NAME Japanese Canadian Bank deposits in United States. No. 54994

PY

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

June 21, 1948

TO: The Under-Secretary of State for External Affairs, Ottawa

RE: Hamburg American North German Lloyd and Italian Line Limited

The Canadian branches of the above steamship lines formerly operated in Montreal are being liquidated by Messrs. Price, Waterhouse & Co. acting in their capacity as controllers appointed by the Custodian.

When the Custodian appointed a Controller, it was found that the Montreal Offices of the above Companies had remitted monies to the New York Offices and there was no fund out of which claims could be paid. The office effects were liquidated but there was little more than enough to defray rent arrears.

The United States entered the war in 1941 and the Alien Property Custodian in Washington seized the funds of the Hamburg American Line in New York and other offices in the U.S.A., but it is doubtful if even these would be sufficient to pay 100% of all claims. Every effort has been made on the part of this office to induce the Alien Property Custodian in Washington to take the Canadian claims into account and we have pressed for the return of all funds transferred from Canada.

Correspondence from Washington indicates that legislation effective August, 1946, amended the U.S. Trading with the Enemy Act and provided, in part, as follows:

"Debt claims allowable hereunder shall include only those of citizens of the United States or of the Philippine Islands; those of corporations organized under the laws of the United States or any state, territory or possession thereof, or the District of Columbia or the Philippine Islands; those of other natural persons who are and have not during the war been interned or paroled pursuant to the Alien Enemy Act (50 U.S.C. 21); and those acquired by the Custodian".

The Custodian has taken this matter up with the Office of Alien Property, Washington, with a view to having their statute amended to permit the funds transferred from Canada to be returned, but some time ago the Alien Property Office advised in part as follows:

"With respect to your enquiry whether the statute may at some time be amended to permit payment of claims filed by persons who are not United States citizens, I can only advise you that no legislation to that effect has been proposed".

For your further information, claims filed against these Companies are as follows:

Company	No. of Claims	Amount
Hamburg American Line	118	$ 13,162.31
Italian Line	31	7,891.89

The Custodian would appreciate your submitting these claims through the authorities at Washington requesting a settlement as quickly as possible as this is holding up the final liquidation of the Canadian Companies.

A. H. Mathieu
Assistant Deputy Custodian

COPY

DEPARTMENT OF EXTERNAL AFFAIRS
CANADA

OTTAWA, June 23, 1948

TO: The Assistant Deputy Custodian
Department of Secretary of State
Ottawa, Ontario

Your Files 3278 Vol I and 132 Vol I

Re; Hamburg American North German Lloyd
and Italian Line Limited

I have your letter of June 21st in which it is pointed out that your Office has made every effort to induce the Alien Property Custodian in the United States to accept Canadian claims against the above steamship companies, or in the alternative, to arrange for the return to Canada of funds transferred from the Canadian branches of the companies to New York at the beginning of the war. I understand that you now wish to have this matter raised through diplomatic channels in order that Canadian claims may be settled.

Before discussing this problem with the Canadian Ambassador to the United States, I should appreciate having full information concerning the negotiations which have already been conducted between your Office and that of the Alien Property Custodian in Washington. It would be helpful if copies of correspondence on this subject could be provided for the information of this Department.

I should also like to know in greater detail how the transfers of funds from Canada to New York were effected, the dates of these transfers, the amounts involved, and any other relevant particulars, in order that the situation may be fully understood. It would be of assistance also to know the basis of the claims against the steamship companies in Canada.

I have noted with interest the portion of the United States Trading with the Enemy Act quoted in your letter, but I regret that I am unable to understand the meaning of the phrase "who are and have not during the war been interned"; nor do I understand the last phrase in the quotation which reads "those acquired by the Custodian". I shall be grateful if you are able to provide any information to assist me in interpreting this legislation.

"H. O. Moran"

for the Acting Under-Secretary of State
for External Affairs

C O P Y

10898-40

JAPANESE CANADIAN CITIZENS ASSOCIATION

November 18, 1949

The Under-Secretary of State
for External Affairs,
OTTAWA, Canada.

Dear Sir:

We wish to make enquiries on the matter of filing of claims with the Office of Alien Property, United States Department of Justice, for yen and dollar deposits made with the Mitsui, Sumitomo or Yokohama Specie Banks in the United States prior to the war.

We understand from the United States Department of Justice, Washington, D.C., that under their laws, Section 34 (a) of the Trading with the Enemy Act, as amended (50 U.S.C. App. 34), provision is made that debt claims allowable shall include only those of citizens of the United States or of the Philippine Islands, or persons who are and have been since the beginning of the war residents of the United States and who have not been interned or paroled pursuant to the Alien Enemy Act (50 U.S.C. 21).

It has been called to our attention that there are instances where Canadians of Japanese ancestry have had deposits with the above-mentioned banks in the United States, and we have been further informed that if residents in Canada are to be made eligible to file claims for their deposits, it will require the intervention of the Canadian Government.

We would very much appreciate your advice as to whether your Department will be able to act on behalf of Canadians of Japanese ancestry in filing a claim with the Department of Justice in the United States should they see fit to do so.

Yours very truly,

(signed) Geo. Tanaka per N.F.

GEORGE TANAKA,
National Executive Secretary

C O P Y

Please refer to our
File No: 10898-40

OTTAWA, November 29, 1949

Dear Sir:

I have your letter dated November 18 in connection with claims for deposits held by Canadian citizens in branches of Japanese banks situated in the United States.

The questions which you raise are matters of interest to the Custodian, Department of the Secretary of State of Canada. I am consulting with him and will let you know the results as soon as I have a reply.

Yours sincerely,

K.J. BURBRIDGE

Under-Secretary of State
for External Affairs

George Tanaka, Esq.,
National Executive Secretary,
Japanese Canadian Citizens Association,
84 Gerrard St. E.,
TORONTO 2, Ontario.

DEPARTMENT OF

EXTERNAL AFFAIRS
CANADA

REPLY TO BE ADDRESSED TO:
THE UNDER-SECRETARY OF STATE
FOR EXTERNAL AFFAIRS
OTTAWA

OTTAWA, November 29, 1949

Please refer to our
File No: 10898-40

TO: The Under-Secretary of State,
Department of the Secretary of State of Canada,
Ottawa, Ont.

Attention: K.W. Wright, Esq., K.C.

RE: Enquiry - Japanese and Canadian bank deposits in United States

I refer to telephone conversation which you had recently with Mr. F.B. Roger of this Department in connection with an enquiry on behalf of Canadian citizens of Japanese origin who have deposited funds in United States branches of various Japanese banks.

2. I enclose herewith, for your information, copy of a letter dated November 18 from George Tanaka, National Executive Secretary of the Japanese Canadian Citizens Association which raises the question as to whether the Canadian Government would be prepared to assist such Canadian citizens to obtain restitution of their deposits.

3. I shall be glad to know what conclusions you reach in this matter when any decision is made. I have advised Mr. Tanaka that I am raising the question with you as per copy enclosed herewith.

54994

for Under-Secretary of State
for External Affairs

Ottawa, December 7th, 1949.

MEMORANDUM FOR MR. MATHIEU

RE: Accounts of Canadian Japanese in U.S. Branches of Japanese Banks.

The matter of inducing the Alien Property Custodian in the United States to accept Canadian claims is again before us by reason of an enquiry on behalf of Canadian citizens of Japanese origin who have deposited funds in United States Branches of various Japanese Banks.

Mr. F. H. Roger of External Affairs telephoned me ten days ago and in accord with my suggestion sent copies of a letter received from Geo. Tanaka, National Executive Secretary, Japanese Canadian Citizens Association, also Externals' reply. These are as follows:

"We wish to make enquiries on the matter of filing of claims with the Office of Alien Property, United States Department of Justice, for yen and dollar deposits made with the Mitsui, Sumitomo or Yokohama Specie Bank in the United States prior to the war.

"We understand from the United States Department of Justice, Washington, D.C., that under their laws, Section 34 (a) of the Trading with the Enemy Act, as amended (50 U.S.C. App. 34), provision is made that debt claims allowable shall include only those of citizens of the United States or of the Philippine Islands, or persons who are and have been since the beginning of the war residents of the United States and who have not been interned or paroled pursuant to the Alien Enemy Act (50 U.S.C. 21).

"It has been called to our attention that there are instances where Canadians of Japanese ancestry have had deposits with the above-mentioned banks in the United States, and we have been further informed that if residents in Canada are to be made eligible to file claims for their deposits, it will require the intervention of the Canadian Government.

"We would very much appreciate your advice as to whether your Department will be able to act on behalf of Canadians of Japanese ancestry in filing a claim with the Department of Justice in the United States should they see fit to do so."

(GEO. TANAKA)

" George Tanaka, Esq.,
Japanese Canadian Citizens Association,
Toronto 2, Ontario.

Dear Sir,-

I have your letter dated November 16 in connection with claims for deposits held by Canadian citizens in branches of Japanese Banks situated in the United States.

The questions which you raise are matters of interest to the Custodian, Department of the Secretary of State of Canada. I am consulting with him and will let you know the results as soon as I have a reply".

"J.K. BURBRIDGE"

We are all familiar with the United States legislation effective since August 1946 in part as follows:

"Debt claims allowable hereunder shall include only those of citizens of the United States or of the Philippine Islands; those of corporations organized under the laws of the United States or any state, territory or possession thereof, or the District of Columbia or the Philippine Islands; those of other natural persons who are and have not during the war been interned or paroled pursuant to the Alien Enemy Act (50 U.S.C. 21); and those acquired by the Custodian".

You will recall that the matter was taken up with the United States authorities some time ago and the answer to our plea for amendment was in part:

"With respect to your enquiry whether the statute may at some time be amended to permit payment of claims filed by persons who are not United States citizens, I can only advise you that no legislation to that effect has been proposed".

As Mr. Burbridge merely states "I will be glad to know what conclusions you reach in this matter when any decision is made". It is apparently left to the Custodian to decide the steps to be taken.

K. W. Wright.

KWW/G

Victoria Bldg., 7 O'Connor St.,
Ottawa, Ontario
December 23, 1949

54994

TO: The Under-Secretary of State for External Affairs,
Ottawa

RE: Japanese and Canadian Bank Deposits in the United States
Your File No. 10898-40

Attention: Mr. K. J. Burbridge

We have for acknowledgment your communication of the 29th ultimo, with enclosures.

The Custodian was faced with a parallel problem two years ago in dealing with funds of enemy shipping companies transferred from Canadian Branches to New York.

Correspondence from Washington indicated that legislation effective August, 1946, amended the U.S. Trading with the Enemy Act and provided, in part, as follows:

"Debt claims allowable hereunder shall include only those of citizens of the United States or of the Philippine Islands; those of corporations organized under the laws of the United States or any state, territory or possession thereof, or the District of Columbia or the Philippine Islands; those of other natural persons who are and have not during the war been interned or paroled pursuant to the Alien Enemy Act (50 U.S.C. 21); and those acquired by the Custodian".

The Custodian took this matter up with the Office of Alien Property, Washington, with a view to having their statute amended to permit the funds transferred from Canada to be returned, but was advised in part as follows:

"With respect to your enquiry whether the statute may at some time be amended to permit payment of claims filed by persons who are not United States citizens, I can only advise you that no legislation to that effect has been proposed".

In our opinion the matter should be raised through diplomatic channels in order that Canadian claims may be settled.

It would be appreciated if you would approach the authorities in Washington and request that an amendment be made to Public Law 672 at the next session of Congress which would permit the filing and payment of Canadian claims.

Please accept our thanks for your co-operation herein.

K. W. WRIGHT
CHIEF COUNSEL

KWW/JF

File No. 54994

December 21st, 1949

RE: Accounts of Canadian Japanese in U.S. Branches of Japanese Banks

The following is an excerpt from the Minutes of the Meeting held in Mr. Mathieu's Office on December 16th, 1949.

"The Board considered letters from External Affairs and George Tanaka.

Mr. Wright pointed out that the Alien Property Custodian still refuses to accept Canadian claims on grounds that Public Law 672 does not permit payment of Canadian claims.

It was agreed that this problem did not fall within the jurisdiction of the Custodian and that the Department of External Affairs should take the matter up with the U.S. authorities.

It was also decided that the Custodian should communicate with External Affairs, suggest that they approach the Washington authorities and request that an amendment be made to Public Law 672 at the next session of Congress which would permit the filing and payment of Canadian claims".

TELETYPE

From THE CANADIAN AMBASSADOR TO THE UNITED STATES

To THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

RESTRICTED

CYPHER - AUTO

WA-418

WASHINGTON, February 20, 1950.

Restricted. Reference your despatch No. 400 dated February 10th, concerning funds deposited in United States branches of Japanese banks by Canadian citizens of Japanese origin.

1. Before pursuing this matter further, it would be helpful to know what would be the position of United States citizens having debt claims (as referred to in the letter from the Custodian enclosed with your despatch) against property vested in Canada. Upon preliminary inquiry at the State Department, it was indicated that equal rights would be accorded to all United Nations citizens having claims based upon ownership of deposits. It may be that the Canadian citizens referred to in your despatch have neglected to file claims based on such ownership within the time limit set for such claims, and that they are now attempting to retrieve their property through a procedure which may not be applicable.

2. The information requested above will indicate whether United States legislation goes farther in discriminating in favour of citizens (and uninterned residents) of the United States and the Philippines than Canadian legislation in favour of Canadians.

CANADIAN AMBASSADOR

File No. 54994 March 15th, 1950.

MEMORANDUM FOR MESSRS. WRIGHT, BECKETT & SINCLAIR

RE: Accounts of Canadian Japanese in U.S. Branches of Japanese Banks.

The following is an excerpt from the Minutes of Meeting held in Mr. Mathieu's Office on Thursday, March 9th, 1950.

"8. File No. 54994 - Accounts of Canadian Japanese in U.S. Branches of Japanese Banks.

A memorandum outlining the problem was read.

Mr. Wright stated that this problem had been before the Board previously and concerned the refusal of the Alien Property Office, Washington, to consider claims of Canadians.

The despatch now received from Washington indicated that equal rights would be accorded to all United Nations citizens having claims based upon ownership of deposits.

Mr. Mathieu suggested that it might be well to communicate with the U.S. Authorities and ascertain if any changes had been made in Public Law 672 which would favour claims of this nature.

Mr. Beckett recalled that in the early stages of the war the Canadian Custodian released his control over bank accounts in Canada in return for which the Alien Property Custodian released control over certain Canadian accounts im the United States, and stated that he would check through the files and report to the Board regarding action taken at that time.

It was decided that this question would require further review before any decision could be reached."

Ottawa, March 20th, 1950.

54994
Legal Section
GGB/IF

MEMORANDUM TO: The Under-Secretary of State
for External Affairs,
O T T A W A.

Re: Bank deposits in the United States of
Canadian of Japanese origin

I have your memorandum of the 22nd of February, your file No. 10898-40, in connection with the above matter enclosing copy of telegram No. WA-418 dated the 20th ultimo from our Ambassador in Washington.

We would appreciate the further comments of our Embassy in connection with the second sentence of paragraph one of despatch WA-418 since we understand that bank deposits are considered debt claims and therefore Canadians residing in this country would not be successful in any application for their return under Public Law 672.

A. H. Mathieu,
Assistant Deputy Custodian.

C
O
P
Y

CANADIAN EMBASSY
AMBASSADE DU CANADA

Washington, April 13, 1950

No 932

Sir,

I refer to your despatch No. 400 of February 10th and to your EX-567 of March 31st, concerning funds deposited in United States branches of Japanese banks by Canadian citizens of Japanese origin.

2. In discussing this matter with Mr. Donald Sham, Secretary of the Office of Alien Property, Department of Justice, it was pointed out that various branches of the Japanese banks in the United States were liquidated under bankruptcy proceedings in the various States in which the branches were located, before residual assets were vested by the Custodian of Alien Property. (In the case of those branches which were located in New York and California, the liquidation has been completed, although it may be that liquidation is still continuing in the case of those located in the State of Washington). Depositors should have been accorded whatever satisfaction was available to them during this liquidation.

3. Because of the complications involved in the liquidation proceedings in the various States, Mr. Sham suggests that it would be helpful if we could obtain a complete statement of all deposits owned by the Canadian citizens referred to in Mr. Tanaka's letter dated November 18 (enclosed with your above referenced despatch). Mr. Sham has offered to go over this list with a view to ascertaining what can be done, if anything, in each specific case. He added, however, that it was likely that depositors should have made claims before liquidation proceedings were completed. If liquidation is still in progress in the case of those branches located in the State of Washington, it may be possible to obtain something for Canadian deposits in such branches without too much difficulty. In the case of the others, however, it is unlikely that anything can be done unless the Canadian depositors were not given adequate notice that their property was being disposed of.

4. Would you please inform me if you would be prepared to follow Mr. Sham's suggestion of submitting a detailed list of deposits of Canadian citizens in United States branches of Japanese banks to the Office of Alien Property for their examination.

I have the honour to be,
Sir,
Your obedient servant.

sgd W.D. Matthews

for the Ambassador.

The Secretary of State
for External Affairs,
Ottawa, Canada.

Victoria Bldg., 7 O'Connor St.,
Ottawa, Ontario
April 24th, 1950

54994

TO: The Under-Secretary of State for External Affairs,
Ottawa

RE: Bank deposits in the United States of Canadians of Japanese Origin - Your File No. 10898-40

Attention: Mr. K. J. Burbridge

We are in receipt of your communication of the 19th instant, enclosing copy of Despatch No. 932 of April 13, 1950, from the Canadian Embassy, Washington.

We note in reviewing our file that Mr. Tanaka wrote your Department under date of November 18, 1949, and we assume that you will obtain from him the information that has now been requested by the Office of Alien Property, Washington.

RETURN TO DEPARTMENT
HOWARD ONLY

K. W. WRIGHT
CHIEF COUNSEL

KWW/JF

MAY 8 1950

Ottawa, May 4, 1950

Please refer to our
file No. 10898-40

Dear Sir:

I refer to my letter of November 29, 1949, concerning the claim for deposits held by Canadian citizens in branches of Japanese banks situated in the United States.

After consultation with the Custodian and further enquiries through the Canadian Embassy in Washington, I have received certain explanations in this matter which may be of interest to you.

It is pointed out that various branches of the Japanese Banks in the United States were liquidated under bankruptcy proceedings in the various states in which the branches were located before residual assets were vested by the Custodian of Alien Property in the United States. According to information received from the United States authorities, branches located in New York and California have completed the liquidating procedure although in the case of those located in the State of Washington the matter is still continuing. I understand that depositors should have been accorded whatever satisfaction was available to them during the liquidation process.

The Canadian Embassy has been advised by an official in the Office of Alien Property that it would be helpful if we could obtain a complete statement of all deposits owned by the Canadian citizens referred to in your letter of November 18, 1949. With this information, the list could be examined with a view to ascertaining what can be done, if anything, in each

George Tanaka, Esquire,
National Executive Secretary,
Japanese Canadian Citizens Association,
84 Gerrard Street East,
Toronto, Ontario.

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specific case. This official indicated however that it is unlikely that anything can be done in the case of Canadian depositors whose assets have already been liquidated unless they were not given adequate notice of the disposal of the property.

If you will supply me with a detailed list of deposits of Canadian citizens in the United States branches of Japanese banks, I shall transmit it to the Canadian Ambassador requesting him to take whatever action may be possible. It is to be understood however that under the circumstances this Department cannot assume any responsibility respecting the success of such action.

Yours sincerely,

K. J. BURBRIDGE

Under-Secretary of State
for External Affairs.