

The Dissolution of a Store, Part 5 of Community Records and the Human Experiences of the Dispossession of Japanese Canadians. By Eiji Okawa and Landscapes of Injustice Research Collective (eokawa.nikkeiplace@gmail.com)

What happened to Japanese Canadian businesses that were seized and liquidated by the government in the 1940s? How did the government handle corporate assets, and what were the experiences of business owners when their businesses that they had built and developed through years if not decades of hard work were taken away by the government?

To explore these questions, we will look at selective records from the *Morishita Family Collection* held at the Nikkei National Museum. The records pertain to the Ebisuzaki shōten (store), which in the prewar era was located on Powell Street in Vancouver. The store catered to the needs of the Japanese Canadian community by selling food, apparels and various household goods. By the time the war broke out in 1941, the store was run by Teiji Morishita and the Ebisuzaki family. For a discussion of the store, see part two of this series, “Of store and the community,” in November 2016 issue of the *Bulletin*.

The Ebisuzaki store, like other Japanese Canadian businesses, was seized by the government office known as the Custodian of Enemy Alien Property in 1942. A telegram from Kentarō to Teiji dated April 28, 1942, says: “Store seized by Custodian.” At the time, Teiji and the Morishita family were in Raymond, Alberta, while the Ebisuzakis remained in Vancouver.

In September of 1942, Teiji received a letter from Takaichi Umezuki of the newspaper, *The New Canadian* (MFC 2011.79.1.1.2c). This was the only Japanese Canadian newspaper that was permitted by the government to circulate after Pearl Harbour, and Takaichi was in charge of editing the paper’s Japanese-language sections. He had worked previously with Etsu Suzuki for the paper *Nikkan Minshū* or *People’s Daily*, which was closely connected with the labour movement of Japanese Canadian workers. As Roy Ito has put it, the *Minshū* was “devoted to improving the working conditions of the ordinary Japanese labourer” (*Stories of My People*, 121). During the wartime, Takaichi was part of a team of dedicated individuals who took on the daunting duty to produce the sole medium of mass communication for Japanese Canadians. Needless to say, they had to do so under a close watch of government censors. But the *New Canadian* provided a crucial forum for news, communication and political discourse among Japanese Canadians just as they were seeking ways to re-ground themselves in Canada after the merciless uprooting by the government.

So what was Takaichi’s letter about?

As it turns out, the letter written in Japanese had to do with how the *New Canadian* presented the status of the Ebisuzaki store as it was being dismantled by the Custodian. Takaichi enclosed two clippings from the paper along with a letter of apology. Why did Takaichi have to apologize? How did the paper tell the events that transpired at the store after its owners were forced to give it up?

—clipping 1—

Sep. 2, 1942.

Japanese properties: update on the assets held by those now living in Japan

Of the properties managed by the Custodian, those belonging to people who are in Japan are now being liquidated (sic, sorted out, *seiri* 整理). For instance, goods and inventory of the Ebisuzaki store, which went bankrupt, went on sale last week. The shipyard on New Castle Island near Nanaimo, Japan-Canada Savings (Nikka chochiku 日加貯蓄), and the Tamura building that houses the World Hotel are all being advertised for sale. But all this is because the owners are in Japan and their assets, as “enemy properties,” are being liquidated.

—clipping 2—

Sep 5 1942

Regarding the article on the Ebisuzaki store

In the article on the liquidation of assets held by owners in Japan, which was featured in the last issue, I wrote that the Ebisuzaki store “went bankrupt” (*hasan shita* 破産した). Regrettably, this expression may have left the impression that the business “went bankrupt” as the term is normally understood in Japanese, and this is due to the lack of discretion on my part. Instead of “bankrupt,” I should have written that the assets of the store were “being sorted out by the Custodian” (*kasutojian de seirichū* カストジアンで整理中). Along with this correction, I wish to offer my apologies to those who may have been affected by the article.

The problem, as we see above, was the use of terms. The clipping from Sep. 2 stated that the Ebisuzaki store went “bankrupt.” But in Sep. 5 a correction was made, and instead of “bankruptcy,” the store was categorized as being “sorted out” by the Custodian. To us, the difference between the two may seem unclear. There is only a fine line between the two terms, and we should recognize that it must have been a tricky endeavour for Takaichi to find appropriate terms to describe what the Custodian was doing. Its actions easily defied conventional business and governing practices, not to mention ethics.

But what was at stake seems clear enough: the “impression” (*inshō* 印象) of readers, or the image of the store in the public eye of Japanese Canadians. Going bankrupt implies failure, and the store being declared “bankrupt” by a public media would be demeaning to the store’s owners and managers. Let us be clear. The store did not fail. It was coercively closed down by a government directive, not because it was breaking the law or conducting illicit activities but simply because it was ran by people of the Japanese race. We need also to recall that the motto of the store’s management was “thin profit and thick trust.” The public image of the store was vital to its success as its managers worked painstakingly to earn the trust of the community and cultivate a network of clientele who shopped at the store. Bankruptcy was a misleading term. As

for the store's owner being in Japan, it referred to Masatarō Ebisuzaki, the founder of the store, who went to Japan before the war broke out.

Hence the correction was more than due, but so was a personalized apology to the people who ran the store. In his letter to Teiji, below, Takaichi explains why he used the term “bankrupt” (see **Image 1**).

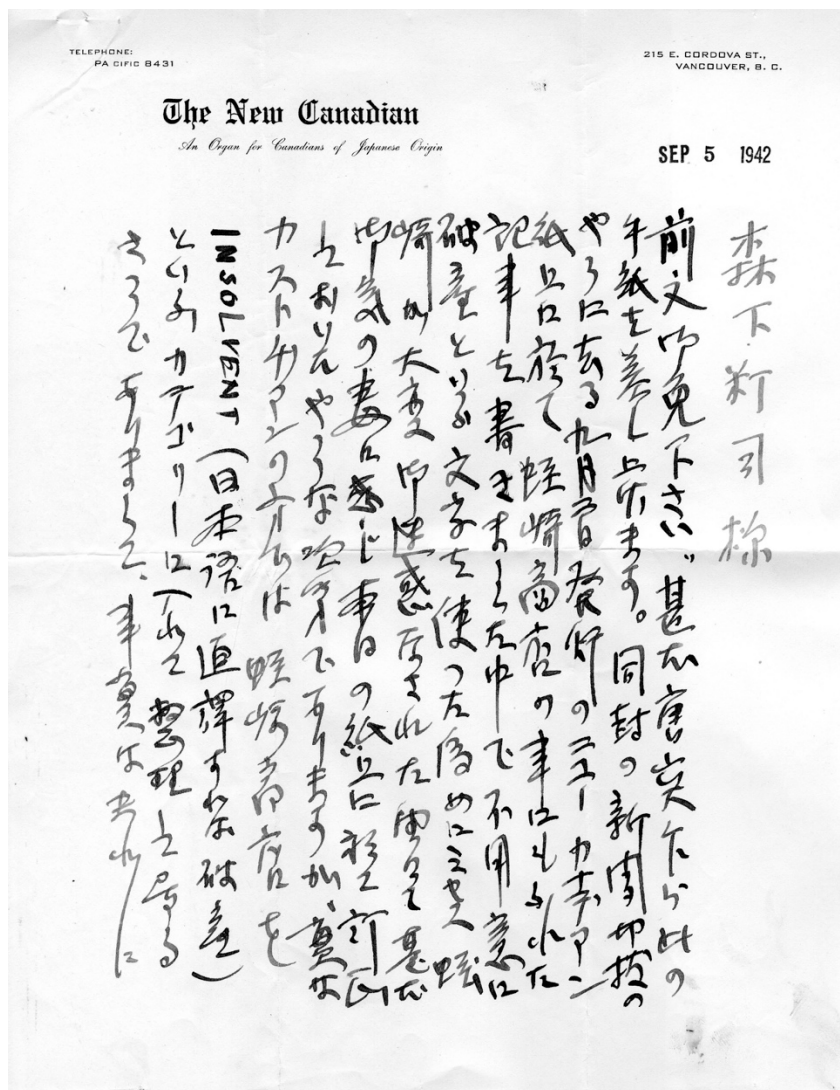


Image: Takaichi Umezuki's letter to Teiji Morishita, dated Sept. 5, 1942, written on a letterhead that says "The New Canadian: An organ for Canadians of Japanese origin." Note the term INSOLVENT in English on the left hand side of the page. NNM MFC 2011.79.1.1-2c-2

Dear Mr. Teiji Morishita:

Please excuse me for omitting a formal greeting, and my apologies for sending this letter all of a sudden. As seen in the enclosed clippings of the *New Canadian*, we featured an article that made a mention of the Ebisuzaki store on the September 2 issue. In it, we rather carelessly used the term, “bankrupt” (*hasan*). As we have learned, Mrs. Ebisuzaki

was deeply dismayed by that term. Therefore, we featured on today's paper (Sep.5) a statement of correction. However, if I may explain, the truth of the matter is that the Custodian has categorized the Ebisuzaki store as being "INSOLVENT" (in English with the note, "a direct Japanese translation of this term being *hasan*"). I think that categorization is not incorrect in and of itself. However, in the Japanese way the term "*hasan*" carries a negative connotation, and that is why Mrs. Ebisuzaki seems to be frustrated. She has emphasised that the term inappropriately offends you because as the person in charge of the store, you have dedicated yourself to the management of the business. Therefore, I am sending you this letter of apology, as per her wish. Please allow me to extend my regret that my lack of judiciousness has caused a great concern for Mrs. Ebisuzaki, and please do know that in the *New Canadian* we simply presented the fact with no other motives (*tada jujitsu o hōdō shitamade* ただ事実を報道したまで)...

Takaichi Umezuki

Indeed, it was a complaint by Hide Ebisuzaki (Masatarō's wife and Teiji's elder sister) that alerted Takaichi of the problem caused by the use of the term, *hasan*. At the same time, in spite of Takaichi's regrets for causing misunderstandings, he maintained his ground by asserting that he and his press were committed to presenting facts and truths. To be sure, Takaichi was in a difficult position. He had to report on the bewildering events that were unfolding at the time and do so under a suffocating pressure from the government. It was the government, to be sure, that defined the terms and processes of the dispossession, and Takaichi was merely reporting on what was happening. But we ought to ask, what were the "facts" about the Ebisuzaki store, and under what contexts did those facts manifest themselves? Without considering these questions, our grasp of the situation would be sanitized by the government's euphemism.

The following letter by Teiji written on August 28, 1948 shows us what it meant that the store had become "insolvent" or "bankrupt". Written in English to B. Good at the Custodian's office in Vancouver, the letter offers a glimpse of the problems and complexity of the dispossession of Japanese Canadian businesses by the government.

Mr. B. Good,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sir:

I telegraphed you asking you not to forward my funds to the Controller. I am sorry that I did not get in touch with you sooner. My inability to understand English fully and also working at logging camp, coming home on every second weekend, trying to build small house so that my family be alittle comfortable this winter, kept me so busy beyond my expectation.

After I bought my house, at 466 East Cordova St., Vancouver, B. C., I had to do a great deal of repair. This cost me quite a sum of money. I asked my nephew, Mr. Kentaro

Ebisuzaki, for loan at three occasions, the total of \$1000.00. Without his help, I would not have been able to make that house livable.

My nephew asked me several times for remittance. During the war, living on wages earned through the Dept. of Labour—Japanese Division—formerly of B. C. Security Commission—I was penniless. At times, we lived on maintenance of \$12.00 a month for each adult and \$5.00 for first child and less for additional children. you can imagine the family of eight living on \$40-50 income per month. I had to spend all of little savings I had. Furthermore, during the last two years, my daughter took ill and was in and out of the hospital. This required quite a sum of money. I have no money to pay back to my nephew.

I always did and still do consider him as part-owner of my house, since I can not pay him. I want to pay him back out of my funds you hold but you do not release it to me. Now you say you must pay the amount to the Controller.

You have liquidated or are still in the process of liquidating my business, M. Ebisuzaki Co., 337 Powell St., Vancouver, B. C.. You sold our merchandise and equipment at such bargain with such high cost. You say you have not enough fund to meet the creditors.

You mention nothing of collecting any of our account receivable which amounts to nearly \$10,000. I wonder if you ever put your effort to that direction. I sincerely wish you try your very best in collecting some of our accounts and try to meet our creditors.

I think it is very cruel for you, as a branch of our Government, to prosecute us to this extent. Now you are trying to meet creditors of my business with my personal money. Before you do this, I want you to pay my personal debts. I owe my nephew \$1000.00. (added in pen, <AND MR. MIYAMOTO \$100.00 U.S. FUNDS, T.M.>) Please pay him. Settle my personal debts first. All I have is held by you.

I asked my nephew to write to you direct from Toronto where he lives now.

Yours very truly,

Teiji Morishita

P.S.

During 1936, I borrowed from my nephew on three occasions,
\$500 on April 3, 1936
\$300 on July 10, 1936
\$200 on September 15, 1936.
for which I gave him a note dated September 15, 1936.

Teiji's letter indicates how he and his family were thrown into destitution as a result of government actions. Back in Vancouver they were probably comfortably middle-class, but now, as Teiji put it himself, he had become "penniless." Yet he had to build a new home for this family in preparation for the winter, a project that took much of his time. Let me note that it was two winters ago that he and his family had to survive a brutal cold front that hit Lemon Creek in March, 1946 without adequate clothing, because government officials refused to release money from his account to supply the family with new winter clothes that they desperately needed. His children, and he had six of them, were "going to school and kindergarten in old rags" because "Whatever we brought from the Coast three years ago, are worn out now (*MFC*, 2011.79.1.1.2g, see part one of this series in Oct/2016 issue of the *Bulletin*). The officials were fully aware of the hardship of the family, but they let the family suffer by denying them access to their own money. On that occasion, the account referred to the money that was generated by the sale of his home and which the government controlled. But there was a separate account for his business. Six years after the business was declared "insolvent" by the Custodian, Teiji had not received any money for it. In fact, we see in the letter that he was unsure as to what exactly had happened to the store.

Why was the government taking such a long time to settle the store's account? And why was Teiji asking the Custodian to forward money from his account to his nephew? The keys to understand how and why the store became "insolvent" lie in the answer to these questions.

Aside from Teiji, Kentarō and the Ebisuzaki family, and the Custodian, there were three parties involved in the dissolution of the Ebisuzaki store. The first group were people who owed money to the store, in other words, the store had accounts receivables. Second were creditors, which is to say people to whom the store owed money. These should not be surprising because having credits and debts is very much part of a normal course of business operation. The third party, however, is unusual. This is the Controller, which must have been a person or entity related to or within the Custodian that was vested with the authority to act as the director of the store's account. Teiji was writing the letter because he had received a notice from the Custodian that it was about to forward a considerable amount of the money from the account to the creditors. The letter was his dire attempt to stop that transaction.

As Teiji stressed, the Custodian did not try to collect the store's accounts receivables. Certainly, it would have been an awkward proposition for the Custodian to go after debtors on behalf of the store. Who, after all, would willingly pay the government the money they owed to a store? But apart from that, the problem may have been that a lot of the debtors were Japanese Canadians who were dispersed and displaced. Deprived of their livelihood and assets themselves, they were struggling to make ends meet. Under such a circumstance, is it be reasonable to expect them to pay their debt to the store? In fact, some did. All the same, the Custodian had no intent to absorb the store's debt, and to that end, it did not hesitate to allocate funds to pay the creditors. For the Custodian, the priority was to neutralize the store's financial standing. Once that was achieved, it could invoke a special law called the "winding up act" to wipe the business out of existence, which in turn would bring its custodial duty to end.

Interestingly, the Custodian recognized and protected the right of creditors, but business owners like Teiji were slammed from all corners. First of all, they could not run the business any longer, which stopped income. Then they had no means to collect their rightful accounts receivables. Yet they were obligated to pay their debts. Additionally, their inventory and merchandize were all sold off at a bargain. Can any business, back then or today and regardless of scale or scope, stay afloat under the duress of such an absurd set of restrictions? Not a chance.

Mrs. Ebisuzaki's frustration with the *New Canadian* was perfectly reasonable. The use of terms like "bankrupt" and "insolvent" to describe the situation is outright ridiculous. These words, with their seemingly self-evident factuality, obscure the violence done onto the store and divert our attention away from what actually happened: the store was put in a figurative chokehold by the hegemonic racist bully that was the Canadian state which destroyed it plain and simple.