





*Oct 20, 1943  
Reports at end of this.*

REPORT ON EXAMINATION  
JAPANESE EVACUATION SECTION  
OF  
THE CUSTODIAN'S OFFICE  
VANCOUVER, B. C.

JUNE 14, 1947

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**P. S. ROSS & SONS**  
CHARTERED ACCOUNTANTS

MONTREAL

TORONTO

WINNIPEG

CALGARY

VANCOUVER



ORIGINAL



## P. S. ROSS &amp; SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO VANCOUVER

SARASOTA TAMPA

ROYAL BANK BUILDING

380 ST JAMES STREET

MONTREAL QUE.

June 14, 1947.

The Secretary of State of Canada,  
Ottawa,  
Ont.

Sir:

Acting upon instructions received through the Assistant Deputy

Custodian of Enemy Property for the purpose of examination of the books of  
account and other records of the Japanese Evacuation Section of  
the office of the Custodian, Vancouver, covering the period of approximately  
four and three quarter years from the date of the evacuation  
of persons of the Japanese ancestry in Canada, 1942, and ending December  
31, 1946.

REPORT ON EXAMINATION

JAPANESE EVACUATION SECTION

OF

THE CUSTODIAN'S OFFICE

VANCOUVER, B. C.

JUNE 14, 1947

An interim examination of these records up to July 31, 1946 was  
made previously by us upon which we reported under date of October 20, 1943.  
In that report, we described the circumstances and uncertainty surrounding  
the Custodian's office taking custody of and control over the various  
classes of property from the evacuated persons.

The conditions, which existed at that time, made it impractic-  
able for that office to prepare, immediately prior to the evacuation of  
these people, a complete inventory as to description and ownership of the  
property and effects they were leaving behind and over which the Custodian's  
office was to take control.

This lack of definite information has precluded us from  
obtaining a satisfactory basis upon which to conduct an audit of the assets  
taken over and realized. Consequently, we have been obliged to restrict



## P. S. ROSS &amp; SONS

MAJ. GEN. J. G. ROSS, C.M.G.

J. W. ROSS, LL.D.

S. B. PECKHAM

W. G. JEPHCOTT

H. S. HAWTHORNE

F. E. H. GATES

J. A. ROSS

F. A. COFFEY

G. G. HARRIS

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S. R. CAMPBELL

W. L. GATEHOUSE

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## CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG

CALGARY VANCOUVER

ROYAL BANK BUILDING

360 ST. JAMES STREET

MONTREAL I. QUE.

June 14, 1947.

The Secretary of State of Canada,  
Ottawa,  
Ont.

Sir:

Acting upon instructions received through the Assistant Deputy

Custodian of Enemy Property, we have made an examination of the books of account and other records maintained in the Japanese Evacuation Section of the office of the Custodian, Vancouver, covering the period of approximately four and three quarter years, commencing as from the date of the evacuation of persons of the Japanese race early in March, 1942, and ending December 31, 1946.

An interim examination of these records up to July 31, 1943 was made previously by us upon which we reported under date of October 20, 1943. In that report, we described the circumstances and uncertainty surrounding the Custodian's office taking custody of and control over the various classes of property from the evacuated persons.

The conditions, which existed at that time, made it impracticable for that office to prepare, immediately prior to the evacuation of these people, a complete inventory as to description and ownership of the property and effects they were leaving behind and over which the Custodian's office was to take control.

This lack of definite information has precluded us from obtaining a satisfactory basis upon which to conduct an audit of the assets taken over and realized. Consequently, we have been obliged to restrict



our present examination to the verification of the cash received and paid out by the Custodian's office.

There is appended hereto a copy of our report dated October 20, 1943 (excluding the exhibits then given), referred to above, which should be read in conjunction with this report.

We also attach hereto the following exhibits:

Exhibit 1 - Statement of Administration Funds and Expenditures for the period from March, 1942 to December 31, 1946.

Exhibit 2 - Statement of Trust Funds for the period from March, 1942 to December 31, 1946.

Exhibit 3 - Summary of Assets under Administration at December 31, 1946.

Exhibit 4 - Schedule of Securities on Hand - December 31, 1946.

Exhibit 5 - Schedule of Balances Receivable under Agreements of Sale as at December 31, 1946.

Exhibit 6 - Schedule of Properties under Administration as at December 31, 1946.

#### Administration Funds and Expenses

The administration expenses of the Evacuee Section incurred from its inception early in 1942 to December 31, 1946, amounting to \$764,981.33, have been paid out of monies obtained from the following sources:

Advances from Japanese Enemy section of the Vancouver office derived from:

|                                                    |                   |                     |
|----------------------------------------------------|-------------------|---------------------|
| Enemy assets                                       | \$421,000.00      |                     |
| Advances from Ottawa office                        | <u>304,500.00</u> | \$725,500.00        |
| Interest on savings bank balances - Trust Accounts |                   | <u>41,839.44</u>    |
|                                                    |                   | <u>\$767,339.44</u> |



The unexpended balance at December 31, 1946 amounted to \$2,358.11.

A statement is appended hereto, as Exhibit 1, giving the details of the funds received and disbursed on administration account up to December 31, 1946.

At the time of our interim examination in 1943 we made a complete audit of the administration account for the period up to July 31, 1943; therefore, our present examination has embraced the period from that date to December 31, 1946.

The correctness of the advances from the Enemy Section has been confirmed by reference to the records of that section. The interest received on savings bank deposits during the period under review amounting to \$41,839.44 has been included as administration funds. The deposits, upon which this interest has been earned, form part of the accumulated proceeds from realization of assets of evacuated persons.

We have compared the paid salary cheques with the payrolls, and have seen the approval of the Director of the Vancouver office to all salary changes. Vouchers duly approved, supporting all other payments, have been examined. We have received, direct from the bank, a certificate confirming the bank balances at December 31, 1946, which balances have been reconciled with the relative balances shown by the records.

The amount of \$7,319.54 shown on Exhibit 1, under the caption of "Office Equipment", represents the net expenditure for office furniture and fixtures, including typewriters, after crediting thereto cash received from sales of certain of such equipment not further required by reason of diminishing activities of the office. We have seen an inventory of the office equipment still in use and are informed that its present realizable value is not less than the aforementioned amount.

Fidelity bonds, of varying amounts ranging from \$1,000.00 to \$20,000.00, are carried on those employees whose duties involve the handling of cash and securities and the signing of cheques. These bonds, issued by the Canadian Surety Company, have been inspected by us.



Trust Funds and Accounts

There is appended hereto, as Exhibit 2, a statement of cash receipts and disbursements of the trust accounts for evacuated persons covering the period from about March 15, 1942 to December 31, 1946 of which the following is a summary.

|                              |                       |
|------------------------------|-----------------------|
| Cash received                | \$5,697,449.72        |
| Cash payments                | <u>4,616,955.96</u>   |
| Balance December 31,<br>1946 | <u>\$1,080,493.76</u> |

The total cash received represents monies turned in by evacuated persons to the Custodian's office, the revenue from the administration of and the proceeds from the sales of various assets taken over from them, the details of which are reflected in the statement attached as Exhibit 2.

We have reconciled the total cash received with the deposits shown on the bank statements and, by means of extensive test checks, have satisfied ourselves that the amounts so received have been credited to the individual accounts of the persons concerned; more than 7,000 of these accounts have been opened at various times during the period up to December 31, 1946.

Realization of Assets:

Shortly after the Custodian's office took control of assets of these evacuated people, the services of competent persons were engaged to appraise the real estate, fishing vessels, nets and gear, scows, motor vehicles and sundry equipment; subsequently, these assets were advertised for sale. The tenders received were compared with the related appraisals and such tenders, as were considered satisfactory, were accepted and sales effected; the proceeds received have been credited to accounts of the former owners and the direct expenses of making the sales have been charged to such accounts.



For the purposes of considering tenders and authorizing the sales of real estate, two independent advisory committees were duly appointed, one to deal with properties in Greater Vancouver and the other with rural and other properties outside of Greater Vancouver. Except for a group of rural properties sold to the Director, The Veterans Land Act, we have vouched the authorizations of these committees against the sales prices of the respective properties.

There have been approximately 32 sales of properties in Greater Vancouver for which we have seen only the authorization of one member of that advisory committee, who we are informed, was delegated to approve such sales on behalf of the said committee.

During the period under review, 59 sales of real estate were made under agreements of sale whereby the unpaid balance of the sale price, generally not exceeding 60% thereof, was payable by instalments on stated dates, usually within a period of two years, with interest at five percent per annum. As at December 31, 1946, there were outstanding balances amounting to \$35,827.73 of which \$9,237.50 was overdue and not received at the date of this report. Full details of these unpaid balances are shown on Exhibit 5.

The deeds or agreements of sale, pertaining to the properties sold, have been executed by either the Deputy Custodian or the Assistant Deputy Custodian.

At December 31, 1946, there were 58 properties still under the administration of the Custodian's office, approximately half of which are owned by incorporated or unincorporated societies or trusts and the remainder by private individuals. A schedule of these properties is appended as Exhibit 6. We are informed that, in the opinion of legal advisors to the Custodian, the terms of the Order-in-Council authorizing the disposal, by sale, of assets are not sufficiently wide to include the properties owned by societies and trusts. We understand that efforts have



been made, with little success, to have the officers of these societies take steps towards disposing of their properties.

In respect to those unsold properties belonging to private individuals, we are informed that no offers could be obtained for the majority of them and that the present policy is to obtain the consent of the owner before effecting a sale.

In respect to the group of properties sold to the Director, The Veterans Land Act, we have seen the minutes of the Rural Advisory Committee recommending the acceptance of the offer made by the said Director which, we are informed, was approved by the then Secretary of State.

From time to time, sales of household effects and miscellaneous equipment have been made by auction. We have made a test examination of the auctioneer's sales reports with the related entries in the cash receipts book and in the accounts of the respective owners.

During the course of our examination of certain of the individuals' files, we noticed that the proceeds from an auction conducted at Mission, B. C., amounting to approximately \$325.00 had not been reported or paid by the auctioneer to the Custodian's office. The information on file indicates that the auctioneer died shortly after the date of the sale leaving no assets. Consequently, the individual owners of the articles sold have not been given credit for the amounts realized from the sale thereof.

The administration of the majority of the real estate properties, which came under the control of the Custodian's office, was placed with various recognized real estate agents who remitted to that office, usually monthly, the cash collected less expenses paid by them and their commissions, together with a detailed statement and vouchers of such receipts and expenses. Test checks of the details of these statements, picked at random, have been made to satisfy ourselves that they have been properly incorporated in the books of account.



Repatriation:

Those persons desiring repatriation to Japan, were required under the regulations relating thereto, to turn over to the Treasury Department all cash, securities and any other negotiable documents, having a cash value, which they possessed.

In view of the Custodian's office holding balances due to many of these persons, the procedure followed has been for the Comptroller of the Custodian's office to be present with the officers of the Treasury Department at the time such assets were turned over to them and to receive from those officers such cash, securities, etc. The Comptroller also obtained a copy of the official receipts given by the Treasury Department showing the details of the assets surrendered by the Repatriates as well as the balance, as shown by the Custodian's records, payable to them.

The monies so received by the Comptroller and the proceeds from the sale or collection of the other securities or negotiable documents have been deposited in the Trust Bank account and duly credited to the accounts of the persons from whom received. As soon as possible after the actual departure of these repatriates from Canada, the Custodian's office has paid over to the Treasury Department the total amount held for such persons; we are informed that these amounts have been converted into Japanese currency for payment to the repatriated persons after their arrival in Japan.

Up to December 31, 1946 an aggregate amount of \$1,070,174.14 had been received either directly from the repatriates or from the conversion of securities etc., turned over by them. Amounts aggregating \$916,474.74 have been paid over to the Treasury Department to the same date and additional balances due to repatriates have been paid in 1947.

We have, by means of test examination, satisfied ourselves as to the adequacy of the procedure and control over these transactions.



### Settlement of Accounts:

The amounts paid out of the trust bank accounts throughout the period under review, comprising over 25,000 cheques, represent the settlement of the direct liabilities of the evacuated persons and monthly instalment payments to them. Many of the cheques issued during 1946 were in settlement of the final balances due to such persons.

The total cheques drawn on the trust bank accounts as recorded in the cash disbursements record have been reconciled with the withdrawals shown by the bank statements. The cheques together with properly approved requisitions have been checked in detail for certain months, selected by us throughout the period, to the cash disbursements record and followed through to the accounts of the individuals to whom or on whose behalf the payments were made.

The bank balances reflected by the records at December 31, 1946, representing the Custodian's liability in respect of cash held for evacuated persons amounting to \$1,080,493.76, are as follows:

|                           |                       |
|---------------------------|-----------------------|
| Current account           | \$ 176,318.76         |
| Savings account           | 900,000.00            |
| Property suspense account | <u>4,175.00</u>       |
|                           | <u>\$1,080,493.76</u> |

These balances have been reconciled with the respective balances held by the Royal Bank of Canada, Main Branch, Vancouver, which has confirmed directly to us, the balances so held.

The balances as shown in the individual accounts of the evacuated persons at December 31, 1946, have been listed and checked and the total amount of such balances agreed with the total of the cash balances shown above. There were 2,433 of these balances at the close of 1946.



Some of the cheques which the Custodian's office issued during 1946, in payment of final balances due to evacuated persons, were returned with letters from the individuals complaining about the amounts realized from the sale of their assets. The cheques so returned, aggregating \$16,710.96, have been redeposited in the trust bank account and credited to the accounts of their owners. These amounts are included in the list of outstanding balances referred to in the previous paragraph.

Among the outstanding balances at December 31, 1946 were the following credits carried in suspense accounts pending the determination of the persons to whom the amounts are payable.

|                        |                           |
|------------------------|---------------------------|
| Proceeds from sale of: |                           |
| Chattels               | \$4,982.69                |
| Fishing nets and gear  | 5,319.43                  |
| Refunds of:            |                           |
| Meter Deposits -       |                           |
| B. C. Electric Company | 473.21                    |
| Saving Deposits -      |                           |
| Japan & Canada Trust   |                           |
| Savings Company        | 9,242.17                  |
| Sundry sources         | <u>708.31</u> \$20,725.81 |

It would appear from information given to us, that due to the ownership of certain chattels and fishing nets not being known, (for the reasons given in our report of October 20, 1943) it has not been possible to give credit to the owners for the proceeds obtained from the sale of such items. In respect of the deposits returned by the B. C. Electric Company, unclaimed deposits received from Japan & Canada Trust Savings Company and money received from sundry other sources, we understand the Custodian's office has not been able to locate or identify the persons to whom the items are payable from the limited information given by those remitting the money. It would appear probable that these suspense items will remain unallocated until claims are received from the owners.

The balance in the Property Suspense Account comprises various amounts, received from sales of properties, which are held in suspense pending the completion of the respective transactions at which time the cash



will be transferred to the current bank account and credited to the accounts of the proper owners.

It would appear from information given to us that the efforts of the Custodian's office are directed towards the discharge of the Custodian's liability by the paying out of final balances due to evacuated individuals.

There were debit balances on some of the accounts at December 31, 1946 for sundry disbursements amounting to \$644.47. Of this amount, items totalling \$28.65 have been collected to date in 1947; \$234.00 will be recovered by charges to Administration Account, and the remainder of \$381.82, it is expected, will be recovered out of the proceeds of assets still to be sold.

The Custodian's office, in addition to the cash balances commented upon above, also held in safekeeping for evacuees securities of various types including certificates for refundable portions of income tax, a summary of which is attached hereto as Exhibit 4.

These securities are kept under double custody in a safety deposit box at the Royal Bank of Canada, Main Branch, Vancouver, and are recorded in a register, maintained for the purpose, showing full details in respect thereof. We verified, by personal inspection, the securities on hand at the time of commencing our examination and traced the movement of securities between that date and December 31, 1946, to the various records for the purpose of determining the correctness of the securities on hand as at the last mentioned date.

At the time of settling an account of an evacuated person by issuing to him a cheque for the balance of cash held, any securities held in safekeeping are also sent to him.



### Controlled Companies

At December 31, 1946, there were five incorporated companies, formerly operated by evacuated persons which are in process of liquidation by P. S. Ross & Sons, on behalf of the Custodian. The assets held by these companies at the aforementioned date, totalling approximately \$33,000.00, are not reflected in the accounts of the Custodian's office, but, when the liquidations are completed, the amounts available for the shareholders of such companies will be transferred to the Custodian's office.

### Files

During the period from March, 1942 to December 31, 1946, approximately 15,700 individual files have been opened in connection with evacuated persons, which contain all the information received by the Custodian's office concerning each person and the various types of assets owned by him and presumably turned over to the said office. A substantial number of these files, picked at random, have been scrutinized by us and the information therein relating to the realization of such assets has been compared with the entries pertaining thereto in the ledger accounts of the respective individuals. We also have test checked the entries in these accounts to the books of original entry.

In certain instances we noticed letters on file from individuals enquiring about the realization of certain of their assets and also memoranda indicating that investigation showed the items in question either had been abandoned or could not be traced. There were also other letters complaining about the amounts realized.

We have been informed that a considerable quantity of clothing and bedding, found upon inspection to be unsaleable, was donated for shipment to war areas for relief purposes. We also are informed that a



large quantity of fish netting was removed and used by the Military Pacific Command for camouflage purposes and an additional quantity discarded as being of no value. No record was kept of the ownership of any of these items.

\* \* \* \* \*

Receipts:

Advances from Japanese Enemy Section of the Vancouver Office  
We wish to point out that, for the reasons given in this report and in the one dated October 20, 1943, we are not able to give any statement as to the nature or value of the assets taken over by the Custodian and not disposed of for the benefit of the owners except those items shown on the schedules attached hereto as Exhibits 4, 5 and 6. We also wish to point out that our work has been largely confined to examining the accounting records and reviewing the system of internal control over the cash received and paid out by the Custodian's office. The records examined by us have been well maintained and neatly kept.

We desire to express our appreciation of the assistance and co-operation given by the officers and staff of the Vancouver office during the conduct of our examination.

Respectfully submitted,

*P. S. Ross & Sons*

|                                                              |           |            |
|--------------------------------------------------------------|-----------|------------|
| Insurance - Protection Division                              | 40,951 47 | 43,018 51  |
| Office equipment                                             | 4,306 84  |            |
| Office general expenses                                      | 5,380 12  |            |
| Printing, stationery and office supplies                     | 5,706 19  |            |
| Postage and express stamps                                   | 8,249 13  |            |
| Telephone                                                    | 482 39    |            |
| Telegrams                                                    | 656 80    |            |
| Legal fees and claim settlement                              | 4,109 61  |            |
| Audit fees and expenses                                      |           |            |
| Registration expenses - Powell Street Branch                 | 782 07    | 48,561 41  |
| Cost of organization of system                               |           | 8,678 45   |
| Advertising                                                  |           | 681 55     |
| Advisory Committees' expenses - Greater Vancouver Properties | 16,270 43 |            |
| Rural Properties                                             | 3,217 50  | 19,487 73  |
| Balance - December 31, 1945                                  |           | 764,961 30 |
| Represented by - Petty cash fund                             |           | 150 00     |
| Unemployment insurance stamp fund                            |           | 42 83      |
| Cash in Royal Bank of Canada                                 |           | 2,165 78   |
|                                                              |           | 2,359 11   |



DEPARTMENT OF THE SECRETARY OF STATE  
OFFICE OF THE CUSTODIAN  
VANCOUVER, B. C.

JAPANESE EVACUATION SECTION

ADMINISTRATION ACCOUNT  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD FROM MARCH 15, 1942 TO DECEMBER 31, 1946

Receipts:

|                                                                                |  |                   |                  |
|--------------------------------------------------------------------------------|--|-------------------|------------------|
| Advances from Japanese Enemy Section of<br>the Vancouver office derived from - |  |                   |                  |
| Enemy assets                                                                   |  | \$421,000 00      |                  |
| Advances from Ottawa office                                                    |  | <u>304,500 00</u> | \$725,500 00     |
| Interest on savings bank balances - Trust Accounts                             |  |                   | <u>41,839 44</u> |
|                                                                                |  |                   | 767,339 44       |

Disbursements:

|                                                 |                 |                 |                    |
|-------------------------------------------------|-----------------|-----------------|--------------------|
| Office rent                                     | \$ 35,166 82    |                 |                    |
| Light                                           | <u>1,821 99</u> | 36,988 81       |                    |
| Salaries                                        | 500,189 04      |                 |                    |
| Salaries - Registration Division                | 8,246 50        |                 |                    |
| Unemployment insurance                          | 3,246 00        |                 |                    |
| Workmen's compensation insurance                | <u>231 58</u>   | 511,913 12      |                    |
| Inspections - agents' reports and<br>expenses   |                 | 37,609 25       |                    |
| Travelling, hotel and living expenses -         |                 |                 |                    |
| Registration Division                           | 1,461 64        |                 |                    |
| Property Protection Division                    | 46,130 71       |                 |                    |
| Office personnel                                | <u>8,130 86</u> | 55,723 21       |                    |
| Freight and storage - Protection<br>Division    | 40,051 47       |                 |                    |
| Insurance - Protection Division                 | <u>4,966 84</u> | 45,018 31       |                    |
| Office equipment                                |                 | 7,319 54        |                    |
| Office general expenses                         | 5,380 12        |                 |                    |
| Printing, stationery and office<br>supplies     | 20,255 10       |                 |                    |
| Postage and excise stamps                       | 6,706 19        |                 |                    |
| Telephone                                       | 8,249 13        |                 |                    |
| Telegrams                                       | 422 39          |                 |                    |
| Legal fees and claim settlement                 | 656 80          |                 |                    |
| Audit fees and expenses                         | 4,109 61        |                 |                    |
| Registration expenses - Powell<br>Street branch | <u>782 07</u>   | 46,561 41       |                    |
| Cost of organization of system                  |                 | 3,678 40        |                    |
| Advertising                                     |                 | 681 55          |                    |
| Advisory Committees' expenses -                 |                 |                 |                    |
| Greater Vancouver Properties                    | 16,270 43       |                 |                    |
| Rural Properties                                | <u>3,217 30</u> | 19,487 73       | 764,981 33         |
|                                                 |                 |                 | 2,358 11           |
| Balance - December 31, 1946                     |                 |                 |                    |
| Represented by -                                |                 |                 |                    |
| Petty cash fund                                 |                 | 150 00          |                    |
| Unemployment insurance stamp fund               |                 | 42 33           |                    |
| Cash in Royal Bank of Canada                    |                 | <u>2,165 78</u> | <u>\$ 2,358 11</u> |



DEPARTMENT OF THE SECRETARY OF STATE  
OFFICE OF THE CUSTODIAN  
VANCOUVER, B. C.

JAPANESE EVACUATION SECTION

TRUST FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD FROM MARCH 15, 1942 TO DECEMBER 31, 1946

Receipts:

Proceeds from Realization of Assets -

|                               |                |                |
|-------------------------------|----------------|----------------|
| Real estate                   | \$2,500,678 70 |                |
| Automobiles and trucks        | 158,124 61     |                |
| Fishing vessels and scows     | 203,049 40     |                |
| Fishing nets and gear         | 101,215 08     |                |
| Chattels                      | 289,013 48     |                |
| Business and sundry assets    | 232,754 86     |                |
| Accounts and bills receivable | 150,901 03     |                |
| Life insurance policies       | 65,259 75      |                |
| Securities                    | 59,766 04      | \$3,760,762 95 |

Revenue -

|                            |            |            |
|----------------------------|------------|------------|
| Real estate                | 512,424 91 |            |
| Chattels and sundry assets | 51,287 17  |            |
| Securities                 | 9,848 69   | 573,560 77 |

Cash received from or on behalf of Evacuees 292,951 86

Cash received from Repatriates 1,070,174 14

5,697,449 72

Disbursements:

Real Estate Administration Expenses -

|                              |              |            |
|------------------------------|--------------|------------|
| Repairs and maintenance      | \$ 48,876 17 |            |
| Taxes                        | 172,378 42   |            |
| Insurance                    | 20,937 94    |            |
| Interest on mortgages        | 26,851 29    |            |
| Agents' commissions          | 21,907 18    |            |
| Sundry unclassified expenses | 39,915 43    | 330,866 43 |

Mortgages and sales agreements paid off 195,156 31

Life insurance premiums and policy

loans repaid 132,105 28

Liabilities of Evacuees discharged 39,755 61

Expenses of realization of assets 96,975 97

Other payments for the account of  
or to Evacuees 2,905,621 62

Payments to Treasury Department  
for Repatriates 916,474 74 4,616,955 96

Excess of receipts over disbursements -  
December 31, 1946 1,080,493 76

Held as follows:

|                                |            |                |
|--------------------------------|------------|----------------|
| Current bank account           | 176,318 76 |                |
| Savings bank account           | 900,000 00 |                |
| Property suspense bank account | 4,175 00   | \$1,080,493 76 |



DEPARTMENT OF THE SECRETARY OF STATE  
OFFICE OF THE CUSTODIAN  
VANCOUVER, B. C.

JAPANESE EVACUATION SECTION

SUMMARY OF ASSETS UNDER ADMINISTRATION  
AS AT DECEMBER 31, 1946

Cash in bank - Royal Bank of Canada,  
Vancouver:

|                           |                 |                |
|---------------------------|-----------------|----------------|
| Current account           | \$176,318 76    |                |
| Savings account           | 900,000 00      |                |
| Property suspense account | <u>4,175 00</u> | \$1,080,493 76 |

Securities:

|                                                        |            |               |
|--------------------------------------------------------|------------|---------------|
| Dominion of Canada bonds - par value                   | 134,350 00 |               |
| Dominion of Canada War Savings Certificates            | 110 00     |               |
| Refundable Savings Certificates -                      |            |               |
| Dominion Income Tax                                    | 2,588 59   |               |
| Miscellaneous items (Exhibit 4) - no<br>recorded value | <u>-</u>   | \$ 137,048 59 |

Balances receivable under Agreements  
of Sale (Exhibit 5)

\$ 35,827 73

Real estate properties under administration  
(Exhibit 6) - no recorded value - assessed value

\$ 175,098 00



DEPARTMENT OF THE SECRETARY OF STATE  
OFFICE OF THE CUSTODIAN  
VANCOUVER, B.C.

JAPANESE EVACUATION SECTION

SCHEDULE OF SECURITIES ON HAND  
AS AT DECEMBER 31, 1946

Dominion of Canada Bonds - par value:

|                                        |                  |              |
|----------------------------------------|------------------|--------------|
| First Victory Loan - 3% 1951           | \$ 2,250 00      |              |
| Second Victory Loan - 3% 1954          | 200 00           |              |
| Savings Bonds - 2 $\frac{3}{4}$ % 1956 | 3,000 00         |              |
| Fourth Victory Loan - 3% 1957          | 1,550 00         |              |
| Fifth Victory Loan - 3% 1959           | 2,450 00         |              |
| Sixth Victory Loan - 3% 1960           | 200 00           |              |
| Seventh Victory Loan - 3% 1962         | 28,000 00        |              |
| Eighth Victory Loan - 3% 1963          | 43,850 00        |              |
| Ninth Victory Loan - 3% 1966           | <u>52,850 00</u> | \$134,350 00 |

War Savings Certificates

110 00

Refundable Savings Certificates -  
Dominion income tax

2,588 59

Miscellaneous items - value not stated:

725 shares Japan and Canada Trust Savings  
11 shares New Pacific Holding Company  
3 shares West Coast Trading Co.  
2,850 shares B.C. Purchasers Co-operative Association  
9 shares Associated Cleaners and Dyers  
4,999 shares Deep Bay Logging Co.  
200 shares Maikawa Limited  
7,000 shares Haney Mills Limited  
15,004 shares Togo Cleaners  
5 shares Toric Mines  
1 share Nikko Co-operative Trade Association - \$1.00  
291 shares Pacific Co-operative Union (Redeemable)  
5,335 shares Pacific Co-operative Union (Non-redeemable)  
114,500 francs, Japanese Government Bonds  
\$1,000. Imperial Japanese Bond  
Japanese Government Bond (no value indicated)  
Receipt from Japan and Canada Trusts for 1,000 yen  
Sealed envelope said to contain Japanese currency -  
amount not stated  
Japanese currency - 1,305 yen  
Deposit receipt #30773 - Sumimoto - Bank of Seattle  
for 1,386.50 yen  
Monarch Life Assurance Policy #P113403  
Sun Life Assurance Policy #2284785  
Western Mutual Benefit Association Policy B 589/689

\$137,048 59



DEPARTMENT OF THE SECRETARY OF STATE  
OFFICE OF THE CUSTODIAN  
VANCOUVER, B. C.

JAPANESE EVACUATION SECTION

SCHEDULE OF AGREEMENTS FOR SALE  
AS AT DECEMBER 31, 1946

| <u>Street Address</u>                                                        | <u>Sale Price</u>           | <u>Date of Sale</u> | <u>Principal Unpaid<br/>December 31, 1946</u> | <u>Due Dates of Principal Payments</u>                                                                                  | <u>Remarks</u>                                  |
|------------------------------------------------------------------------------|-----------------------------|---------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Foot of Jardine Street, New Westminster, B.C.                                | \$ 5,500 00                 | 24/11/45            | \$ 1,977 60                                   | \$50.00 monthly to 23/10/47<br>\$1,427.00 on 23/11/47                                                                   | Payments up to date                             |
| Corner of Howe & Salter Sts. Queensborough, B.C.                             | 4,500 00                    | 12/12/45            | 2,700 00                                      | \$1,350.00 due 12/12/46<br>\$1,350.00 due 12/12/47                                                                      | \$850.00 past due and unpaid<br>June 10, 1947   |
| 6/6/21 Nelson District, Cumberland, B.C.                                     | 2,450 00                    | 10/9/45             | 205 00                                        | \$204.00 quarterly                                                                                                      | Payments up to date                             |
| 312 Boyne Street, New Westminster, B.C.                                      | 2,000 00                    | 27/5/46             | 750 00                                        | \$250.00 half yearly<br>Nov. 27/46 to May 27/48                                                                         | Payments up to date                             |
| Lot 11, N.W. 1/4, Sec. 10, T.P. 12, Map 809,<br>R.R. 1, Haney, B.C.          | 13,000 00                   | 23/10/44            | 6,500 00                                      | \$5,000.00 Aug. 31/45<br>\$5,000.00 Aug. 31/46                                                                          | \$6,500.00 past due and unpaid<br>June 10, 1947 |
| 2969 - 15th Road, Haney, B.C.                                                | 16,400 00                   | 1/2/45              | 4,920 00                                      | 1/2 March 1/46 - 1/2 March 1/47                                                                                         | 1947 payment past due at<br>June 10, 1947       |
| 2690 - 22nd Road, Haney, B.C.                                                | 4,500 00                    | 16/12/44            | 1,887 50                                      | \$1,000 00 Dec. 15/45<br>\$2,750.00 Dec. 15/46                                                                          | \$1,887.50 past due and unpaid<br>June 10, 1947 |
| Block "C" Map 669, Cranbrook                                                 | 10,000 00                   | 22/10/46            | 6,000 00                                      | \$750.00 quarterly from<br>Jan. 1/47 to Oct. 1/48                                                                       | Payments up to date                             |
| Lot 1-13, 18-21, Blk. 3 D.L. 193,<br>North Vancouver                         | 12,000 00                   | 29/3/45             | 8,750 00                                      | \$1,000.00 yearly April 1/46<br>to April 1/54. \$750.00 on<br>April 1/55 (10 year period<br>arranged by Japanese owner) | Payments up to date                             |
| 546 Ewen Avenue, New Westminster                                             | 4,000 00                    | 30/11/44            | 682 48                                        | Payable \$50.00 monthly and<br>balance Jan. 28/47                                                                       | Paid in full Jan. 7/47                          |
| 257-259 Boyne Street, New Westminster)<br>616 Ewen Avenue, New Westminster ) | 3,800 00                    | 15/1/45             | 1,230 00                                      | Payable \$150.00 quarterly<br>April 15/45 to Oct. 15/46<br>Balance \$1,230.00 Jan. 15/47                                | Paid in full Jan. 17/47                         |
| Rear of 76 Moncton Street, Steveston, B.C.                                   | 1,800 00                    | 16/2/45             | 100 00                                        | Payable \$100.00 quarterly May<br>16/45 to Feb. 16/47                                                                   | Paid in full Feb. 28/47                         |
| 2152 Marine Drive, West Vancouver, B.C.<br>Deduct: Enemy one-half interest   | 2,000 00<br><u>1,000 00</u> | 23/6/45             | 250 30<br><u>125 15</u>                       | \$41.65 monthly to May 26/47<br>balance \$42.05 on June 23/47                                                           | Payments up to date                             |
|                                                                              | <u>\$80,950 00</u>          |                     |                                               |                                                                                                                         |                                                 |
| Principal outstanding - December 31, 1946                                    |                             |                     | <u>\$35,827 73</u>                            |                                                                                                                         |                                                 |



DEPARTMENT OF THE SECRETARY OF STATE  
OFFICE OF THE CUSTODIAN  
VANCOUVER, B. C.

JAPANESE EVACUATION SECTION

PROPERTIES UNDER ADMINISTRATION  
AS AT DECEMBER 31, 1946

\*Asterisk denotes property sold in 1947

Property Description

Assessed  
Value

City Property

|             |                                                            |
|-------------|------------------------------------------------------------|
| \$ 1,625 00 | * 554 East Cordova Street, Vancouver, Dwelling             |
| 625 00      | * 500 Block East Cordova Street, Vancouver, Vacant land    |
| 1,200 00    | 668 East Cordova Street, Vancouver, Dwelling               |
| 2,200 00    | 2456 McGill Street, Vancouver, Dwelling                    |
| 615 00      | 200 Block Triumph Street, Vancouver, Vacant Land           |
| 2,435 00    | 162 West Fifth Avenue, Vancouver, Dwelling                 |
| 200 00      | Tide flats, E. Seymour Creek, North Vancouver, Vacant land |
| 1,585 00    | 5195 Royal Oak Avenue, Burnaby, Dwelling                   |
| 2,550 00    | 115 South Gilmore Avenue, Burnaby, Dwelling                |

Rural Property

|          |                                                                   |
|----------|-------------------------------------------------------------------|
| 1,000 00 | Lot 1, Block B, D.L. 20, Bamfield, Dwelling                       |
| 100 00   | Lot E, Pt. N.E. $\frac{1}{2}$ 20, Bamfield, Vacant land           |
| 630 00   | * Lot 14, Block 29, Map 2281, Comox Land District, Dwelling       |
| 1,715 00 | Lot 59, Block 7 D.L. 1, Prince Rupert, Dwelling                   |
| 70 00    | Lot 9, Block 36, Clark Avenue, Cranbrook, Vacant land             |
| 1,935 00 | Lot 32, Block 17, D.L. 1, Prince Rupert, Dwelling                 |
| 110 00   | Lot 23, Block 19, D.L. 7, Prince Rupert, Vacant land              |
| 1,450 00 | 1734 Sixth Avenue, Prince Rupert, Dwelling                        |
| 285 00   | Lot 10 W.40' Block 1, Map 537, Port Essington, Dwelling           |
| 2,075 00 | Lot 12 W.33' Block 1, Map 537, Port Essington, Dwelling           |
| 670 00   | Lot 13 W.22' Block 1, Map 537, Port Essington, Dwelling           |
| 1,100 00 | Assgd A of 3 Block 2, Map 537, Port Essington, Store              |
| 1,725 00 | Lots 7 and 8, Block 2, Map 537, Port Essington, Store             |
| 965 00   | Lot 304, Block (125 ac m/1) Tp. R. 5, Port Essington, Dwelling    |
| 480 00   | Lot 30, 31, Block 14, Map 949, Haysport, Dwelling                 |
| 125 00   | Lot 1, Block 6, Port Essington, Dwelling                          |
| 1,700 00 | Shannon Road, Richmond, Dwelling                                  |
| 1,550 00 | East 60', Lot 10, Block 1, Port Simpson, Port Essington, Dwelling |

Societies

|                 |                                                                                             |
|-----------------|---------------------------------------------------------------------------------------------|
| 5,800 00        | Nippon Kyoritsu Go-Gakko Maintenance Ass'n. (Japanese Language School) 439 Alexander Street |
| 23,800 00       | Nippon Kyoritsu Go-Gakko Maintenance Ass'n. (Japanese Language School) 475 Alexander Street |
| 625 00          | Hompa Buddhist Temple, 500 East Cordova Street, Vancouver                                   |
| <u>1,575 00</u> | Hompa Buddhist Temple, 549 East Cordova Street, Vancouver                                   |

\$62,520 00 Carried Forward



Department of the Secretary of State  
Office of the Custodian  
Vancouver, B. C.

Japanese Evacuation Section  
Properties under Administration  
As At December 31, 1946

\*Asterisk denotes property sold in 1947

Property Description

| <u>Assessed Value</u> | <u>Societies (Continued)</u>                                                        |
|-----------------------|-------------------------------------------------------------------------------------|
| \$ 62,520 00          | Brought Forward                                                                     |
| 11,825 00             | * Hompa Buddhist Temple, 604 East Cordova Street, Vancouver                         |
| 5,800 00              | Kitsilano Japanese Language Association School, 1672 West 1st Avenue, Vancouver     |
| 3,400 00              | Kitsilano Buddhist Mission Church, 1684 West 1st Avenue, Vancouver                  |
| 9,360 00              | Fairview Buddhist Church, 715 West 7th Avenue, Vancouver                            |
| 2,855 00              | New Westminster Japanese Language School Society, 815 Agnes Street, New Westminster |
| 7,300 00              | Japanese Buddhist Church, 120 - 10th Street, Vancouver                              |
| 1,320 00              | * M. Nishiguchi and Co. Ltd., Langley                                               |
| 6,000 00              | Japanese School Maintainers Association, Power Line Road, Hammond                   |
| 7,650 00              | Haney Fruit Ranchers Association, 14th Avenue and Dewdney Trunk Road, Haney         |
| 50 00                 | Trustees Maple Ridge Buddha Mission, 2583 Dewdney Trunk Road, Haney                 |
| 4,400 00              | Trustees Maple Ridge Buddha Mission, 2585 Dewdney Trunk Road, Haney                 |
| 1,650 00              | Whonnock, Ruskin, Albion Japanese Farmers Association, Ruskin                       |
| 2,700 00              | Whonnock, Ruskin, Albion Japanese Farmers Association, Whonnock                     |
| 1,300 00              | Buddhist Church Mission, Village of Mission                                         |
| 4,600 00              | Western Canada Hop Co-operative Union, Municipality of Mission                      |
| 2,425 00              | Surrey Berry Growers Co-operative Association, Sandell Road, New Westminster        |
| 2,540 00              | Canadian Mio Sonjinkai, 22 Moncton Street, Steveston                                |
| 2,232 00              | Steveston Japanese Association, No. 1 Road at Chatham, Steveston                    |
| 12,244 00             | Steveston Japanese Association, No. 1 Road at Chatham, Steveston                    |
| 5,258 00              | Steveston Japanese Association, No. 1 Road at Chatham, Steveston                    |
| 2,395 00              | Steveston Buddhist Mission, 1st Avenue between Moncton and Bayview, Steveston       |
| 4,822 00              | Steveston Buddhist Mission, West side of 1st Avenue, Steveston                      |
| 360 00                | Canadian Japanese Association, Townsite of Port Essington                           |
| 2,335 00              | Prince Rupert Japanese Association, Prince Rupert                                   |
| \$167,341 00          | Carried Forward                                                                     |



Department of the Secretary of State  
Office of the Custodian  
Vancouver, B. C.

Japanese Evacuation Section

Properties under Administration  
As at December 31, 1946

\*Asterisk denotes property sold in 1947

Property Description

Assessed  
Value

\$167,341 00      Brought Forward

Miscellaneous Trusts

|          |                                                                                         |          |
|----------|-----------------------------------------------------------------------------------------|----------|
| 4,955 00 | Hachiro Miyazawa, 3223 Fraser Avenue, Vancouver, Dry cleaning plant                     |          |
| 1,450 00 | Mrs. Yonejiro Nagai (Chiye) 4160 Union Street, Vancouver, Dwelling, garage and woodshed |          |
| 1,352 00 | (Toshiyasu and Minoru Ota, 231 Ewen Avenue, New Westminster)                            |          |
|          | (Mrs. Hiyoshi Murata, 231 Ewen Avenue, New Westminster)                                 | Dwelling |
|          | (Mrs. Yoshikazu Huguchi, 231 Ewen Avenue, New Westminster)                              |          |

\$175,098 00



REPORT ON EXAMINATION  
JAPANESE EVACUATION SECTION  
OF  
THE CUSTODIAN'S OFFICE  
VANCOUVER, B. C.

OCTOBER 20, 1943

--00000--



## P. S. Ross & Sons

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W. L. GATEHOUSE

G. M. HAWTHORN

I. A. ROSS

H. I. ROSS

G. M. SMITH

W. M. BRACE

### CHARTERED ACCOUNTANTS

MONTREAL

TORONTO

WINNIPEG

CALGARY

VANCOUVER

ROYAL BANK BUILDING

360 ST. JAMES STREET

MONTREAL I. QUE.

October 20, 1943.

The Secretary of State of Canada,  
Ottawa,  
Ont.

Sir:

Pursuant to instructions received from the Deputy Custodian under date of July 20, 1943, we beg to report having made an examination of the books of account and other records maintained by the Evacuee Section of the Custodian's Office located in Vancouver, British Columbia. This examination covered the period commencing with the taking over of real property, securities, chattels and personal effects of persons of the Japanese race as they were evacuated up to July 31, 1943. The period was approximately sixteen months.

Upon our arrival at the Vancouver office we discussed with the Director and the Comptroller the nature of the activities of the Evacuee Section and made a survey of the records and documents kept by the Evacuee Section for the purpose of determining the scope of our present examination.

Resulting from these discussions and survey the following observations were made:

1. Approximately 21,600 persons of the Japanese race were evacuated from that part of British Columbia designated as the protected area. These persons were, if they so desired, permitted to take with them to their new locations any cash and securities they owned and a limited amount of personal belongings. They were required to turn over all their other assets to the Custodian, who would deal with such assets for the accounts of the



individual owners.

2. The recording of the assets coming in to the possession of the Custodian as a result of the aforementioned evacuation required the opening of approximately 14,500 individual files.
3. The disposal of certain classes of assets, such as fishing vessels, fishing nets and gear, automobiles and trucks had been almost finished. Sales of some of the farm equipment and chattels had been made and a number of small businesses had been liquidated.

The sale of approximately 769 agricultural properties to The Director, The Veterans' Land Act had been arranged and the necessary work to complete the sale of such properties was in progress. The Director, The Veterans' Land Act was engaged in the survey of a number of other properties with a view to their purchase.

A catalogue comprising 464 properties in Greater Vancouver had been prepared and circulated offering the properties listed therein for sale. The properties listed in this catalogue were divided into three groups - A, B and C. Tenders received on properties in Group A consisting of 167 properties were under consideration. We understand the date for receiving tenders on the 297 properties in the groups B and C would be announced in the near future.

4. Numerous requests had been and were being received, through the British Columbia Security Commission, from evacuees requesting shipment to them, at their expense, of various household and personal effects, presently in storage under the control of the Custodian's office.
5. It was contemplated that within a comparatively short period of time the chattels remaining under the Custodian's control would be sold.

From the foregoing it seemed apparent to us that progressive



action was being taken to dispose of all assets of the evacuated persons which came under the Custodian's control.

In view of these circumstances we considered it advisable not to extend our interim examination to include a verification of the individual accounts of evacuees but to defer such verification until the assets held for their accounts now in course of liquidation had been sold.

Consequently our interim examination embraced:

1. A full detailed audit of the administration expenses of the Evacuee Section from its inception to July 31, 1943.
2. An examination of the accounts controlling Trust Funds consisting of the receipts from sales of assets and rentals from properties and disbursements to or for accounts of evacuated persons.
3. Review of the accounting system to satisfy ourselves that the internal check and control was adequate.

#### Administration Expenses:

We have made a complete examination of the administrative expenses incurred up to July 31, 1943, a period of approximately sixteen months. There is submitted herewith as Exhibit "A" a statement setting out in detail the expenses to July 31, 1943 which may be summarized as follows:

|                                                                                                                                                                  |                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Advances from Custodian of Enemy Property,<br>Trust Account No. 2, (Enemy Section) for<br>purposes of paying expenses pending<br>reimbursement from Public Funds | \$306,000 00       |
| Accumulated expenses to July 31, 1943                                                                                                                            | <u>302,858 51</u>  |
| Unexpended balance at July 31, 1943                                                                                                                              | <u>\$ 3,141 49</u> |

In connection with our audit of the foregoing expenditures we make the following comments:

It would appear that during the first three or four months of the period covered by our audit, the accounting records were somewhat of a temporary nature and there was no well defined system. Subsequently a study was made of the accounting requirements and a suitable system, designed



to meet the needs as then determined, installed as from September 1, 1942. This system has been functioning efficiently since that date. However although certain difficulties were experienced by us in our audit of the transactions of the period prior to September 1, 1942 we have been able to substantiate to our satisfaction the expenditures made throughout the whole period to July 31, 1943.

The expenses of the "Evacuee" Section have been kept, as far as possible, separate from the expenses of the "Enemy" Section of the Vancouver office. In view of the accounting staff performing all accounting functions for both sections, the expenses of the accounting office for salaries, rent and light have been apportioned three-fourths to the Evacuee Section and one-fourth to the Enemy Section. The salary of the Director, who is responsible for the activities of the whole office, has been paid half by the Evacuee Section and half by the Enemy Section. One-fifth of the basic charge for the telephone switchboard and \$50.00 per month of the salary of the Manager of the Title Investigation Office have been paid by the Enemy section and the remainder of these expenses have been borne by the Evacuee Section.

These apportionments, which were approved by Mr. G. W. McPherson some time ago, appear to us to be equitable.

We have made certain suggestions to the Director and Comptroller in connection with the accounting records which they have agreed to adopt and which we believe will improve the records and facilitate subsequent verification.

As a result of our examination, we are of the opinion that the statement of expenses appended hereto as Exhibit "A", a summary of which is given above, correctly sets forth the expenses of the Evacuee Section of the Custodian's Vancouver office for the period from its inception to July 31, 1943 and accordingly we recommend the reimbursement of the sum of \$306,000.00 to the Custodian of Enemy Property, No. 2 Trust Account.



Trust Funds:

Trust Funds includes monies received from the sale of assets, rentals from properties and chattels, interest from mortgages and sundry other sales relating to assets under the control of the Custodian as the result of the evacuation of people of the Japanese race.

These monies which are deposited in a separate bank account designated "No. 4 account" are held for the persons whose assets have been sold or administered. Individual accounts have been maintained in which is recorded at the credit of these persons details of amounts realized from the administration and/or sale of assets and at their debit amounts paid out for their respective accounts and cash paid to them.

Detail verification of these accounts was not made at the time of our visit because we felt it would be desirable to wait until the liquidation of assets, which was in active progress, was completed. Then the Custodian's Office in Vancouver will be holding only cash balances for a large number of the evacuees and possibly many of these cash balances will have been paid over to such persons. Consequently in making an audit of the individual accounts after all assets have been sold it would be necessary to make only one examination of the files relating to such accounts. This procedure seemed desirable also from the point of view of providing an opportunity to have the information on the files rearranged in the manner suggested later in this report under the caption "Files of Evacuated Persons".

We have, however, examined into the procedure followed with respect to the recording of the proceeds from the sale of assets and the income derived from interest bearing securities and the rentals from real estate and the due depositing of all incoming monies. We also examined into the control and internal check over such items and have satisfied ourselves that the same is adequate. We further have tested the correctness of the Trust Funds by checking in detail the bank account for the month of July 1943 and have reconciled the balance of the bank account in the name



of the Custodian of Enemy Property, Account No. 4 at July 31, 1943, which has further been confirmed by certificate received direct from the bankers, namely the Royal Bank of Canada.

We have prepared from the records a preliminary statement of the Trust Fund Account at July 31, 1943 showing the Receipts and Disbursements during the period ended that date. This statement is appended hereto as Exhibit "B". We would point out that the classification of items on this statement may be subject to amendment at the time verification of the accounts is made.

Fishing Vessels:

It would appear from Order in Council P. C. 6247 that the majority of the boats owned by persons of the Japanese race within waters adjacent to the West Coast of Canada which were seized by order of the Minister of Fisheries had been sold prior to August 1, 1942 by a committee known as the Japanese Fishing Vessel Disposal Committee. We are informed that the proceeds from such sales were paid to the original owners by the Committee.

As of August 1, 1942 the unsold vessels under the control of the aforesaid Disposal Committee were to have been turned over to the Custodian, but between that date and the actual date the boats were turned over, the Disposal Committee made further sales. As a consequence, the Custodian received from the Disposal Committee (a) 171 vessels; (b) cash in the amount of \$11,133.34 representing the proceeds from some of the sales of boats made subsequent to August 1, 1942 after deducting therefrom the Committee's charges on the other boats sold; (c) accounts receivable totalling \$64,920.00, due by Governmental Departments, being the uncollected sale prices of certain other boats sold to the Army, Navy and Airforce since August 1, 1942.

We understand the records of the Japanese Fishing Vessel Disposal Committee have been examined by representatives of the Treasury Department. We had exhibited to us a statement certified by representatives



7.

of that Department in respect of items (b) and (c) above but we have not had exhibited to us a list of the 171 boats, certified to by the Disposal Committee as being all of the unsold boats at the time they were turned over to the Custodian.

Of the 171 boats taken over from the Disposal Committee by the Custodian, 17 boats belonged to persons whose affairs were under the control of the Enemy Section of the Vancouver Office, two boats were released by the Custodian and the remaining 152 boats were sold by the Custodian for accounts of evacuees. The net proceeds from the sale of these boats after deducting expenses for reconditioning, towing, wharfage, insurance, appraisals etc. were deposited in the Trust Funds account and credited to the accounts of the individual owners. \$64100.90

In addition to the foregoing the Custodian realized an aggregate amount of \$72,903.08 from the sale of 71 additional boats and scows belonging to persons of the Japanese race. The net proceeds from these sales also have been credited to the accounts of the owners and the funds deposited in the Trust Funds account.

The amount of \$11,133.34 received by the Disposal Committee was deposited in a separate Trust Funds bank account, designated as No. 5 account. The Custodian has collected and deposited in the No. 5 bank account \$58,820.00 of the Accounts Receivable taken over from the Disposal Committee leaving a balance of \$6,100.00 due from the Royal Canadian Air Force, which when received will also be deposited in No. 5 bank account.

Certain monies have been paid out of the No. 5 bank account to the former owners of the boats or placed to their credit in the Trust Funds Accounts of the Evacuee Section with the result that at July 31, 1943 there remained in No. 5 bank account an amount of \$37,456.64. We were informed that when the balance of \$6,100.00, referred to above, is received the balance in the No. 5 bank account will be transferred to the Trust Funds Account of the Evacuee Section designated as No. 4 Account, and the accounts of the former owners credited with the net proceeds from the sale of their respective vessels.



Automobiles and Trucks:

Up to July 31, 1943, 403 automobiles and trucks belonging to persons of the Japanese race evacuated from the protected area came under the control of the Custodian and had been sold for an aggregate amount of \$147,501.74.

We understand, although the majority of these cars were seized by the police, that the Custodian's Office investigating the affairs of the evacuated persons found certain cars which had not been turned over to, or seized by the police and were thus taken possession of by the Custodian.

The proceeds from the cars and trucks sold, after deducting expenses for storage, insurance, watchmen's wages and appraisal fees incurred by the Custodian - prorated on an equitable basis to such cars and trucks to which these expenses were applicable, have been credited to the individual accounts of the former Japanese owners and the monies deposited in the Trust Funds account, designated No. 4.

Fishing Nets and Gear:

A considerable quantity of fishing nets and fishing gear came under the custody of the Vancouver office as the result of the evacuation of fishermen of Japanese origin from the protected area, principally from Steveston, Prince Rupert, and other places along the British Columbia coast within the protected area.

We understand that at the time the Custodian's Office took possession of these nets, tags bearing the record number, the name of the owner, and the appraised value were attached thereto. In a number of instances, we were informed, these tags became detached from the nets thus making it difficult for the persons charged with the disposal of these nets to make definite reports to the accounting office in respect of the owner's account to be credited with proceeds from the sale. We understand that the services of an independent qualified person were used to establish the value of the individual nets and such valuations served as the basis for



making sales. At July 31, 1943 there remained unsold a comparatively small quantity of nets in poor condition, or portions of nets, suitable for making repairs to other nets.

The Director informs us that every effort will be made during the current fishing season to sell the remaining nets and fishing gear now in storage.

The aggregate amount realized from the sale of nets and gear to July 31, 1943 amounted to \$91,365.46. The full proceeds from the sale of nets have been credited to the personal accounts of the owners.

#### Chattels:

The household and personal effects of evacuees which they could not take with them to their new abode were, in a large number of instances, removed to central storage places or stored by the evacuees themselves, in most cases in some part of the dwelling being vacated. We noticed from some of the files examined by us that the evacuees recorded on the registration form only a general description of the items turned over to the Custodian.

An inventory record was made by the clerks charged with the responsibility of taking into custody the chattels stored in one or other of the several buildings used as storehouses, and in the cases where chattels were left in the custody of the tenant of the property vacated by the evacuee, a receipt signed by the tenant for such articles was obtained, except in those cases where the chattels were stored in a room which was locked or by other means made inaccessible to the tenant.

We visited some of the places in Vancouver and Steveston used for storing chattels and we noticed that in numerous instances the evacuees had packed belonging in cartons which were not covered or tied, and also that many other articles were in a damaged and much used condition, consequently the inventory of the articles made by the person taking them into storage is, of necessity, of a very indefinite nature.



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 the 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.

A number of sales of articles such as refrigerators, washing machines, etc. have been made by the Custodian's Office with the consent of the owners and many articles have been shipped to the owners upon their requests, and with the approval of the British Columbia Security Commission at the expense of the person making the request.

We were 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.

#### Real Estate:

From the real estate records maintained in the accounting office it has been determined that at July 31, 1943 the Custodian was vested with 2,026 properties, having an aggregate assessed value of \$3,241,402.00.

The properties may be grouped as follows:

|                                                                                    | <u>Total<br/>Assessed<br/>Value</u> |
|------------------------------------------------------------------------------------|-------------------------------------|
| (a) 769 agricultural properties sold to<br>The Director, The Veterans' Land<br>Act | \$1,239,907.00                      |



Total  
Assessed  
Value

- (b) 372 properties now being surveyed in which the Director, The Veterans' Land Act may be interested \$ 416,998.00
- (c) 464 commercial, residential or unimproved properties situated in Greater Vancouver, advertised for sale on June 19, 1943 in respect of which tenders have been called 1,176,543.00
- (d) 421 other properties located throughout the protected area in respect of which no steps have yet been taken towards disposal 407,954.00

We attach hereto as Exhibit "C" a schedule of these properties grouped by districts.

Definite information is not obtainable as to how many more properties may become vested in the Custodian which, up to this time, have not been declared by the evacuees or reported to the Custodian by other persons having knowledge of Japanese ownership.

In respect of the 769 properties under sale to The Director, The Veterans' Land Act for an aggregate amount of \$850,000.00 the Vancouver office was actively engaged in compiling the necessary details relating to each property so that titles to such properties could be transferred and sale price received at the earliest date possible. We understand there are mortgages upon a number of the properties included in this group which in some cases amount to more than the price to be paid for such properties. In these cases, we are informed, it is the intention of the Custodian's Office to ask The Director, The Veterans' Land Act, if he would be prepared to increase the purchase price sufficiently to cover the encumbrances or otherwise to permit him to negotiate directly with the mortgagees for the purpose of possibly effecting a compromise settlement. Failing settlement on either of these bases the properties affected would be withdrawn from the sale.



We are informed that adjustments in respect of rentals, insurance and taxes are to be made as of January 1, 1943.

We prepared and gave to the Director a suggested form of statement, which, in our opinion, should be compiled in respect of each property sold in order that a complete record of the transaction would be available for the files of the evacuees as well as serve the basis of settlement with the purchaser.

Securities:

The securities held in safekeeping for evacuees as shown by the records were verified by personal inspection. A list of these securities is attached hereto. (Exhibit "D")

At the time of our inspection the securities held for evacuees were in the same safety deposit boxes as securities held for enemy accounts. It would seem to us desirable to have the evacuees' securities kept by themselves in a separate safety deposit box.

Files of Evacuated Persons:

We were informed that there were approximately 14,500 files concerning evacuated individuals. We inspected a number of these files and noticed the information generally was in chronological sequence thus making an examination of the whole file necessary in order to gather information on one subject or with reference to particular assets. Statements giving adequate information relating to sales of assets did not appear to be in the files examined.

We discussed these matters with the Director and as a result it is suggested that a statement giving complete information in respect of the sale or other disposition of each particular asset belonging to each evacuee should be prepared and placed on the files of the persons concerned. To these statements should be attached such documents and letters as relate to each statement and reference made by way of index to the date of any other correspondence on the file which deals with more subjects than the one to which the statement relates. Such correspondence should remain on file



in chronological sequence for reference. We feel it is very desirable to have the files rearranged in this manner and believe the results to be obtained warrant the expenditure of time and effort required to put the files in the suggested order.

It seems to us that in making the verification of the accounts of the individual Japanese Evacuees these files must form the basis of such verification and therefore if the files are in good order such examination will be greatly expedited.

General:

We are pleased to report that the books and records examined by us were well kept. We also wish to take this opportunity of expressing our appreciation of the courtesies and co-operation of those with whom we came in contact in facilitating our interim examination.

Respectfully submitted,

*A. S. Ross & Sons*