

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

And again, another limitation is pointed out at page 11 of the same report, in connection with controlled companies, where it states:

Fees of the controller and liquidator have been paid out of the funds of the Vancouver office against collections of a corresponding amount received from the controller and liquidator out of the controlled companies' funds. We are informed that there are about thirty companies not yet liquidated, still under the control of Messrs. P. S. Ross & Sons. Our examination did not extend to the accounts of the controlled companies nor did we endeavour to obtain direct confirmation from the controller and liquidator, of amounts remitted to the Vancouver office of the custodian. . . In submitting this report we would point out that our work was mainly concerned with an examination of the books of the enemy section of the Vancouver office of the custodian and a general review of the accounting methods employed. We did not examine all of the numerous files maintained for individuals, and, therefore, we are unable to state definitely that all assets vested in the custodian have been entered on the books.

Then, Mr. Speaker, in the audit of Price, Waterhouse and Company of December 31, 1945, there are also several extracts which indicate the limitations on the extent of the audit undertaken. I am not suggesting that these are unusual limitations, but I point them out in case unwarranted inferences should be drawn from the fact that these accounts were, as we are told, audited. At page 10 of the report we have the following extract:

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

And then at page 19:

We made a physical test of the personal effects which are held in safekeeping in the vault. We would again suggest that these effects be held under joint custody. At present there are two custodians, either one of which has access to the compartment containing the effects, and we feel that for the protection of these individuals, two persons, one of which is from another department altogether, should be present when any of the effects are placed in the vault or removed therefrom, both persons initialing the record for each transaction.

And at page 23, in concluding the report the auditors say this:

In submitting this report we would point out that our work was mainly concerned with an examination of the books of the custodian and a general review of the accounting methods employed. We did not examine all the files (of which we understand there are now approximately forty thousand) and, therefore, we are unable to state definitely that all assets vested in the custodian have been entered on the books.

The matter of the administration of the property of persons of the Japanese race situated in Canada is an important and vexed one. Again there are problems presented by the reports. First, I would quote a short extract from the report of P. S. Ross and Sons, dated October 20, 1943. This is a report on the examination of the Japanese evacuation section of the custodian's office at Vancouver. This is what these auditors say at page 9 concerning the administration of the chattels seized in British Columbia from these persons:

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 warehouses, 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 belongings 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 upon their requests, and with the approval of the British Columbia security commission at the expense of the person making the request.