

VIA AIR MAIL

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

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FILE NO.

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

June 4, 1943.

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

Dear Mr. Shears:

Re: Soldier Settlement of Canada
and Advisory Committee

I have your letters of May 31st, June 1st and June 2nd, dealing with the above matter.

The minutes of the meeting held on May 24th have been reviewed and I would bring the following to your attention:

On page 4, the first paragraph after the statement, it is indicated that the valuation made by the committee was approximately 50% of that offered by the Soldier Settlement of Canada. The figures indicate that the valuation of the committee was about 40% above that offered by the Soldier Settlement rather than 50% of the offer. The way the minutes are written up it appears that the valuation of the committee was lower than that of the Soldier Settlement. If you agree with me the minutes should be corrected and an amended page forwarded to me for insertion in my copy.

On page 5, dealing with the offer for the agricultural grounds, I think the wording of the minutes is unfortunate in that it is stated that Mr. Menzies moved that the offer of \$500. be accepted. It should be kept in mind that the committee are only making recommendations to the Custodian and have no power in themselves to accept offers. If you care to amend this you might send me the amended page. The same applies to the third paragraph on page 6 although it is not so important here since you merely refer to the committee's consideration and approval.

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On page 7 where you refer to Mr. Carncross' statement about the valuation of \$867,000, the statements made before the quotation of the figure do not appear in themselves to justify an offer of \$750,000, since while all the charges referred to and expenses are true, there is the obvious fact that they will receive the revenue. If Mr. Carncross is trying to justify the offer of \$750,000., while it may be on the grounds stated, it is also on the grounds that they were making a cash offer and were taking over a lot of property which would probably be unsuitable for their purposes and require a great amount of rehabilitation.

At the bottom of this same page you deal with the difference between these two figures again but do not give Mr. Godfrey's answer to the question asked of him which was along the line stated by Mr. Carncross.

You might consider these amendments since I consider it very important that these minutes be strictly correct.

In your letter of June 1st you refer to the formal approval and indicate that you are enclosing it but there was no enclosure with your letter.

As regards your letter of June 2nd, I think you will have to put Mr. Yamaga's letter of resignation into the minutes since obviously it relates to the committee's affairs and should be written into the minutes of the committee. I trust you have arranged to pay Mr. Yamaga the balance of any monies owing to him. It is not the intention of the Custodian to appoint any other Japanese on the committee at this time.

The minutes of this meeting are very complete, with particular reference to Mr. Murchison's offer.

I will be discussing the question of a press release with Dr. Coleman, possibly today, and as soon as I receive the formal approval referred to in your letter of June 1st, I will present it to the Minister and he will, no doubt, write a letter of acceptance to Mr. Murchison.

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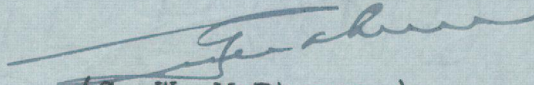
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- 3 -

I think you should immediately proceed to consider the question of the disposal of chattels and outline a very clear program for presentation to Judge Whiteside's committee for their recommendation.

Yours very truly,



(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

C O P Y

P. S. ROSS & SONS

Royal Bank Building,
360 St. James St.,
Montreal, Que.

11th November 1942.

The Custodian of Enemy Property,
504 Royal Bank Building,
Vancouver, B. C.

DR. to P. S. ROSS & SONS

Re: Japanese Affairs

To Services Rendered to 30th September, 1942 in accordance with instructions received from the Authorized Deputy of the Secretary of State and/or Custodian, covering,

Devising and outlining an accounting system to record the Trust and Administration divisions of both the Enemy and Evacuee sections of the Vancouver office,

Making a survey and study of records and conditions preliminary to planning the accounting system,

Sundry discussions with the Authorized Deputy of the Secretary of State and/or Custodian re the accounting system, and also with various officials,

Assisting in the installation of the new system,

Advising re office procedure insofar as the accounting department is concerned,

Furnishing an accountant to assist in writing up your books

Our fee

\$1,500.00

506 Royal Bank Building,
Vancouver, B.C.

14th July, 1943.

3638

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

Dear Mr. McPherson:

Iwasaki and Quon Hon etc.

Just a short line to keep you somewhat posted in regard to the above matter.

The case for the eviction of the tenant of this property came up in the County Court yesterday before Judge Wilson. It lasted from 10.30 in the morning until 1 o'clock. Mr. Wright and myself attended although it was decided by Mr. Sheppard that if possible I should not go into the witness box. Mr. Sheppard was not there and our case was handled by Mr. Des Brisay who was the Solicitor for Iwasaki's Agents, Messrs. E.B. Morgan & Company Limited.

I will not attempt to go into the whole proceedings. Mr. McAlpine, acting on behalf of the tenant, objected to almost everything and protested against every document which was submitted being put in as evidence and usually agreed to its being put in "for what it was worth".

Mr. DesBrisay called Mr. Rose, who was with the British Columbia Security Commission at Hastings Park and supervised evacuation, for the purpose of proving that Iwasaki was evacuated. Rose was a fairly good witness. He did not profess to recollect Iwasaki but was prepared to say from the records submitted to him that Iwasaki was evacuated. Mr. McAlpine objected that the document was typewritten and that only an original document should be allowed to be put in in order to refresh Mr. Rose's memory. Rose stated that he saw everybody loaded on the train and this Mr. McAlpine strongly challenged and also asked whether even if he saw Iwasaki get on the train whether he may not have got off again.

G.W. McPherson, Esq.

An employee of the Land Registry office was called and proved the filing of our Vesting Certificate and the Agreement of Sale showing Iwasaki's interest in this property.

Mr. Murdoch, who witnessed the lease agreement between Iwasaki and Quon Hon, was called and Mr. DesBrisay endeavoured to secure evidence as to Iwasaki's nationality, but here again McAlpine objected that Murdoch was in no position to prove this and asked whether Murdoch considered himself an expert in racial origin etc. Murdoch stated that he had known Iwasaki for over ten years.

Mr. Margeson of Messrs. E.B. Morgan & Company Limited, who are the Agents for the registered owner who resides in England and also Iwasaki, was placed in the box by Mr. McAlpine and Mr. Margeson was asked questions relative to the receiving of rentals and Margeson stated that they had collected rentals and remitted them to the Custodian's Office and that this had been done up until and including the month of May, but that the June and July rentals had not been paid to the Custodian.

Mr. McAlpine stated that it was claimed that offences had been committed in January and that the Custodian should have had knowledge of this and not have accepted rentals since that time. As a layman I thought it unfortunate at this stage that evidence could not have been put in to the effect that our office was only made aware of the offence by information received from the Licence Department of the City of Vancouver on May 1st and that at that time the City Council were holding cancellation of the Licence in abeyance pending the result of an appeal made against the conviction and that as soon as we became aware that the appeal had gone by default we immediately took steps for the removal of the tenant.

Constable Jones of the R.C.M.P. was called who produce some of their official records in connection with Iwasaki, but here again Mr. McAlpine objected that the records were no proof, that they referred to the party said to be implicated in this action.

Mr. McAlpine stated that the production of the document signed by the Honourable McLarty, delegating certain powers on me

G.W. McPherson, Esq.

was of no value as there was nothing to prove the signature being that of the Secretary of State and in regard to the certified copies of the Orders-in-Council that you sent he said that he did not recognize the seal of the Clerk to the Privy Council.

Mr. Des Brisay submitted a copy of the Police Magistrate's conviction. This was also objected to by Mr. McAlpine and a great amount of time was spent in argument and in reference to previous cases in regard to a decision of one Court being accepted as evidence in another Court. Mr. McAlpine's contention was that the whole case of proving misconduct on the part of the tenant would need to be started de novo in the present Court.

Sitting back and listening there were several times when I thought that Mr. DesBrisay might have introduced some relevant matters which might have been of some value, but I am not an expert in these matters. I do wish that Mr. Sheppard was handling this case himself but as I wrote to you on a previous occasion it was Sheppard's own wish that DesBrisay continue with this case.

The Judge stated that he wished to reserve his decision and that if the case is to be heard further it will likely be two weeks before he will be in a position to hear it.

I take it from statements made by Mr. McAlpine that if the decision is in our favour that Mr. McAlpine would still want to appeal against the decision. On the other hand, if the Judge decides in favour of MrAlpine I think the Custodian will then be in a position of having taken all reasonable steps and we could inform Peter Hem that we were unable to continue our arrangements with him.

In view of the fact that the present tenant is willing to get out if an Assignment is made to some other Chinese, whom we believe to be Quong Wong and Hoy Tung, who we understand are able to obtain a licence from the City, I think that rather than agreeing to an Assignment we would cancel Hon's lease and be prepared to make another lease to the other Chinese named.

Yours truly,

F. G. Shears,
Director.

FGS/PMH



DEPARTMENT OF THE SECRETARY OF STATE
OF CANADA

Quebec, Que., 15th August, 1943.

Mr. F.G. Shears
Custodian's Office
Royal Bank Building
VANCOUVER B.C.

Dear Mr. Shears:- Re: Japanese Affairs

I was called out of Ottawa to assist in the organizational work for the Conference that is now going on in Quebec, and naturally before the story broke, my whereabouts was unknown, even to Miss Carroll. I therefore have had no news concerning the Vancouver Office for the last week and a half and I would appreciate your dropping me a personal line dealing with the picture generally, and as soon as I get a chance I will get my mail from Ottawa and answer any of the Vancouver letters.

Insofar as the Petition of Right is concerned, this matter is, so far as Dr. Coleman knows, still under consideration by the Department of Justice, but I think there is little doubt that a fiat will be issued. I, of course, will advise you as soon as we have anything definite, but it is ridiculous for McLennen to suppose that a case of this kind can get before the Exchequer Court in September.

As far as my work generally is concerned, plans are rather indefinite for the next few weeks, but it is possible that sometime before the end of the year I will make a trip to Vancouver with the idea in mind of cutting down the amount of work being handled by Field and reducing our own staff as much as possible.

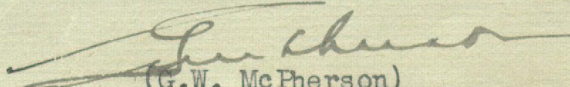
I am particularly interested in the present position as regards the sale of farms to the Soldier Settlement and for your information, it is the intention of the Custodian to delay his liquidation policy, even though a fiat is granted, since the case might not be finally disposed of for a year. If it were eventually decided in favour of the Japanese, there would no doubt be a judgment for damages and the sale of the property would not make any difference. To delay the liquidation at this time does not seem to me to be in the best interests, even of the Japanese. You might also let me have a note on whether or not the Royston Lumber Company is operating in accordance with the agreement.

The last paper I received from Field had an ad in it for T. Maikawa Stores which indicated that Field is still operating same.

The Doctor is of course up to his ears in work here, but I think he would appreciate a résumé of the general situation in Vancouver.

With my regards to Bob, and the rest of the staff, also to your good wife and Mr. and Mrs. Wright. Tell Bob that I am really associating with the uppercrust.

Yours very sincerely,


(G.W. McPherson)
Executive Assistant

VIA AIR MAIL

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FILE No.

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

August 2, 1943.

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

Dear Mr. Shears: I have been intending for some time to make a revision of the brief you have but time has not yet permitted. Mr. F. Read, formerly a professor at the Manitoba Law School who has the dubious distinction of having endeavoured to impart knowledge to me, has been associated with this office for about a year. He is going to Winnipeg, Vancouver and Victoria on his holidays and will attend the Canadian Bar meeting in Winnipeg the last week of August. His daughter is in charge of a hospital in Victoria and he is going there to visit her.

He is very much interested in Custodian work and particularly in the Japanese situation, the interest being that of a scholar seeking knowledge.

I told him I would write and advise you that when he is in Vancouver he will contact you and visit the Enemy and Evacuee Sections. He has been a very good friend of mine and is what one Scotsman to an Englishman would say - "A better type of Englishman", although, unfortunately, not a Baptist.

You may know him from Winnipeg where he was in charge of the Boys Choir in All Saints and he has a peculiar humour which I think you will appreciate.

He will be interested in meeting Mr. Wright and the members of the staff and I have told him that you may arrange to let him see some of the Japanese problems we have in Vancouver. If, by any chance, it could be arranged that one of the boys was going up the Valley, it might be a nice gesture to give him a day up there.

Things are brewing along here and the Petition of Right is now being considered by the Department of Justice

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- 2 -

as are the Custodian's Regulations generally. Professor Read and I have just completed a revision of the Regulations and we are hopeful that they will be put into effect before the end of the month. As soon as they become law copies will be forwarded to you in pamphlet form and it is our intention to include in the pamphlet the Orders in Council relating to the Japanese problem so that all of the law to date will be collected into one pamphlet. I have been intending for months to make a revision of the brief you have but time has not yet permitted.

I believe Mr. Peckham is now with you and you might give him my regards and say hello to the rest of the organization. Mercia and I send our very best wishes to your wife and yourself and to our many friends.

Miss Carroll, who is typing this letter, expects to take a few days holidays starting this week while I am out of town on business which will be her first since she joined the office. I consider her fairly lucky since I have been here since 1939. This brings up the point of when you are going to take some time off yourself to look after your country estate.

If all goes well I may visit you in the fall but contrary to Mr. McLennan's contention I do not anticipate that the action will be tried in the fall assizes of the Exchequer Court in Vancouver since the preparation of the case insofar as a defence is concerned will not be undertaken lightly.

Say hello to Bob and ask him when he is going to get my book "Sabotage" back from Sergeant Barnes.

Yours very sincerely,



506 Royal Bank Building,
Vancouver, B.C.

23rd July, 1943.

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

Dear Mr. McPherson:

Re: Greater Vancouver Properties
Tenders covered by Group "A" in Catalogue.

It was arranged that the Tenders which closed at 12 o'clock noon on Monday, July 19th, should be opened in the Office of the Advisory Committee on Japanese Properties in Greater Vancouver at 2 o'clock on Tuesday, July 20th by Mr. Durkee and myself. Miss Sullivan, Secretary to Mr. Durkee and also Mrs. Harrop, my Secretary, were present.

A form had been prepared covering the properties on which offers had been received as indicated on the outside of the envelopes in which each tender was enclosed. This form listed our catalogue number, civic and legal description, assessed value of land and buildings, Mr. Reeve's valuation (where it had been received) and our Agents' name. Columns were left for supplying the name and address of the party tendering, the amount of the tender and the amount of the cheque received.

The envelopes were opened by Miss Sullivan, the tender read by Mr. Durkee and myself and the offers listed on the form referred to by Mrs. Harrop.

The total number of tenders received was 179 which covered 97 properties.

Subsequent to this, also in the Office of the Advisory Committee, the tenders have been considered. Those tenders on which we are still waiting for Mr. Reeve's valuations have been set aside. Where tenders have been received the highest tender where it exceeded Mr. Reeve's valuation has been set aside as possibly being acceptable and lower tenders on the same property have been rejected and the tenderers so advised and their cheques returned. In cases where no bid equalled or exceeded the valuation all the tenders have been rejected and returned but each party tendering has been advised that the Custodian will be prepared to consider a revised offer.

2.

G.W. McPherson, Esq.

The tenders set aside as acceptable will be presented to the Committee at their regular meeting for their advice in regard to same. Assuming that they recommend the acceptance of these tenders, we will advise the parties that we are prepared to recommend the acceptance of their offer and that upon their forwarding certified cheque for the balance, our recommendation will be forwarded to Ottawa for approval.

The number of tenders at present rejected, as referred to above, is (99). The tenders set aside as acceptable (20) and there are 61 tenders covering 53 properties which have to wait a valuation by Mr. Reeve.

105
Yours very truly, 28

F. G. Shears,
Director.

FGS/PMH

File No. 3638

MEMORANDUM

To: Mr. K. W. Wright

June 26, 1943.

From: Mr. G. D. Milson

Re: IWASAKI, Hyosaku
139-43 East Cordova Street

In connection with the premises at 139-143 E. Cordova Street, known as the Harbour Rooms, through an article in the newspaper I saw where the tenant was convicted of running a bawdy house. I immediately got in touch with Mr. Urquhart, License Inspector, and he informed me that he had recommended to the City Council that the tenant's license be cancelled, but that the City Council had decided to hold his recommendation in abeyance pending the result of an appeal being made by the tenant, Quon Mon Hong.

Later we were advised by the Court of Appeal that the appeal had gone by default. I immediately advised Mr. Shears to this effect and received instructions from him that the tenant should be asked to vacate and if he raised any objection, Mr. Wright should be asked to start any action which may be necessary to have him evicted; and in view of the fact that Quon Mon Hong called at this office and asked if he could have the lease transferred to a member of his family, Mr. Shears instructed me not to consider this request but a new tenant should be found.

Some months previous to this Peter Hem asked me to advise him if at any time we had any rooming houses to lease, so I got in touch with Mr. Hem at once, explaining the situation to him and asking him if he would be willing to take this place over if and when the present tenant was evicted; at the same time pointing out to him that there were approximately 40 to 50 people living in the building (mostly shipyard workers), and it would be necessary to have the place carried on without any shutdown.

Peter Hem informed me that the rent of \$160.00 was too high but would leave the matter of rent and terms of the lease to the Custodian. I also pointed out to Mr. Hem that if he took this place on, it would be necessary for the lease to be in his name, and owing to its previous reputation the Custodian would have to hold him responsible for the proper running of the establishment. This he agreed to do.

Upon receiving Mr. Shears' memo, I wrote Messrs. E. B. Morgan & Co. to have the present tenant evicted forthwith and also advised them that we had a new tenant for the property. Not hearing anything from them, I phoned them up

and they informed me that they had not taken any action and did not intend to do so, and that they were agents for the holders of the Agreement of Sale and were interested in obtaining the payments due. In addition, they stated that they were receiving a very good rent of \$160.00 per month, which was doubtful if they could obtain from anybody else, and in discussing the case with them they were of the opinion that anyone paying this rent would have to carry on illegal actions.

I immediately advised Mr. Wright to this effect and he instructed me to notify Messrs. E. B. Morgan & Co. that if they did not carry out our instructions, we would appoint a new agent to handle the property. I then received a visit from Mr. Bourne of Bourne & Des Brisay, Solicitors for E. B. Morgan & Co., whom I took to Mr. Wright's office. Mr. Bourne then explained that the party in E. B. Morgan & Co.'s office did not thoroughly understand the situation and he agreed to carry out our instructions in every way.

Mr. DesBrisay then came into the picture and asked that the matter be held over pending the decision of the City Council in regard to the rooming house license. The City Council revoked the license and we decided to go ahead with our eviction proceedings.

Later I received advice from Mr. Wright that he had received word from Mr. Shakespeare advising us that the tenant was vacating the premises and to have Mr. Hem get in touch with Mr. Shakespeare in regard to taking over the chattels and supplies. I immediately phoned Mr. Hem and instructed him to be at Mr. Shakespeare's office at 3:00 to take over the rooming house, but owing to a question of reimbursing the tenant for decorations, negotiations fell through.

Although I have been advised that we are not legally obligated to Mr. Hem, I feel strongly that we are committed to him, as there is no doubt in my own mind that I advised him that he could have the place upon the eviction of the present tenant, with the understanding that the terms of the rent and lease would be set by the Custodian. In this regard, I might state that we have received a written report from Messrs. Richards, Akroyd & Gall and a verbal report from Messrs. Walker and Johnston of the Pemberton Realty Corporation Ltd., who inspected the premises, that a rental of \$160.00 could not be paid if running the place as a legitimate rooming house.

In regard to my dealings with Mr. Hem, I would state that they have been most satisfactory, and I have asked Mr. Haggart, Mr. Rogers and Mr. Martin of the Building, Health and Electrical Departments of the City of Vancouver, and they state that they have never had any trouble with Mr. Hem in regard to their requirements, that he lives up to all his commitments and is most reliable in every way.

Some months ago charges were made to us that Mr. Hem had a criminal record, and upon investigation, we were informed that there was no record of any conviction against Hem in the Vancouver Police Court records.

I have also been informed that Mr. Hem has been Court Interpreter for many years and is highly regarded by Judge Harper, and Magistrate Wood also advised me that he was favourably known to him.

I have also been informed by Mr. Shakespeare that the Chinese to whom the Assignment of the lease has been made are connected to the present tenant by being members of the same Tong and Benevolent Society.

In a memorandum from Mr. Wright, he intimated to me that there was a question of the present tenant being framed, and wishing to do the tenant justice in case he was convicted on an isolated case, which is pretty hard to avoid owing to the reputation of the district, I consulted Magistrate Wood who heard the case and he informed me that the convictions were for a period of six months and the evidence showed that there was continuous violation of the Criminal Code.

I would also state that no move was made by me in this matter without consulting Mr. Wright and he was familiar with every step taken, and the attention and thought given to this matter before any action was taken was far in excess of what the case warranted.

GDM/GH

Smulson

C
O BOURNE & DESBRISAY
P
Y Barristers & Solicitors

Royal Bank Building,
VANCOUVER, B.C.

June 22nd, 1943.

K.W. Wright, Esq.,
Counsel to the Custodian,
912 Royal Bank Bldg.,
Vancouver, B.C.

Dear Sir:

Your File No. 3638

Re: Iwasaki

Pursuant to your request we beg to advise you that on Monday, the 31st day of May last we caused to be served on Quon Hon a notice demanding possession of the premises known as the Harbour Rooms held by him under lease from Iwasaki. On being served with the demand Quon Hon stated that he wanted to see his solicitor. On June 1st Mr. Shakespeare, who is Quon Hon's solicitor, called upon us and requested us to ascertain whether or not you would re-consider the action taken and permit Quon Hon to continue as the tenant. The writer telephoned Mr. Wright on the following day and discussed the situation with him and the question of whether or not the City Council was intending to cancel or had cancelled his license. We ascertained that a decision in this matter was to be made on June 8th and, after again discussing the matter with you, it was decided to wait and see what attitude the Council might take with the thought that if the City was satisfied to allow Quon Hon to continue to hold a license you might not consider it necessary to take proceedings for possession, although at that time you indicated that you understood negotiations had been had with some other party for a lease. We informed Mr. Shakespeare that you would let the matter stand and see what action was taken with regard to the license.

You phoned us, however, on June 7th, and confirmed by letter, advising that you had received a letter from the City Police Department from which it was apparent that they would hold you strictly to account under the provisions of Section 229 of the Criminal Code irrespective of what action might be taken regarding the license. We then informed Mr. Shakespeare that it would not be possible, in view of the attitude of the Police Department, for the Custodian to permit Quon Hon to continue as tenant and that possession must be delivered up. We should mention here that all our discussions with Mr. Shakespeare were without prejudice.

We then prepared a show cause summons under the provisions of the Landlord and Tenant Act together with the necessary affidavits in support and had everything ready to

June 22nd, 1943

commence proceedings. On June 8th we delayed issuing the summons as Mr. Shakespeare intimated that if the license was not continued Quon Hon would not then wish to continue the lease. On June 9th Mr. Shakespeare phoned to advise that the license had been cancelled although we had previously ascertained this fact. Mr. Shakespeare stated that his client would vacate but desired to sell his business to two other Chinese. He later called at our office and we had some discussion with him and he handed to us a letter, a copy of which we enclose, in which he stated that his client would vacate the premises shortly and asked that a lease be granted at the same rent and on the same terms as the lease to Quon Hon to two Chinese mentioned in his letter. The writer phoned Mr. Wright and was advised that a lease could not be granted to Mr. Shakespeare's clients as arrangements had already been made with Peter Hemm and the suggestion was made by Mr. Wright that Hemm see Mr. Shakespeare with a view to possible satisfactory arrangements being arrived at. We were the next day advised by Mr. Shakespeare that Hemm had seen him but that he was unable to make a satisfactory arrangement with him.

He then asked that he be given two weeks' time in which his clients might arrange to purchase the premises. He confirmed his proposal by letter, a copy of which we handed to you on the day of its receipt. On the following day, June 11th, the writer had a long consultation with Mr. Wright and Mr. Shears and was handed a letter instructing that you regretted that you were unable to consider the offer of Mr. Shakespeare's clients to purchase the property. We informed Mr. Shakespeare, accordingly, and advised him that we intended issuing the summons for possession and did so on that day.

Mr. Shakespeare asked for an opportunity to discuss the whole matter with you. A meeting was arranged for Saturday morning, the 12th instant, and a lengthy meeting was had at which Mr. Wright, Mr. Shears, Mr. Milson, Mr. Shakespeare and the writer were present. It was arranged that Mr. Shears would see Peter Hemm.

The summons was handed to the bailiff for service and served by him on a grown-up person on the premises on Monday, the 14th instant, Quon Hon being absent in Victoria. Mr. Shakespeare called up to advise that he had been handed the summons and asked to know if Mr. Shears had yet seen Peter Hemm. The writer communicated with Mr. Wright and found that he would not be able to let us know the result of the discussion with Mr. Hemm until the following day.

On June 15th Mr. Wright advised the writer that it would

not be possible to consider Mr. Shakespeare's proposal. The summons for possession was returnable on June 18th. On the 17th instant Mr. McAlpine advised that he was acting in the matter and asked for an adjournment for a week. This we declined but did, for his convenience, adjourn the matter until Monday, the 21st. The writer advised Mr. Wright on the 17th of Mr. McAlpine's advent into the picture and on Saturday morning had a discussion with Mr. McAlpine who advised that he was acting for an assignee of the term from Quon Hon and that he held the consent of Iwasaki and that the question of the effectiveness of the Orders-in-council to deprive Iwasaki of the right to deal with his own property might come in issue. Mr. McAlpine asked for a further adjournment as he was engaged on a trial which he said would take all of the present week. The writer discussed the situation with Mr. Wright and opposed the application for adjournment. Judge Wilson, however, granted the adjournment until Monday next. It was definitely understood, however, that Mr. McAlpine was to let us know by the end of the week of the preliminary objections, if any, he might have and that, in the event of the hearing of the present proceedings going over into vacation or in the event that the present proceedings were thrown out on a preliminary objection, he, Judge Wilson, would be in Vancouver some day in July and would complete the present application or any application by way of new proceedings.

We might mention that Mr. Shakespeare advised us on the 18th instant that he had no instructions to oppose the application.

At the request of Mr. Wright the writer today got in touch with Mr. McAlpine and asked him if he intended taking the point that the Orders-in-council did not deprive Iwasaki of the right to deal with the property and he indicated that if he found it necessary to do so he would take this point. During the writer's conversation with Mr. McAlpine he asked why the Custodian was not prepared to accept his clients as tenants and grant a lease to them, that they were respectable people and should be as acceptable as any other person. We mention this for the reason that it was brought up in our discussion this afternoon.

From the information you have given us it would appear that this whole matter could be settled without the necessity of further proceedings were it not for the tentative arrangement made with Peter Hemm. The question arises whether or not it would be the better course, in view of the situation which has developed, to advise him that you are not in a position to lease to him and give a new lease for the balance of the term to McAlpine's clients if they are able to obtain a license to operate a rooming house. We are inclined to the view that, unless you feel you have gone too far with Peter Hemm, it would be desirable to effect a settlement and avoid the possibility of drawn-out proceedings.

K. W. Wright, Esq.

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June 22nd, 1943.

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We have endeavored above to give you a rough outline of what has occurred to date. We appreciate that if the constitutional issue is raised you will wish your solicitors, Messrs. Locke, Lane & Co. to appear in the matter.

The writer will be away from the City from tomorrow morning until Friday morning. In the event you wish in the meantime to discuss the matter with Mr. Locke and wish to place before him the proceedings already taken, you can secure them by getting in touch with Mr. Bourne.

Yours truly,

BOURNE & DESBRISAY

Per: A. D. DesBrisay

ACD:M

June 28th, 1943

MEMORANDUM

TO: MR. F.G. SHEARS

FROM: MR. K.W. WRIGHT

Re: IWASAKI, Hyosaku

The attached copies of reports from Messrs. Bourne & Des Brisay, also Mr. Milson, furnish evidence of the attention and consideration this case has received. Proceedings toward eviction will be gone on with to-morrow. We are now advised that the Orders-in-Council will not be questioned and that Mr. McAlpine will rely on the objection raised relative to service of the notice. A bailiff was retained to effect service and I doubt if the objection taken will be sustained by the Court. When we heard that the Orders-in-Council might be questioned it was thought advisable to acquaint Mr. Sheppard with the facts and Mr. Des Brisay was content to have the Firm of Locke, Lane appear for us. You were present on Friday when Mr. Sheppard came over and expressed his approval of the way we have handled the matter and stated that there was no occasion for him to appear. Mr. Sheppard is also satisfied that we should go on with our arrangements to rent to Hemm. We have yet to fix the amount of the rent, but Hemm is leaving this to us. I still hold the view that the Custodian should not exact \$160.00 per month as an independent report indicates that no one may carry on legitimately and pay such a high figure.

The Rooming Houses in this area require more than ordinary attention and we have asked our Agents as well as the Police to co-operate.

In support of the suggestion that we are mindful of conditions in this neighbourhood and are doing everything possible to protect the Custodian, I quote from a letter recently received from Pembertons in regard to another place in the same locality:

"We would hesitate to take any action in connection with premises of this kind, simply on rumour. We would feel that we would be left open for an action for defamation of character, and there would be a strong probability that there was cause for an action for defamation of character.

We have found at times that a person desirous of obtaining possession of other premises in this type of tenancy will cause rumours to be spread with the intention of causing trouble. The writer has been into these premises recently and did not see any evidence of improper conduct. In the event that this tenant was convicted of any improper use of the premises, we would then have definite grounds on which to act."

In conclusion, may I suggest that acceptance of an assignment to the nominees of the convicted tenant would not, in my opinion, meet Section 227, Subsection 5 of the Criminal Code which reads as follows:

"If the landlord, lessor or agent of premises in respect of which any person has been convicted as the Keeper of a Common Bawdy House, fails after such conviction has been brought to his notice, to exercise any right that he may have to determine the tenancy or right of occupation of the person so convicted and subsequently any such offence is again committed on the said premises, such landlord, lessor or agent shall be deemed to be the Keeper of a Common Bawdy House unless he proves that he has taken all reasonable steps to prevent of the reoccurrence of the offence."

Mr. Shears

You will note that the landlord is required to exercise his rights to determine the tenancy. Acceptance of an assignment is not determination as I understand it. Even if we cancelled the present lease and took a new lease from the nominees, the Custodian is left in a delicate position and I cannot approve of this step.

Hemm means nothing to this office beyond the fact that he has taken over several places and has lived up to his agreements. It is not easy to find individuals willing to risk money in Jap Town and in view of the fact that there are forty or more shipyard workers now living in the Harbour Rooms I recommend that we go on with Hemms deal if the court grants us possession.

K.W. WRIGHT

KWW/DG
Attachs

506 Royal Bank Building,
Vancouver, B.C.

18th June, 1943.

W.L. MacTavish Esq.,
Chief Editor,
The Vancouver Daily Province,
Vancouver, B.C.

Dear Sir:

On page 5 of your newspaper yesterday afternoon an article appeared under the caption of "Jap Property Sales Saturday".

From some of the wording used it is quite evident that the writer had access to and had made use of an advertisement which was in the possession of your Advertising Department in preparation for publication this coming Saturday.

This appears to us to have been a breach of ordinary business etiquette and the use of confidential matter in your hands as material for paid advertising.

A member of your staff spoke to the writer on the telephone Thursday morning and was positively told that this office had no statement to make at this time in regard to Japanese affairs.

The possibility of the sale of Japanese properties has previously been aired in the news and 'phone calls have been received from your office from time to time asking for our comments when any further information might be available.

Your office was advised that until the publication of our advertisement we had no statement to make but that after its publication we would, of course, have no control over any article or comment which your Editorial department might then wish to make.

When your article departs from the wording used in the advertisement in the possession of your Advertising department, several inaccurate statements are made which not only misinform the public but which may have certain repercussions in regard to the handling of Japanese affairs in this office.

It is quite likely that my Department in Ottawa will ask me for some explanation of this article and the reference to our advertisement and catalogue previous to thier publication and I would therefore be obliged if you would investigate this matter and let me have your comments by return.

Yours truly,

F. G. Shears,
Acting Director.

FGS/PMH

506 Royal Bank Building,
Vancouver, B.C.

10th June, 1943.

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

Dear Mr. McPherson:

Re: Greater Vancouver Properties.

Mr. Justice Smith has apparently been very busy and has also been out of town.

The Committee did not meet on Wednesday, June 2nd, as I had anticipated, and I was therefore unable to have them consider matters in connection with the final steps in regard to our advertisement and catalogue etc.

I wrote fairly fully to the Committee and my letter was considered at a meeting which they held yesterday. While I have not yet received the written advice and recommendation from Mr. Durkee, he has told me that the Committee have approved of our suggestions with the exception that they recommend that properties should only be sold on a cash basis.

While this was perhaps our own original thought, we have felt that public interest would be much wider if offers on terms were at least not excluded. The offers could then be considered on their merits and undoubtedly offers for cash would receive preferential consideration.

I need not go into all the angles of this matter as it has been discussed with you. Both Mr. Wright and myself and in fact Mrs. McArthur and the Real Estate Agents all think that in the long run it would be more desirable to make the tenders optional.

Last week I did have an informal meeting with Alderman Jones and Kimura and they were in agreement with the suggestions which were made. Since the meeting I have asked Kimura if much discussion took place and he tells me that he and Alderman Jones introduced the matter of purchase by part cash and deferred payments on the balance but that

G.W. McPherson, Esq.

the Judge was quite emphatic that only cash offers should be requested. Kimura indicated to me that although he did not agree with it he thought it useless to stress the point and that in his judgment better results would be obtained by allowing the tenders to be optional.

After some consideration I telephoned Mr. Justice Smith to-day and would have called on him but he preferred to speak on the telephone and apparently did not think that any other recommendation needed further consideration. His idea is that we should try the sales out on a cash basis and depending upon the results a change in the policy at a later date could then be considered.

In view of this I take it that we should act upon this recommendation and we are therefore changing our advertisement where necessary. The advertisement will appear in the three Vancouver papers, the Victoria Times, the Victoria Colonist, the Nanaimo Free Press, Prince Rupert News, and the New Westminster Daily Columbian on Saturday week, June 19th and in each of the Vancouver papers on different days of the following week.

The first page of the catalogue will refer to our sales being without warranty etc. and on the second page will be printed a copy of the advertisement and I enclose a copy of these herein.

You will remember that you mentioned that a copy of the advertisement should appear in the Canada Gazette and I presume that you will take care of this at Ottawa.

Yours very truly,

F. G. Shears,
Acting Director.

FGS/PMH

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