

EXCERPTS FROM SPEECH BY DONALD FLEMING M.P. (EGLINGTON)

IN THE HOUSE OF COMMONS APRIL 14 1947

During the course of the debate on the second reading of the Revised Regulations Regarding Trading with the Enemy Act (Bill 22) Mr. Fleming quoted from the reports of the auditors of the accounts of the Custodian of Enemy Property and from the report of Mr. Mathieu, Assistant Deputy Custodian, dated January 15, 1947.

1. From the report of Price, Waterhouse & Co., auditors, for period Dec. 11, 1941 to Dec. 31, 1946 (Proceedings House of Commons, April 14, 1947, p. 2084)

"Personal effects and chattels of enemy persons, including the balance of fishing boats and gear turned over by the Fishing Vessels Disposal Committee, have not generally been recorded on the books of the Vancouver office except in the files of the individuals. We did not examine these files in detail but we are informed that, with a few minor exceptions, all personal effects and chattels have been disposed of and the proceeds accounted for in the financial records of the Vancouver office."

"Fees of the controller and liquidator have been paid out of the funds of the Vancouver office against collections of a corresponding account received from the controller and liquidator out of the controlled companies' funds. We are informed that there are about thirty companies not yet liquidated, still under the control of Messrs. P. S. Ross & Sons. Our examination did not extend to the accounts of the controlled companies nor did we endeavour

to obtain direct confirmation from the controller and liquidator, of amounts remitted to the Vancouver office of the Custodian.

"In submitting this report we would point out that our work was mainly concerned with an examination of the books of the enemy section of the Vancouver office of the Custodian and a general review of the accounting methods employed. We did not examine all the numerous files maintained for individuals, and therefore, we are unable to state definitely that all assets vested in the Custodian have been entered in the books."

2. From the Price, Waterhouse & Co. report of Dec. 31, 1945

"We would advise you that no attempt was made to verify the securities listed as shareholders' securities. This matter was discussed with the assistant deputy custodian who stated that he was satisfied that reasonable control was being maintained over these securities through close checking at the times that dividends are received. This, of course, does not apply to non-dividend paying stocks, which actually are small in number and value as compared to the whole."

3. From the report of P. S. Ross & Sons, auditors, dated Oct. 20, 1943

"We understand that many requests have been received from evacuees to have shipped to them at their present address certain articles which, in some cases, have necessitated the unpacking of a carton or other container in order to locate the particular thing or things requested. We were also informed that storage places have on a number of occasions been broken into and containers ransacked, and as a result the belongings of one evacuee mixed with those of another, thus destroying means

of identification of ownership with the office records.

"We are informed that in the near future the chattels then on hand will be sold by public auction. This would appear to be desirable so as to relieve the custodian's office of the responsibility of maintaining safe custody of numerous articles of little value, many of which, it could be seen by inspection, would rapidly deteriorate and probably become worthless if kept for a protracted period of time."

4. From the report of Mr. Mathieu, assistant deputy custodian, dated January 15, 1947 (page 39 of the report)

"It is also true that a certain type of citizen considered the abandoned homes of evacuees an opportunity to engage in theft and vandalism which were in evidence in many cases before our fieldmen or agents had an opportunity of taking charge.

"Even in the better class districts this was in evidence and perhaps an outstanding example may be given in connection with the property owned by the former Japanese consul in the Shaughnessy district of Vancouver. This house was under the control of the protective powers until the capitulation of Japan.

"At the time the property was handed over to us in December, 1945, Mr. K. W. Wright, counsel to the custodian, and Mr. F. G. Shears, director of our Vancouver office, inspected these premises with Mr. Baeschlin, representing the Swiss government. Every piece of plumbing had been removed, light fixtures and switches had been disconnected and taken away and even leaded glass doors and windows

had been taken from their frames and were missing. This had occurred in one of the best districts of Vancouver and according to representatives of both the Spanish and Swiss authorities, the house had been broken into time after time even although it was boarded up after each depredation.

"Our own experience in regard to buildings which had been used for storage was somewhat similar to that of the Japanese consul's house. Breakings-in were frequent, entrance being made in some cases by the use of fire escapes, through windows which were boarded up or covered with a grill or through basement doors.

"It may be of interest to record that a building on East Hastings Street, registered in the name of a Japanese association and which certain Japanese had filled with chattels, was left by them in the care of Messrs. Norris & McLennan. Upon request for the shipment, through the Security Commission, of some of the contents of this building, we requested Mr. McLennan to accompany one of our staff to the building for the purpose of selecting the goods required for shipment. Finding it impossible to open the front door, access was made through a rear entrance when it was discovered that thieves had entered by the front door and had then barred it from the inside with planks. The place had been ransacked, lids of boxes torn off and the entire contents scattered over the floor. "

5. "The Workers' and Farmers' Publishing Association, Limited"

"At the time the company was declared illegal, an inventory was prepared of all machinery and tools.

"The valuers employed by the agents for the custodian appraised these at \$9,811. The equipment so valued was advertised for sale by tender, and sold, for \$9,696.46.

"Later, representations were made to the Custodian, as a result of which the Honourable Paul Martin in January, 1946, directed Mr. K. W. Wright to make an investigation, resulting in an additional compensation of \$20,000 being allowed."