested in having this information right away in case there is anything which you might wish to do in Ottawa to prevent any further public notice being made to this matter for the time being.

This has been one of those hectic mornings. Mr. Sheppard has been in on some matters and for the time being I will not write further.

Yours truly,

F G Shears

F. G. Shears,
Acting Director.

FGS/PMH

Before mailing the Enclosed Cutting from Vancouver Sun was published.

57899 [Pt 2.1] Sold

Seized Jap Prop

The Vanc

The Vancouver Evening Newspaper

FOUNDED 1880
VOL. LVII—No. 95

VANCOUVER, BRI

War Veterans to Get First Choice

From The Vancouver Sun Ottawa Bureau

OTTAWA, Jan. 23.—Japanese property seized in British Columbia is to be sold, with war veterans getting the preference in the purchase.

An orderin-council has just been passed authorizing the Custodian of Enemy Property to dispose of the Japanese property in British Columbia; under procedure similar to that which governed the disposal of the fishing and other vessels seized at the outbreak of war with Japan.

There are about 1400 properties involved, including real estate in Vancouver, Victoria, New Westminster and other cities and farm lands in the Fraser Valley and elsewhere. These will be offered for public sale but the Director of Soldier Settlement is to be given the opportunity to purchase any of the properties on behalf of soldier settlers. A fair price must be paid.

No confiscation is involved. The price obtained on the open market will be paid over to the Japanese owners.

British Columbia members of Parliament have been pressing for this action for some time, and Hon. Ian Mackenzie placed the matter before the cabinet. Tom Reid, M.P., for New Westminster, who has been in Ottawa as a member of the War Finance Committee, urged an early decision.

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wned and Operated by

COLUMBIA, SATURDAY

ans' Land Act -

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

Property Will Be Sold

The Vancouver Evening Newspaper

Owned and Operated by Vancouver People

The Vancouver Sun

VANCOUVER, BRITISH COLUMBIA, SATURDAY, JANUARY 23, 1943

PRICE 10 CENTS BY CARRIER $1.00 per month

Today's Tides

Vancouver Harbor
Low 2:46 p.m., 8.2 ft. High 7:20 p.m., 10.6 ft.

English Bay
Low 2:21 p.m., 8.9 ft. High 6:49 p.m., 10.9 ft.

First Narrows
Low slack 3:01 p.m. High slack 7:29 p.m.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

Victoria Building,
7 O'Connor Street,
Ottawa, Canada.

Legal Section
GWM/DI

20th January, 1943.

Personal

Dear Mr. Shears:-

The Order-in-Council I referred to the other day was passed yesterday, but I have not received a copy of it up to the moment, although I expect to have it later in the day.

My personal position has now been clarified, and I am going to remain in Ottawa indefinitely, and according to Dr. Coleman, will be appointed as Executive Assistant to the Minister.

It appears impossible to find a place to live, but we are canvassing the situation thoroughly this week. For your confidential information, he has agreed to Miss Carroll's coming east to work as my secretary, but is greatly worried about the housing situation, and until I know definitely where we are going to live, I think I will let Miss Carroll stay as is.

In view of the Order-in-Council being passed this week, it is not improbable that I will be coming to Vancouver within the next few weeks to discuss its effect with you. I hope to be able to write you further later in the day, but briefly, and for your own information, the Custodian is going to proceed to liquidate all Japanese real estate as quickly as possible. The liquidation will be carried out under the direction of a special committee which will be appointed to assist you. The personnel of the committee has not yet been determined, and I doubt if any real steps will be taken in this direction until the beginning of next month.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act

It is at least good to know where we are going. The Soldier Settlement are being removed entirely from the picture, but will loan us Mr. McKay, according to present plans.

My personal regards to yourself and the staff.

Yours very sincerely,

G. W. McPHERSON,
Authorized Deputy of the Secretary
of State and/or Custodian.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

Victoria Building,
7 O'Connor Street,
Ottawa, Canada.
20th January, 1943.

Legal Section
GWM/DI

Dear Mr. Shears:-

Re: Custodian Matters.

While I have not actually a copy of the Order-in-Council, I have a copy of the recommendations, and am advised that an Order-in-Council based on these recommendations has been passed.

There are three principal questions of policy determined:

(1) The Soldier Settlement of Canada are entirely removed from the picture of agricultural lands as of January 19th. This means that they will not have any authority to approve or disapprove of leases or sales by the Custodian, but the Custodian will have to assert complete authority in so far as the control of such lands is concerned and will refuse to permit any person to deal with same without his permission. I would refer you to my remarks below in Paragraph 3.

(2) In so far as the fishing vessels are concerned, the Custodian's position is clarified, and all actions by him in completing documents or making sales after August 1st are approved. Paragraphs 3 and 4 of P.C. 6247 have been repealed, and two new paragraphs substituted. Paragraph 3 ratifies the Custodian's actions, and Paragraph 4 transfers to him all unfinished business of the committee, without restricting it to the unfinished business relating to vessels and equipment undisposed of on August 1st. This is what I had hoped to obtain in this regard.

(3) This section of the Order-in-Council interprets the words "controlling and managing property" as including the power to liquidate, sell or otherwise dispose of such property, and on the basis of this, the

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

Custodian will adopt a policy of liquidation of all Japanese evacuee real estate.

I do not think it is desirable to make any statement to the Press or the public in any way, but for your information and for the Organization's information, so that they may conduct themselves accordingly, it is the intention of the Custodian to liquidate the farm lands by sale and the city property

The Custodian intends to set up an advisory committee of three to advise him on the best methods of liquidation and to protect the Custodian as to the price obtained. This committee will function in Vancouver, and I believe will be very useful to you.

It is intended that Dr. Coleman will make a trip to the Coast, possibly in February, and I may accompany him, at which time the committee will be set up, and the policy of liquidation put into force. In anticipation of this policy, it is not considered desirable that we should execute any further leases, at any rate for more than this year, and wherever possible, the actual completion of the leases should be delayed.

In view of Section 1 referred to above, it is apparent that you will no longer require the approval of Mr. Barnet in so far as agricultural lands are concerned. The Soldier Settlement of Canada may purchase a considerable block of the property, and obviously they do not wish to be connected with its liquidation, so have therefore withdrawn from the picture.

It will be obvious to you that if it became generally known at this time that the Custodian was going to sell all of the Japanese property in Vancouver and the agricultural lands, unscrupulous people might try and corner the property, and this is to be avoided. I would therefore request that while you will have to advise the people in the Organization interested, they should be warned to be very discreet about discussing the policy at this time.

We will take over Mr. McKay, possibly at the time that Dr. Coleman is in Vancouver, and we will pay him a salary of $250 a month. He will be loaned to us for a period of from six to eight months by Mr. Barnet.

I think it is highly desirable that you proceed with the taking of pictures or the farms as rapidly as possible. Letters should not be written to any of the Japanese at this time advising them of the determination of the policy, since the programme might be misunderstood and cause unrest.

Yours very truly,

9[illegible] [pt 2.1] Soldier settlement and veterans' Land Act -

I think it is highly desirable that you proceed with the taking of pictures of the farms as rapidly as possible. Letters should not be written to any of the Japanese at this time advising of the determination of the policy, since the programme might be misunderstood and cause unrest.

Yours very truly,

G. W. McPHERSON,
Authorized Deputy of the Secretary
of State and/or Custodian.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

57899 [P+ 2.1] Soldier settlement and veterans' Land Act

Legal Section
GWM/DI
20th January/43

Memorandum re Japanese Agricultural Lands.

I had a meeting with Mr. Murchison, the Director of the Soldier Settlement of Canada and his Vancouver representative, Mr. Barnet, in Mr. Murchison's office today, when we discussed the effect of the new Order-in-Council, in so far as our two Departments are concerned.

I advised Mr. Murchison that I would instruct Vancouver to suspend completion of any further releases until further advised.

Mr. Murchison stated that he is prepared to loan the Custodian Mr. McKay to take charge of the agricultural lands for a period of six to eight months, and that his salary will be at the rate of $250 per month. I agreed to the period of time and to the salary, but advised that we would not want to take Mr. McKay onto the staff until the machinery for handling the liquidation of the lands has been set up. I informed Mr. Murchison that it was highly probable that Dr. Coleman and possibly myself would go to Vancouver in February, and the Doctor would set up the committee to advise the Custodian, and at that time, Mr. McKay could be transferred.

Mr. Murchison advised that their Regional Committee would be set up shortly, and it is the intention of his Department to offer to purchase for cash approximately 500 farms, the purchase price to be approved of by their Regional Committee. He agrees that this Committee cannot act for the Custodian, but that the Custodian will have to have independent advice for his committee as to the value of the farms. He points out that since they will be offering to purchase for cash a large acreage, and while they will indicate in the offer the individual price offered for each farm, any one of the individual prices may not be equal to what might be obtained by public sale.

It is apparent from our discussion that the Custodian, acting in the interests of the Japanese owners, will have to take every step possible to see that a fair price is obtained for each property sold to the Soldier Settlement of Canada. It was agreed that any sales made to the Soldier Settlement of Canada would have to be made subject to existing leases, but the policy of leasing now being followed should be delayed until Dr. Coleman's proposed visit to Vancouver.

G. W. McPHERSON.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

AT.

49

Ottawa, January 19, 1943.

Dear Mr. McLarty,

I am enclosing Mr. McPherson's notes of the meeting held in Mr. Crerar's office on January 11th.

This morning I telephoned Mr. N. A. Robertson, the Under Secretary of State for External Affairs, giving him the background and I sent over, by special messenger, to him a copy of the draft recommendation.

Yours sincerely,

E. H. COLEMAN

The Honourable N. A. McLarty, K.C.,
Secretary of State of Canada,
Ottawa.

57899 [pt 2.1] Soldier settlement and veterans' Land Act -

MC.

P.C. 469
P R I V Y C O U N C I L
C A N A D A

AT THE GOVERNMENT HOUSE AT OTTAWA

Tuesday, the 19th day of January, 1943.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL.

WHEREAS by Order in Council dated 29th June, 1942, (P.C. 5523) amended by Order in Council dated 4th August, 1942, (P.C. 6885) Regulations were made imposing certain duties and responsibilities on the Director of Soldier Settlement of Canada in relation to agricultural lands owned by persons of the Japanese race ordinarily resident in the protected areas of British Columbia;

AND WHEREAS the Secretary of State reports that the appraisals of lands contemplated by the said Order in Council as amended have been made and that it is the opinion of the Minister of Mines and Resources, to whom the Director of Soldier Settlement of Canada reports under the said Order in Council as amended, that the said Order in Council as amended, should be revoked;

That by Order in Council, dated 20th July, 1942, (P.C. 6247) it was provided that on and after the 1st August, 1942, all unfinished business of the Committee under the Chairmanship of the Honourable Mr. Justice Sidney A. Smith of Vancouver, appointed by Order in Council of 13th January, 1942, (P.C. 288) in respect of vessels or equipment vested in the Custodian under the said Order should be transferred to the Custodian, and the Custodian was vested with all vessels and equipment which had not been disposed of under the supervision of the said Committee;

That since the transfer was effected, question has been raised as to the authority of the Custodian to deal with unfinished business of the said Committee in relation to vessels or equipment disposed of prior to the 1st August, 1942, and it is expedient to remove any doubts in this respect;

That by Orders in Council relating to the property of persons of the Japanese race evacuated from the protected areas of British Columbia, the Custodian has been vested with the responsibility of controlling and managing property belonging to persons of the Japanese race who have been evacuated from the protected areas, except deposits of money, shares of stock, debentures, bonds or other securities or other property which

Honourable
the Secretary of State

the owner on being evacuated from the protected areas was able to take with him; and

That the evacuation of persons of the Japanese race from the protected areas has now been substantially completed and that it is necessary to provide facilities for liquidation of property in appropriate cases.

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Secretary of State, concurred in by the Minister of Mines and Resources, the Minister of Pensions and National Health, the Minister of Labour and the Minister of Fisheries, and under the authority of the War Measures Act, Chapter 206 of the Revised Statutes of Canada, 1927, is pleased to order and doth hereby order as follows:

1. Order in Council, dated 29th June, 1942, (P.C. 5523) and amending Order in Council dated 4th August, 1942, (P.C. 6885) are hereby revoked.

2. Paragraphs numbered 3 and 4 in Order in Council dated 20th July, 1942 (P.C. 6247) are hereby rescinded and the following are substituted therefor:

> 3. The Custodian may, where he considers it advisable so to do,liquidate, sell or otherwise dispose of any such vessel or equipment on such terms and conditions as he deems advisable; and any agreement entered into or document executed by the Custodian on or after August 1, 1942, and prior to the date of this Order, purporting to be an agreement for, or to be, a transfer, conveyance or other disposition of any such vessel or equipment or of any right, title or interest therein is hereby given full legal validity, force and effect as if the Custodian had full power to enter into such agreement or to execute such document, and as if such vessel or equipment or such right, title or interest therein, as the case may be, had been vested in the Custodian, at the time of the entry into such agreement or the execution of such document.
>
> 4. Without restricting the generality of the powers hereinbefore conferred, all unfinished business of the said Committee is hereby transferred to the Custodian and shall be deemed to have been so transferred as on and from the 1st August, 1942.

Wherever, under Orders in Council under the War Measures Act, Chapter 206 of the Revised Statutes of

.....Canada

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Canada 1927, the Custodian has been vested with the power and responsibility of controlling and managing any property of persons of the Japanese race evacuated from the protected areas, such power and responsibility shall be deemed to include and to have included from the date of the vesting of such property in the Custodian, the power to liquidate, sell, or otherwise dispose of such property; and for the purpose of such liquidation, sale or other disposition the Consolidated Regulations Respecting Trading with the Enemy (1939) shall apply mutatis mutandis as if the property belonged to an enemy within the meaning of the said Consolidated Regulations.

(signed) A. D. P. HEENEY.
Clerk of the Privy Council.

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Victoria Building,
7 O'Connor Street,
Ottawa, Canada.

Legal Section
GWM/DI

13th January, 1943.

Dear Mr. Shears:-

Re: Soldier Settlement of Canada

I have your letter of January 7th, and note that Mr. Barnet is on his way to Ottawa, and I believe that there may be some important changes in this picture after he sees Mr. Murchison, the Director.

I will be writing you in the course of the next few days, dealing with this problem generally. In the meantime, you should continue to follow the policy outlined in Part 3 of my brief.

Yours very truly,

G. W. McPHERSON,
Authorized Deputy of the Secretary
of State and/or Custodian.

F. G. Shears, Esq.,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

Legal Section
CWM/DI
12th January, 1943

Memorandum for Dr. Coleman.

Re: Cabinet Committee Meeting.

My understanding of the decisions reached at the Committee meeting held in the office of the Hon. T.A.Crerar, on Monday, January 11th, at 2.30 p.m., is as follows:

(1) A policy of liquidating Japanese Evacuee real estate was approved. It was decided that in so far as the City of Vancouver is concerned, an advisory committee of three, with a representative of the Dominion Government, the City of Vancouver and the Spanish Consul, be appointed; and a similar committee be appointed to deal with the liquidation of agricultural lands.

(2) In so far as the agricultural lands are concerned, the Soldier Settlement of Canada withdraw from the picture entirely, transferring Mr. McKay to the Custodian's office to handle such lands.

The Soldier Settlement of Canada will consider taking over the agricultural lands suitable for their purpose, which they estimate at 60% of the total, the purchase price to be as agreed upon, presumably with the approval of a special committee.

(3) The offer received for the Royston Lumber Company Limited, be accepted and the Deep Bay Logging Company Limited be advertised for sale.

(4) Radios and cameras be released to all evacuees residing outside of British Columbia, and the balance of these articles to be held in storage and released from time to time as the evacuees leave the Province.

(5) All disbursements incidental to the administration of the fishing vessels received from the Japanese Fishing Vessels Committee be charged against the sale price of the vessels on an equitable basis.

(6) The disposition of chattels is to be determined by yourself and Mr. MacNamara, the Deputy Minister of Labour.

(7) The policy now being followed with relation to insurance was approved and should continue in force.

(8) The necessary amendments to give effect to these decisions be put into draft form for submission to council on Thursday, the Custodian's Department to prepare the necessary draft recommendation.

Those present at the meeting were

Hon. T. A. Crerar,
Hon. Ian Mackenzie,
Hon. Humphrey Mitchell
Hon. N. A. McLarty,
Yourself, Mr. MacNamara, Mr.Murchison and myself.

G. W. McPHERSON.

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RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to
Veuillez expedier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

H9

NIGHT LETTER

JANUARY 11, 1943.

Legal Section
GWM¾DI

F. G. SHEARS,
OFFICE OF THE CUSTODIAN
506 ROYAL BANK BUILDING,
VANCOUVER, B. C.

COMMITTEE CONSIDERED PROPOSALS AND DECISIONS ARE HIGHLY SATISFACTORY STOP FULL DETAILS WILL BE SENT WHEN AMENDING ORDERS PASSED STOP PROCEED SALE ROYSTON . RELEASE ARTICLES TO EVACUEES OUTSIDE BRITISH COLUMBIA ONLY HOLD BALANCE STOP HOLD PROCEEDS SALE BOATS AND CHARGE DISBURSEMENTS SAME METHOD AS CARS STOP AMENDMENTS BEING DRAFTED AND PROPOSAL WILL SATISFY YOU STOP REGARDS

G. W. McPHERSON

CHARGE TO THE OFFICE OF THE
CUSTODIAN OF ENEMY PROPERTY.

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B. C.
7th January, 1943.

G. W. McPherson Esq.,
Office of the Custodian,
Victoria Building,
7 O'Connor Street,
Ottawa, Ont.

Dear Mr. McPherson,

In talking to Mr. Wright at noon to-day he informed me that Mr. McKay was in his office yesterday and happened to say that Mr. Barnet was leaving last night for Ottawa. I thought you might be interested in knowing this.

Everything has been running smoothly in regard to the matter of leases.

Yours very truly,

F. G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

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C
O
P
Y

SOLDIER SETTLEMENT OF CANADA

518 Rogers Building,
VANCOUVER, B.C., December 17, 1942.

G. W. McPherson Esq.,
Authorized Deputy of the Secretary
of State and/or the Custodian,
506 Royal Bank Building,
VANCOUVER, B.C.

Dear Sir:

Japanese Agricultural Lands

I have for acknowledgment your letter of December 16th. Part of this letter deals with matters which are clearly a question of policy, with rather wide ramifications, and I would be exceeding my authority if I attempted to give you a decision one way or another without first consulting Mr. Murchison.

It was my view, after our discussion on Saturday last, that the interpretation of policy had been clarified to the extent that we could now proceed with much routine work while those in authority at Ottawa had an opportunity to review the recommendations now before them. There is danger at the moment of going too far without the confirmation of our respective Head Offices, the old saying coming into play - the more haste, the less speed.

Order in Council No.5523 bringing the Director of Soldier Settlement into the problem of Japanese lands was issued on June 29th, and some time ago our appraisers completed the appraisal of the agricultural lands. On July 21st you kindly granted me an interview at which time I introduced Mr. McKay of this Department, and a discussion took place on the leasing problem. I advised you that for all practical purposes Mr. McKay would be at the disposal of your office for consultations, and to assist in every possible way to get the leases under way. A general procedure was agreed upon at that time. This office undertook to arrange leases on properties which had become vacant, or had not been previously rented, as soon as you gave us information on them, or inquiries were received from the public.

During August we submitted 33 applications to lease which we recommended to your office for documentation, and completion. By the end of September 93 leases had been submitted, and by the end of October a total of 165 had gone forward to your office. Your office undertook to have these leases documented, and get the signature of the tenants. It was understood that the leases would then be submitted to the Director of

Soldier Settlement for his formal approval in accordance with the above mentioned Order in Council. Under this arrangement a total of 13 leases have been submitted to this office, formally approved and returned to your office.

On October 26th on your invitation I attended a meeting, at which a number of your officials were present, in connection with leases which had been entered into before Government Departments were brought into this picture. These leases required that the lessee, among other things, should deliver the whole of his crop to certain organizations. No agreement was arrived at on this matter. However, a decision was reached after your interview with Mr. Murchison, and this was clearly set out in his memorandum to you of November 12th. A copy of this memorandum was received in this office by airmail from Ottawa on November 14th. I understand you also telephoned instructions from Ottawa to your office.

The procedure outlined in the above memorandum has been carried out by this office, and I have not received any instructions to deviate from this. I feel, therefore, that I would be exceeding my authority by agreeing to carry out the wishes contained in your letter of December 16th which are a clear deviation from clause (a) of Mr. Murchison's memorandum of November 12th.

As already stated, I believed that substantial progress had been made as a result of our discussion last Saturday. Seventy-seven additional leases have been sent to this office for signature which have not yet been signed by the tenants, and you have asked me to be good enought to get this done. This was not the original arrangement. Mr. McKay advised you verbally the other day that he would accept responsibility for getting some of the leases signed which are in the neighbourhood of where he expects to be working in the next few days. Your officials were to get the remainder signed.

This Department is administering roughly the same number of farms in the lower Fraser Valley under Soldier Settlement as there are Japanese properties, with a much larger investment involved, and this area is now being supervised by two of our senior men. My reason for pointing out this fact is to show that this whole problem can be handled without serious difficulty when properly organized.

At the beginning of this fiscal year in order to save gasoline and rubber our Department requested that every effort be made to reduce our mileage 75%. This request was made despite the fact that apart from our Soldier Settlement duties we are doing quite a bit of investigational work in connection with veterans of the last war, and dependents of men serving at the present time, for the Department of Pensions and National Health. We have already cut our mileage very close to the objective set by our Head Office. You will appreciate, therefore why I have had to

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carefully study your request for further assistance. It was for this reason that I suggested ways and means to you whereby I felt the public could be given faster service in connection with leasing the Japanese lands, and we could still meet the economies demanded on account of the war.

Approximately 224 farms were involved originally under clause (a) of Mr. Murchison's memorandum of November 12th. It is obvious that his number has been reduced in the last few months by tenants giving up their original leases. This is a very small percentage of the total number of farms held by people of the Japanese race which came under Order in Council No.5523, and which apparently numbered over a thousand. I have pointed out this fact on a number of occasions.

I have attempted at all times to keep Mr. Murchison fully advised on the progress of this work as a whole. I suggest that the most satisfactory way to arrive at a final decision would be to allow matters to stand as at present until you get to Ottawa, seeing that you intend leaving within the next few days. No doubt you will then have another interview with Mr. Murchison. As already pointed out I believe there is plenty of current work requiring attention to keep the officials who are working on this project fully employed in line with our conversation on Saturday until Head Office officials further consider your requests in regard to leases covered under the aforesaid clause (a) of Mr. Murchison's memorandum of November 12th.

I must apologize for bringing into this picture work that is no concern of yours. However, you have requested that this Department accept further responsibilities and, naturally, it would be foolish to give any consideration whatsoever to your request without first attempting to synchronize all phases of our work.

Yours very truly,

(I. T. Barnet)
District Superintendent.

ITB:B

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C O P Y

Via Air Mail

VANCOUVER, B. C., December 17, 1942

G. Murchison, Esq.,
Director of Soldier Settlement, Ottawa.

Dear Mr. Murchison:

Japanese Lands

I enclose copy of Mr. McPherson's letter of December 16th to me, and copy of my reply of even date.

You will observe Mr. McPherson is now asking that this Department undertake a line of duties which are outside of your instructions to me.

Yours very truly,

District Superintendent.

ITB:B
Encl:

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Extra copy for S.S. re T.

5.

December 12, 1942.

Dr. E. H. Coleman, K.C.,
Under Secretary of State,
West Block,
Ottawa, Ontario.

Dear Doctor:

Re: Japanese Agricultural Lands

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, with last 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 be determined as soon as possible.

2. That such 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 lands 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 transaction in such areas.

The reasons why I make 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.

continued -

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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 homes. I realize the danger of such a policy insofar as it might cause dissatisfaction among 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 increase interdepartmental correspondence and negotiations. The evacuation is stated to be complete and preliminary negotiations have already taken place as to the movement of necessary chattels from farms, homes and storage places to the evacuees.

This organization has completed the spade work and inproceeding with a leasing program, approximately 150 leases already having been signed by me and in addition to this 200 leases of the Pacific Co-operative Union are continuing.

The reason for the long delay in instituting such a program has not been due to lack of effort either by the Soldier Settlement or this office but principally due to the long delay in completing the evacuation. The farmers from the Valley were about the last to be evacuated and the evacuation was not completed until the end of October.

After the inportion of the Soldier Settlement into the picture on June 29th, 1942, conferences were held with the local representative, Mr. Barnett, and a more or less workable arrangement made as set out in my letter to you of July 25th.

Regardless of arrangements made between Mr. Barnett and myself farms could not be leased until the Japanese owners were off but surveys could be, and were made, by the Soldier Settlement, titles were searched by this office, inventories of chattels were proceeded with and the Japanese were encouraged to make their own arrangements. Whether the manager of the Pacific Co-operative is persona grata or not is, in my opinion, secondary because the Custodian's supervisor is no in charge. This co-operative did, at the request of the Japanese members, go out and get tenants, signed up leases and advanced money in an effort to save the crop. Their actions were at least partially successful. While it is true some of their tenants have left it is also true other tenants placed by the Soldier Settlement have left. The co-operative are a real part of the Valley picture and, in my opinion, the interest of the former members can best be protected by this Department continuing in legal control of the lands and co-operatives.

The taxes are recorded here, revenues are not always sufficient to pay same and the general assets are often used, with the approval of the Japanese, to pay taxes and insurance. The accounts are all set up and operating, claims by creditors are being settled and in general the complicated picture of administering 23,000 trusts is just beginning to clear and should not, in my opinion, be radically disturbed at this time.

continued -

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As far as the reduction of staff is concerned, there are only nine persons, including field men, in the farm department and three of these are leaving at the end of the year. If the arrangements suggested below are approved there will be a further reduction but only after chattels on the farms have been disposed of.

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, the above points 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 both to the Japanese evacuee 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 -

(a) The Custodian appoint the Director his Deputy under Regulation 6 (2) of the Consolidated Regulations Respecting 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 amending 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 interests would not be protected. I believe the problem can be handled under the Regulations, the Director being in effect the official agent of the Custodian.

(b) The Custodian under this arrangement would -

1. Continue to protect the title to the land.
2. Sign the leases or other documents as owner.
3. Be in the position of principal to the Director and continue to deal with the Japanese as trustee.
4. Receive rents from the Soldier Settlement of Canada, keep the accounts, pay taxes as a preferred claim on revenues and, if in accordance with the general policy of the office, use other assets to make up any deficit. Since the Custodian will have the other assets and be in direct communication with the Japanese, he should pay taxes and insurance, keeping the Soldier Settlement of Canada fully informed and asking their advice as to the insurance to be carried, if any.

continued -

5. 5. The Custodian as lessor will have the necessary authority to go on the land and under the chattles agreement will be able to remove the stored chattels for shipment to the evacuee as arranged with the British Columbia Security Commission, or for the sale of same if a policy of liquidation is approved.

(c) Mr. Barnett, representing the Director and the Custodian would -

1. Continue to locate tenants, take applications to rent and approve of same.
2. Prepare the lease documents in consultation with this office as to chattels, obtain the tenants' signature, approve the completion of the agreement and obtain the Custodian's signature and then arrange the delivery of one copy to the tenant.
3. Have his staff supervise the actual farming operations and advise the Custodian on the situation generally, including the question of the desirability of placing insurance.
4. Collect the rentals and pay same to the Custodian for credit to the Japanese account.
5. Approve all reductions of rentals on existing leases to prevent the Custodian reducing the rent to a figure which might embarrass the Soldier Settlement when the farms come under their control after the termination of the present lease.
6. Supervise the operations of all farms leased prior to June 29th. and now under the Custodian's control but not interferring with the lease arrangements made by the Japanese.
7. Advise the Custodian on all matters relating to the claims now being filed by tenants who leased direct from the Japanese, the claims being for misrepresentation of acreage.

At the present time by arrangement with Mr. Barnett numbers (b) 1,2,3, and 5 and (c) 1 are in effect as is (c) 2 except as to the actual preparation of the lease.

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 co-operating 100%. An extra copy is enclosed for your convenience.

Yours very sincerely,

GWMcP/FC

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57899 [pt 2.1] Soldier settlement and veterans' Land Act -

506 Royal Bank Bldg.,
Vancouver, B.C.,
December 1, 1942.

Berry Growers Protective Society,
Mt. Lehman, B.C.

Dear Sirs:

Attention Mr. K. Richardson

Your letter of November 27th together with enclosure has been referred to me for attention upon my return from Ottawa. While in Ottawa I had several meetings with the Director of the Soldier Settlement of Canada and certain definite decisions were reached as to the future policy of the Custodian regarding formerly owned Japanese farms in the Fraser Valley.

There seems to be considerable misunderstanding as to the relative position of the Soldier Settlement of Canada and the Custodian in so far as these farms are concerned. It is desirable to point out here that the legal ownership of the land has vested in the Custodian and to all intents and purposes he is entitled to make such disposition or leasing arrangements with regard to same as he sees fit subject, however, to the following condition: by special Order-in-Council the Soldier Settlement in Canada represented by the Director has power to approve or disapprove of any dealings with Japanese agricultural lands, but the Soldier Settlement of Canada as such is not entitled to make any leasing arrangements. In co-operation with the Custodian's organization their field staff is endeavoring to find tenants and arrive at terms which their Director will approve of before submitting to the Custodian.

During the past summer numerous difficulties and misunderstandings arose but I believe that it is now possible to proceed with a definite renting programme. For your information the Custodian is prepared to rent agricultural land for terms extending up to three years, the conditions of the rental being as agreed upon between the prospective tenant, the Custodian and the Soldier Settlement of Canada. The Custodian does not intend to disturb leases made as between the original Japanese owners and white tenants where such leases were in force prior to June 29, 1942. It does, however, appear that it may be desirable in certain cases to consider a revision in so far as the consideration is concerned and in this regard the Custodian will consider each case on its merits direct with the tenant.

The Custodian appreciates the co-operation of your Society but naturally since he is in the position of a landlord he will deal direct with his tenant both as regards the terms of the lease and any claim that the tenant may have. I understand that claims are being received by Mr. Ure, representing the Custodian, from tenants and Mr. Ure has been instructed to consider the claims, discussing same with the tenant and then make his recommendation to this office. On receipt of Mr. Ure's recommendation, the matter will be discussed directly with the former Japanese owner. I think that each case will have to be dealt with individually and I am of the opinion that an aribttration board, as suggested by your Society, is a little premature at this time in view of the fact that it may be

possible to greatly cut down the number of cases which will require some judicial decision. I would suggest that it is not desirable at this time to take any legal action to settle claims, at least until such time as it is apparent that the claims cannot be settled by negotiation between the parties.

On behalf of the Custodian I wish to express my appreciation of the interest that your Society is taking in the matter, and I am hopeful that the situation in the Valley can be settled on a friendly and co-operative basis to the satisfaction of all parties.

Yours truly,

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

GWMcP:MA

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COPY

MEMORANDUM

FILE NO 3881

TO: Mr. R.D. Richardson

FROM: Mr. W.E. Anderson

November 16th, 1942

Re: Shinkichi MORI
F.H. Bergstrom

Mr. Bergstrom was advised by this office on May 7th, 1942 to the effect that the Custodian was willing to lease the above Japanese property to him for the period ending December 31st, 1942 on the basis of 50% of the net returns from the crop. The term "50% of the net returns from the crop" is fully recognized in the berry business as meaning the gross crop obtained from a property in any given year, less expenses for harvesting said crop and the expenses incurred prior to the harvesting of said crop. No tenant on other farms under the same arrangements has expressed any doubt as to what this term means and settlement from these has been obtained without any trouble.

As the 1942 crop season has been over for some time, we have been waiting for Mr. Bergstrom's report as to crop operations so that an intelligent consideration of rent could be arrived at, however, no attempt was made by him to contact this office. I called at this farm on Sunday, Octoberllth to find out what the trouble was and he informed me that he had not received his statements from the P.C.U. until late and that he and his wife were making up a statement for this office, but in view of the fact that he was so busy on the farm he had not had time to complete same earlier. I informed him that the taxes were due on this property on October 15th and in order to save the penalty, asked him to make a statement in time for us to pay the said taxes, or, if he did not have time for this, to pay the taxes and report to this office before the end of October. Mr. Bergstrom went to Cloverdale and paid the taxes on October 13th and forwarded the receipt to this office. As we did not hear from Mr. Bergstrom at the stipulated time, I again contacted him on November 8th insisting that he make his appearance at this office by Friday, 13th Nov. and at this date he came in with his complete statement from which the following figures were arrived at:

Gross Crop	$1367.70	
Expenses	743.96	
Net Crop		$623.74
50% Net Crop equalling Rent	311.87	
Less: Taxes paid	25.69	
Balance due the Custodian for credit of S, Mori		$286.18

After arriving at the above figures, I asked Mr. Bergstrom for a settlement of this amount and he very plainly replied to me that the funds were not available as he had spent same for living and preparing the farm for 1943.

On June 27th the P.C.U. was written by yourself notifying them of the crop share accounts and asking the Co-operative to hold 50% of the gross proceeds of the crop to protect the Custodian. The Co-operative, in this case, did not carry out our instructions and, according to their statement received from Mr. Bergstrom, dated August 15th, made final settlement with Mr. Bergstrom issueing him the total balance in the account amounting to $585.96.

In view of the fact that the P.C.U. were notified to hold funds in this account subject to our releasing, and they failed to do so and as Mr. Bergstrom is unable to fulfil his obligations under his agreement to this office in regards said funds, the P.C.U. are, I believe, liable for the balance due the Custodian. Mr. Bergstrom has applied to the Soldier's Settlement for the renewal of his lease on this property for 1943 and the Co-Operative should be in a position to collect this debt from the 1943 crop if, and when, delivered to them.

WEA/BH

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

57899 [pt 2.1] Soldier settlement and veterans' Land Act - Farm

GWM
13.11.42.

TELEPHONE CONVERSATION with Miss Carroll,
12 noon E.D.T.
FRIDAY, November 13, 1942.

OTTAWA to VANCOUVER

1. Re: Agricultural Lands &. S. S. of C.

(A) Will approve of reduction - rent of leases made prior to June 29, even though marketing provision in lease.

(B) Custodian will negotiate with tenants on existing bases of reduction of rents but will not upset marketing provisions.

(C) 30 day cancellation clause to be omitted.

(D) Leases may be for up to 3 years on what is called commercial farms -- this includes all farms with hothouses.

(E) 1 year leases on farms of less than 2 acres as will be called ~~hothouse~~ Knitted enterprises but rule not inflexible.

(F) Chattels may be included in land lease but Director won't approve of more than land rent.

(G) Leases can only be cancelled for cause.

(H) New leases can have marketing provision to protect rent only.

(I) Barnett has full power to sign and was advised of such power in August.

(J) Complete instructions containing policy above outlined in August sent to Barnett and I will mail covering letter tomorrow.

(K) Advise Richardson, Alexander and Ure of policy and say to hurry up and get leases under way on new basis.

(L) Any tenants who complain may be told that their cases will be dealt with specifically on my return.

(M) Have Richardson prepare brief on each disputed case with all facts ready when I return end of month.

---

have no knowledge as to the time or circumstances under which their owners may be permitted to return to them.

(iv) Reliance must largely rest with the white grower-owners to stabilize or increase production of small fruits, etc., in the defence area, and their efforts along these lines will no doubt be influenced by prevailing and prospective price ranges and the supply and cost of labour.

It is not always a simple matter to determine whether a given Japanese property should be classified as a commercial or a home-use enterprise, and consequently it is not advisable to lay down inflexible rules. As a general guide, however, any property which has less than two acres in reasonably efficient use in the production of bush fruits, asparagus, rhubarb, or hops, or a combination of them, should not be regarded as a commercial enterprise.

P.T.O.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

OFFICE OF
HE DIRECTOR OF SOLDIER SETTLEMENT

GM/K

OTTAWA.

November 18, 1942.

Jn

GWM
13.11.42.

(Telephone conversation, 13.11.42 at 12 noon,
Ottawa to Vancouver)

2. Fishing boats -- continue old policy until I return -- no ad as yet.

3. Send me up-to-date statement showing number of boats and motor vehicles on hand; statement to be here by the 23rd.

4. Let me know when Mr. Shears expects to leave Winnipeg on return trip to Vancouver. I expect to be on C.P.R. train arriving Vancouver November 30th. If possible would like to travel back with him.

5. May not be at Shoreham.

It is not [illegible]
should be classified as a commercial or a home-use [illegible]
advisable to lay down inflexible rules. As a general guide, however, any property which has less than two acres in reasonably efficient use in the production of bush fruits, asparagus, rhubarb, or hops, or a combination of them, should not be regarded as a commercial enterprise.

P.T.O.

57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

OFFICE OF
THE DIRECTOR OF SOLDIER SETTLEMENT

CANADA

GM/K

OTTAWA.

November 18, 1942.

G.W. McPherson, Esq.,
Ottawa, Ont.

Dear Mr. McPherson,- Japanese Lands.

As promised, I have prepared and attach hereto a copy of memorandum in which I have endeavoured to record the substance of our discussion yesterday, and by elaboration of the principles touched on I have tried to develop a workable policy which should substantially modify the friction or unrest which has been reported.

If there are points upon which you are in disagreement I shall be glad to discuss them with you before any further action is taken.

Yours very truly,

D McPherson

Director.

Enclosure. You will probably be vitally interested in connection with proposed compensation in event of cancellation but the only alternative seems to be the practical cessation of fruit production. JS.

(c) As a matter of practical co-operation between the Director and the Custodian it is agreed that all applications for renewals or for new leases will be developed by or referred to the local representative of the Director, and it is understood that the applications and terms developed and recommended by the representative of the Director will be accepted by the Custodian for completion of formal agreements. The collection of rentals is assumed by the Custodian.

(d) With regard to representations which have been received as to the period of tenure and provisions for cancellations of lease agreements, it is not only the immediate interests of tenants or the small fruit or rhubarb industry which has to be kept in mind. There are other matters of public interest and concern which have a bearing. Summarized, there are four main factors which will be taken into account.

(i) Stabilized production on a tenancy basis of products commonly associated with these Japanese farms is not a practicable proposition in view of the existing labour situation, the cost of efficient production, the efficiency of the average tenant, and the rotations and replantings which must be methodically followed.

(ii) A substantial proportion of these properties never have constituted an important factor in commercial production. Some fruits, etc., have been produced but many of these properties have a home use or residential value in excess of the value of products grown on them, and it is not probable that the aggregate production from farms of this type will increase whilst occupied and operated by tenants.

(iii) The officers responsible for the administration of these Japanese lands have no knowledge as to the time or circumstances under which their owners may be permitted to return to them.

(iv) Reliance must largely rest with the white grower-owners to stabilize or increase production of small fruits, etc., in the defence area, and their efforts along these lines will no doubt be influenced by prevailing and prospective price ranges and the supply and cost of labour.

It is not always a simple matter to determine whether a given Japanese property should be classified as a commercial or a home-use enterprise, and consequently it is not advisable to lay down inflexible rules. As a general guide, however, any property which has less than two acres in reasonably efficient use in the production of bush fruits, asparagus, rhubarb, or hops, or a combination of them, should not be regarded as a commercial enterprise.

P.T.O.

GM/K

OFFICE OF
THE DIRECTOR OF SOLDIER SETTLEMENT
OTTAWA, CANADA

Memorandum - November 12, 1942.

Mr. McPherson.

This memorandum is for the purpose of confirming understandings reached during discussion yesterday relative to the leasing of Japanese lands in the defence area of British Columbia:

(a) With regard to lease agreements made prior to June 29th, 1942, ~~for a period of~~ ~~[redacted]~~, wherein the lessees agreed among other things to deliver the total of their produce to the receiving stations or warehouses of the ~~Pacific Co-operative Union of Mission City~~ / it is agreed that these leases and certain promissory notes made in favour of the ~~Pacific Co-operative Union~~ / by these lessees are complimentary to each other. Modification of the terms or observance of these leases and promissory notes approved by the Custodian shall not be regarded by the Director as new agreements provided there is no change in lessees.

(b) All renewals of existing leases entered into prior to June 29th, 1942, shall be regarded as new leases and subject to the provisions of P.C. 5523. It is understood that there shall be no renewals of lease or new leases which contain a clause obligating a lessee to deliver his total product to any specified marketing or processing agency, provided, however, that if the rental consideration is to be derived from products grown on the land covered by the lease it will be permissible to incorporate in the lease agreement a collateral clause designating the agency to which sufficient of the produce shall be delivered to realize the equivalent of the rental consideration.

(c) As a matter of practical co-operation between the Director and the Custodian it is agreed that all applications for renewals or for new leases will be developed by or referred to the local representative of the Director, and it is understood that the applications and terms developed and recommended by the representative of the Director will be accepted by the Custodian for completion of formal agreements. The collection of rentals is assumed by the Custodian.

(d) With regard to representations which have been received as to the period of tenure and provisions for cancellations of lease agreements, it is not only the immediate interests of tenants or the small fruit or rhubarb industry which has to be kept in mind. There are other matters of public interest and concern which have a bearing. Summarized, there are four main factors which will be taken into account.

(i) Stabilized production on a tenancy basis of products commonly associated with these Japanese farms is not a practicable proposition in view of the existing labour situation, the cost of efficient production, the efficiency of the average tenant, and the rotations and replantings which must be methodically followed.

(ii) A substantial proportion of these properties never have constituted an important factor in commercial production. Some fruits, etc., have been produced but many of these properties have a home use or residential value in excess of the value of products grown on them, and it is not probable that the aggregate production from farms of this type will increase whilst occupied and operated by tenants.

(iii) The officers responsible for the administration of these Japanese lands have no knowledge as to the time or circumstances under which their owners may be permitted to return to them.

(iv) Reliance must largely rest with the white grower-owners to stabilize or increase production of small fruits, etc., in the defence area, and their efforts along these lines will no doubt be influenced by prevailing and prospective price ranges and the supply and cost of labour.

It is not always a simple matter to determine whether a given Japanese property should be classified as a commercial or a home-use enterprise, and consequently it is not advisable to lay down inflexible rules. As a general guide, however, any property which has less than two acres in reasonably efficient use in the production of bush fruits, asparagus, rhubarb, or hops, or a combination of them, should not be regarded as a commercial enterprise.

P.T.O.

57899 [pt 2.1] Soldier settlement and veterans' Land Act

With the foregoing in mind, leases may be granted for a two or three year period on properties which are placed in a commercial classification by the Director or his representative. Such leases may be cancelled for cause, but otherwise the tenant may rely upon harvesting the crops produced in 1944 and in 1945 from new plantings in 1943 and 1944, or equivalent compensation.

Properties which are not placed in the commercial classification by the Director or his representative will be leased on an annual rental basis. Such leases may be cancelled for cause or renewed from year to year with the approval of the Director.

(e) Properties equipped with greenhouses shall generally be regarded as commercial enterprises.

G. Mundison

Director.

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57899 [Pt 2.1] Soldier settlement and veterans' Land Act -

MEMORANDUM RE AGRICULTURAL LANDS.

I attended a meeting yesterday, as instructed by Dr. Coleman, at Mr. Murchison's office at 2.30 p.m. The result of the meeting between the two of us was as follows:

(1) The Soldier Settlement will approve of leases up to three years.

(2) The marketing provision in existing leases will not be disturbed, but the Soldier Settlement will approve of changes in the financial terms.

(3) The thirty-day cancellation provision will be omitted unless adequate protection is afforded the tenant.

(4) New leases may contain a marketing clause, directing the marketing of sufficient crop to pay the rent.

(5) Mr. Barnett has authority, and has had authority since August last, to sign leases for the Director and will be instructed to do so.

(6) Mr. Murchison is to let me have a memorandum today of his understanding of the conversation, and if it is agreed to by Dr. Coleman, he will advise Mr. Barnett and I will advise Mr. Richardson.

The meeting was entirely satisfactory, and the results indicate that the Custodian's policy from the beginning was correct.

G. W. McPHERSON.

GWMcP/DI
November 12th, 1942.

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1/9

GWM/DM

Victoria Building,
7 O'Connor Street,
OTTAWA, Ontario,
November 10, 1942.

RE: CO-OPERATIVES.

Dear Mr. Richardson:

I am enclosing copies of letters written to the various Co-Operatives which have been forwarded to Mr. Ure to-day for delivery. These copies should go on the respective files.

I have not been able to arrange a meeting with Mr. Murchison as yet. I hope to be able to do so to-day or tomorrow. I shall let you know immediately any decision is made.

Yours very truly,

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

Mr. Richardson,
Office of the Custodian of Enemy Property,
506 Royal Bank Building,
VANCOUVER, B. C.

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49

GWM/DM

Victoria Building,
7 O'Connor Street,
OTTAWA, Ontario,
November 10, 1942.

PERSONAL

Dear Mr. Ure:

I am enclosing three letters, one each addressed to the three Co-Operatives which you are supervising.

I would appreciate, if you agree with the contents of the letters, if you would deliver same to the respective Co-Operatives. Copies are enclosed for your personal file and additional copies of the letters have been sent to Mr. Richardson for the Custodian's file.

As soon as I have had a discussion with the Soldier Settlement Board of Canada I will advise you.

Yours very sincerely,

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

Mr. Ure,
C/o Pacific Co-Operative Union,
MISSION, B. C.

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

1942 OCT 2 PM 2:01

1409 Royal Bank Building,
Vancouver, B.C.
October 27th, 1942.

UNDER SECRETARY OF STATE

Dr. E.H. Coleman, K.C.
Under Secretary of State,
West Block,
OTTAWA, Ontario.

Re: Agricultural Lands

Dear Dr. Coleman:

I have your letter of October 22nd and feel I did not give you sufficient facts to properly present the Custodian's position to Mr. Murchison.

As a result of your letter, I took the liberty of calling a meeting of the local representatives of the Soldier Settlement of Canada, the Custodian's counsel, Mr. Sheppard, and members of this office who are directly concerned. The discussions continued from 2:30 p.m. until after six o'clock, and the result of the discussions, as agreed to by Mr. Barnett, were briefly as follows:-

1. Mr. Barnett will recommend to the Director that all leases made prior to June 29th (the date of the Soldier Settlement Order-in-Council) as between a Japanese farmer and a white tenant, containing a crop marketing covenant, remain in force, and the lease itself not be cancelled by the Custodian.

2. On all such leases the Custodian, on the advice of the Soldier Settlement of Canada that the rent set forth in the said lease is too high to hold the tenant on the land, will execute a subsidiary agreement with the white tenant, reducing the rent and setting the terms of payment, according to the recommendations of the Soldier Settlement of Canada.

3. This subsidiary agreement will not refer specifically to the marketing of crop covenant, and the Director will be asked to approve of the subsidiary agreement on the recommendation of Mr. Barnett.

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DEPARTMENT OF THE SECRETARY OF STATE
CIVILIAN WAR CLAIMS
OTTAWA

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Dr. Coleman. October 27th, 1942.

4. All new leases, which are not replacement leases, will not include a crop marketing covenant. Leases either by way of replacement of existing Japanese leases or new leases may contain a let and hire of chattels provision, where the Custodian so desires, and the approval of the Director will not be considered as approving of any more than the lease of the land and premises.

5. Where a Japanese owner has placed a caretaker on the land and has made provision to pay the taxes and his creditors generally, the Custodian will not generally interfere without the Japanese' approval.

6. Where the Japanese owner has left the farm vacant but has expressed a desire that it should not be rented and has made arrangements to take care of the taxes and creditors, the Custodian will not generally interfere without obtaining the Japanese owner's approval.

The above points have been agreed to as between Mr. Barnett and myself as being the logical solution of the problem, and we have both agreed to recommend their approval by our respective superiors. I have undertaken to give Mr. Barnett a copy of this letter for his information and I assume he is writing a similar letter to his Director, Mr. Murchison.

In order that you will not feel that we are placing the Custodian and/ or the Soldier Settlement of Canada in an unfavourable position, I think it is desirable to briefly review the arguments I put up to Mr. Barnett yesterday. They are as follows:-

1. The Legal Position
The Soldier Settlement of Canada under their Order-in-Council have no right to interfere in any way in any arrangement relating to Japanese Agricultural Land made prior to June 29th, 1942, and they, therefore, cannot cancel the leases

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in existence at that date. The Custodian, according to Mr. Sheppard, is only vested with the rights of the Japanese owner of the land as they existed on the date of the vesting. Therefore, where the Japanese has made a lease prior to the vesting of his property in the Custodian, the Custodian takes the ownership of the land subject to the lease.

Insofar as Mr. Sheppard's opinion dealing with the Co-Operative Marketing Agreement is concerned, he was referring to the position of the Custodian as against the Co-Operative, enforcing the marketing provisions, in case the Custodian decided to rent the farms, and this is not the point now under consideration.

Mr. Sheppard is of the opinion that the Soldier Settlement of Canada has no power to cancel or vary the terms of existing leases, but that the Custodian in his position of managing and controlling the property can do so, if he considers it in the best interests to carry out his duties of protecting Japanese assets.

2. Cancellation

For the purpose of argument, accepting Mr. Sheppard's opinion, the Custodian can cancel the existing leases and the question, therefore, arises, is it desirable to do so?

The Custodian, according to the wording of the Order-in-Council, is supposed to protect the Japanese interests and, while in view of the crop failure this year it may be necessary in order that the tenants remain on the land to reduce the rent for next year, it does not necessarily follow that the Custodian should wipe out the covenant given by the white tenant to the Japanese owner to deliver his crop to any particular co-operative. If the Custodian ignores this covenant in any replacement lease or subsidiary agreement, then the Japanese owner will not be complying with his crop agreement with the co-operative and the Custodian will have

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no logical answer at a reparation hearing as to why he did change the provisions of the lease to this extent.

The only reason I refer to the Pacific Co-Operation Union at all is because it is a good example of the situation in the Valley and indicates the probable results of following Mr. Murchison's proposed policy.

The Pacific Co-Operative Union advanced funds to the new white tenants to buy this year's crop from the Japanese evacuees, and in many cases a down payment of fifty percent (50%) was made and post dated cheques for the balance issued by the Co-Operative. The white tenant signed a promissory note for the purchase price of the crop and the Japanese endorsed the note, which carries interest at six percent (6%), and only received in many cases fifty percent (50%) of the face value of the note. Therefore, these white tenants, in the majority of cases, did not invest $1,00 of their own money in the property, but the Co-Operative, in which the Japanese had a substantial interest, financed the transaction and continued to finance the new tenants by advances up to the time that I issued instructions prohibiting further advances until the true financial picture of the Co-Operative could be ascertained.

This particular Co-Operative has been investigated and a supervisor appointed, and the investigator's formal report is supposed to be in my hands by the end of this week. A preliminary balance sheet of the current working assets and current liabilities indicates -

1. The United Farmers Co-Operative Produce Exchange owes this Co-operative $10,000.00.

2. This Co-Operatives has advanced to growers a total of $36,000.00 - $8,000.00 being previous advances to Japanese and $28,000.00 to others.

3. The Co-Operative has total working assets of approximately $250,000.00, if it can liquidate the monies owing to it. It has current liabilities of $173,000.00, which include outstanding cheques for $72,000.00, including cheques payable to Japanese evacuees, totalling $34,000.00.

It has an over-draft at the Canadian Bank of Commerce of approximately $17,000.00 and demand loans with the same bank for $34,000.00, against which the bank holds Dominion of Canada Bonds of $34,000.00 as security.

Contrary to public opinion, while the majority of the shares of this Co-Operative are held by Japanese, the majority of the members are white people. The United Farmers Co-Operative Produce Exchange, which is the jam plant operating in conjunction with this Co-Operative, has the majority of its shares held by white people but the majority of its members are Japanese. In the four principal municipalities dealing with this Co-Operative, the taxes paid by all Japanese total approximately $20,000.00 a year.

3. The Effect of Cancellation

If the policy of the Custodian is to be that existing leases are to be wiped out and the covenant to market through any particular co-operative ignored in the new leases, the results in my opinion, and in the opinion of the Custodian's counsel and of the other persons in this office directly connected with the situation in Valley, will be that the Custodian will be greatly criticised and will not have a logical answer to his critics. My reasons for this statement are as follows:-

(1) The Custodian is supposed to protect the Japanese and the Japanese entered into a lease agreement [redacted] which he himself [redacted] financed indirectly through a Co-Operative, in which he has a financial interest, and he is, therefore, anxious that the crop be tied to that Co-Operative, so that the Co-Operative can recover the advance to the tenant and wipe out the potential liability as the endorser of a note.

(2) The Co-Operative, and this includes the white members, and the same applies to the United Farmers Co-Operative Produce Exchange, will severely criticize the Custodian for upsetting an arrangement which was

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entered into voluntarily by the white tenant and the Japanese owner, prior to the entry of the Soldier Settlement of Canada into the picture, the upsetting of the arrangement being likely to result in the liquidation of these two, and at least one other, Co-Operative.

(3) The white tenants who have worked their land properly are in many cases not indebted to the Co-Operative, but had a successful year and are satisfied with the present arrangement, insofar as the marketing of their crop is concerned, and the criticism of the white tenants will come from a small group, who, in the opinion of the field men of this office, are not the most desirable type of tenants, and who, having lived on the Co-Operative's funds during the past Summer, are anxious that they, with the help of the Custodian, be enabled to evade their creditors by delivering their crop elsewhere next season.

(4) If the covenant to market the crop through the Co-Operative is deleted, then the Co-Operative will not advance funds to the tenants to put their land in shape for next year's crop. Under normal conditions the Co-Operative would finance its members and I believe if the directors and the Co-Operative's bank could be satisfied that the provisions would not be deleted, they would be prepared to continue advances as and when they can arrange additional financing.

The Municipal Taxing Authorities are vitally interested in the proper administration of the Japanese Farm Lands, in view of the large amount of taxes chargeable against same, and the Japanese will not be able to pay their taxes if their Co-Operative does not prosper and does not pay them the monies owing on the outstanding cheques, in addition to money which will be payable to them from time to time as members of the Co-Operative.

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Dr. Coleman. Oct. 27/42.

The Japanese themselves, in their new homes, are in need of funds and, if the white tenants, evade their creditors by the Custodian arbitrarily cancelling the contracts, which they voluntarily made, the Japanese will not receive funds to maintain themselves and will become a public charge.

It has been suggested that the Custodian might adopt an easier course of doing nothing, but both Mr. Barnett and myself agree that if nothing is done many of the tenants will leave the land and everybody will lose, including the Food Products Marketing Board, who are anxious to maintain production in the interests of the war effort.

There are, therefore, in my opinion only two courses open to the Custodian and both will be subject to criticism. One course, that of cancelling the contracts, will subject the Custodian, in my opinion, to criticism which cannot be answered logically. The other will subject the Custodian to criticism by a relatively small group of people, who have no real financial interest in the matter at the present time at all.

I, therefore, recommend that the agreement reached between Mr. Barnett, representing Mr. Murchison, and myself, representing the Custodian, is the policy that the Custodian should adopt under present conditions. In closing I would point out that I am not recommending that anyone be told where to deliver his crop, who has not already agreed of his own free will to such a restriction on his operations.

Yours very truly,

GWMcP:HW

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MEMORANDUM.

10th October, 1942.

To Mr. Read.

From Mr. Richardson.

re: Agricultural Lands - Fraser Valley.

For your information I am pleased to report the following:-

Agricultural Lands - Fraser Valley:

Assessed Value:	Land	$481,292.00	
	Improvements	710,403.00	$1,191,695.00
Number of Parcels:			854
" " "	Leased or Occupied		610

Pacific Co-operative Union:

Number of Members	420
" " Japanese Members	190
" " " " Farms Leased	230

RDR:GF

R. D. Richardson

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501 Royal Bank Bldg.,
Vancouver, B. C.,
April 6, 1942.

Dr. E. H. Coleman, K.C.,
Under Secretary of State,
West Block,
Ottawa, Ontario.

Dear Doctor:

Re: Fraser Valley Fruit Farms

I have your letter of April 4th, with enclosure.

I spent all day yesterday talking to Reeves of the various municipalities and attended a meeting at Mission which lasted from 3:30 until 6:30. I asked the Reeve of Mission to call this meeting to obtain from experts in the municipality and surrounding municipalities their views as to what can be done to minimize the economic loss in the Valley as a result of the evacuation. While Mr. O'Meara's group is only interested in strawberries, this in my opinion is not the most important problem since I am not convinced that strawberry jam is as essential to the war as are eggs and chickens which to a large extent are controlled by the Japanese. I listened with great interest to innumerable suggestions as to how to pick the berries but nobody had any suggestion to make as to how to get the berries to the point where they can be picked. The meeting more or less developed along the following lines, if one wants to carry the discussion to the extreme.

It appears that if you can make the necessary financial arrangements with the Foreign Exchange Control Board to get the funds realized from the sale of the berries; if you can get the necessary bottoms to carry the barrels of berries preserved in an S.O.2 solution at processing plants here which were operated by the Japanese and are now closed; if you can get the necessary people to operate the processing plants; if you can get the barrels, and there is considerable doubt about this; if you can get the boxes in which the berries are put when they are picked, and there is not one box factory making such crates here except Japanese owned, and these are all closed; then if you can get the necessary labour to pick the berries they put in the boxes; and if you can get the necessary labour immediately to cultivate the berry farms so that there will be some berries; and last, if not least, if you can get someone to finance the deal immediately with cash to pay wages that will compare with wages being paid in local shipyards, you will no doubt have berries to deliver to the British Government sometime next July.

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One point that Mr. O'Meara's group makes is the fact that the British Government do not pay as high a price for the berries in barrels as the Prairie market or local market will pay for berries in crates so the margin of profit is smaller and, therefore, the co-operatives are not anxious to ship barrels through Mr. O'Meara's organization and they consider the British market a dumping market for excess production.

When you consider all of the above if's and listen, as I do, to propositions by Reeves and Councilors that the huge number of men working on the roads in the municipalities should be placed on the berry farms to cultivate them immediately and then, if you do as I did, and ask how many men are working on the roads and you find there are approximately six permanent men and the rest are farmers doing their road work as we know it on the Prairies; and then if you do as I did and ask the wages they get and you are told they are paid 45¢ an hour and you know the Indians who picked b berries last year got 1½¢ a crate, you will realize that on top of all the worry about labour we have the additional worry of financing an industry which may or may not be destroyed entirely or 90% as was destroyed in 1935 with the resulting economic loss to whoever finances the deal. At the moment the Japanese are not working the farms and there is nothing the Custodian can do about in my opinion. Even if he could take over the farms, there is no solution as to where the labour will come from to do the work that should have been done during the last few weeks. Having spent many evenings on this and having listened to many delegations dealing with this work, I have come to the definite conclusion that no practical plan has yet been placed before myself, representing you, which will work.

In order that you may have a clear picture as to the many problems in the Fraser Valley, I think I should also point out that I visited two huge chicken hatcheries owned by Japanese and the statistics as given to me are as follows:

One farm has 15000 eggs a week. Another farm, requiring the work of a Japanese father and his five children, has 6000 laying hens, an incubator with a capacity of 17000 eggs, in which there are at present 15000 eggs, an annual production of 1,000,000 eggs plus 50,000 chicks and a feed bill of $10,000.00. I believe that eggs are more essential in the war effort than strawberries, and in addition to the egg production one half of the birds are apparently sold in the fall and the other half carried through the winter. When one realizes that the Security Commission is going to whisk poultry farmers off the land someday without more than possibly twenty-four hours notice, if past experience is any guide, you can also realize the tremendous problem facing the Custodian of finding experts to take over such a large industry. I am advised by people who are supposed to be authorities that chicken farming is not simply a business of throw-