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GENERAL EVIDENCE

THE JAPANESE PROPERTY CLAIMS COMMISSION.

B E F O R E

(THE HONOURABLE MR. JUSTICE H. I. BIRD - COMMISSIONER)

Vancouver, B.C.,

December 8, 1948.

Brown DVLA. 752- 771.
Patterson -do 771- 836
Dodding -do 836- 850

PROCEEDINGS ON APPEAL

(Pages 752 - 850)

The Commissioner.

Vancouver, B.C.,
December 8, 1948, 10:00 A.M.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Yes, Mr. McMaster.

RALPH WILSON BROWN, resumes stand:

CROSS-EXAMINATION BY MR. McMASTER:

Q Could I have the appraisal in Case 828? Perhaps I might proceed with my own copy meanwhile.

I am showing you the appraisal from Case No. 828, dealing with one of the parcels of land which were appraised in that file -- that is an appraisal made by yourself. Will you take a look at it and refresh your memory on it?

A Yes, I recall that.

Q I draw your attention, my lord, to the fact that the property is just a number of lots situated in Surrey Municipality on a good road, and the description of the district is this: There are some fair farms in the area. It speaks with regard to the water supply there; electric light now. Apparently the well does not go dry. There are certain buildings described. The house appears to be in fair condition, presently valued at $2,000.00, and various chicken houses; one of them was new and valued at $1,000.00 at present day value. Total present day value is $4,080.00. The value added to the land is $2,000. The house is described as habitable and in quite fair condition.

THE COMMISSIONER: For what purpose do you refer to the appraisal report?

MR. McMaster; I would like to refer to page 3. I want to deal with the question of the value of the buildings added to the farm.

THE COMMISSIONER: Yes.

MR. McMASTER: I refer your lordship to page 3 and the description of the property.

Q Now, witness, at the time that you made that appraisal, did you make any check at all on the income which this property was capable of producing with those buildings on it, and theland in the condition in which it was?

A No, I didn't get any figures on the revenue.

Q Did you make any estimate of what the income might be to an operator of those premises?

A I sized the whole situation up and came to a conclusion as to what I figured an average purchaser would pay for that property if buying on the open market.

Q Were you appraising this property from an agricultural point of view?

A Yes.

Q And do you say there would not be enough income from that property to support a home on it at $2,000.00? A: I didn't say that.

Q What do you say?

A No, I would say in my opinion the fair market value of these buildings here is stated in my report.

Q Will you answer my question? Would you say that an operator of those premises could not make an adequate income from the operation of that to maintain a home that was worth $2,000 on the premises? A: Well, as I have already stated, that is my opinion of the value, the fair market value of those buildings.

Q You have said that. Will you answer the question? Do you say that an operator of those premises would not be able to make sufficient income from those premises to justify having a $2,000 home on the property?

MR. HUNTER: The question is ambiguous. If he said a white or Japanese operator --

MR. McMASTER: Q: The kind of operator you had in mind when you made this appraisal.

A It was my opinion at that time that the buildings-- just give me the question again.

Q You say that the kind of operator you had in mind could not produce enough from this property to justify having $2,000 invested in a home on the property. A: I didn't think so at the time.

THE COMMISSIONER:

Q Have you had any reason to change your mind since, Mr. Brown? A: No, my lord.

MR. McMaster; Q: And do you say that the kind of operator you had in mind would not be able to get sufficient income from this property to justify him investing $1,000 in this new chicken house?

A The average operator, I think, would have been able

to pay the value that I placed on the land.

Q That does not answer my question, Mr. Brown. Would you answer it? A: I don't just understadd it.

Q Do you say that the operator that you had in mind in making this appraisal would not be able to get enough income from this property to justify the investment of $1,000 in the new chicken house that was on the property?

A I didn't think so, no.

Q How did you arrive at the value of the chickan house? First of all, the present day value as you show it here of $1,000.00.

A Well, that is the replacement value that you are speaking of.

Q Yes. A: The replacement value is usually --

Q Less depreciation? A: Yes, less depreciation. I usually allow so much per square foot for chicken houses, depending upon their condition.

Q How much per square foot did you allow in this case? Would you like to look at your appraisal?

A It usually ran around $1.00 per bird, or approximately 25 cents per square foot, and then there would be adjustments where it would not be that amount for a 2-storey building.

Q How much would it be?

A It would run from $1.25, possibly, to $1.50 per bird.

Q It would be more per bird on a 2-storey building?

A Well, you are taking it on the square footage, you see.

Q How much ~~w~~ per square foot?

A It would be somewhere better than 25 cents. It might be 35 cents. That is, you would add that additional amount for the 2-storeys; you would add the 25cents for the 1-storey and the additional for the second. The construction would not be as great where you have the 2-storeys.

Q How many square feet are there in that chicken house? A: There is 2200 ~~s~~quare feet.

Q Do you say that chicken house is suitable for the property, Mr. Brown?

A As a sideline, yes.

Q But you say it would not add its full present day value to the land, if the owner wanted to sell it?

A Well, just in conjunction with the other buildings; I figured that the market value of those buildings was as stated after sizing the whole situation up.

Q By the way, would you say that this prope rty was on the wrong side of the tracks?

THE COMMISSIONER: Just what do you mean?

MR. McMASTER: That is the phrase that I think one of the other appraisers used.

THE COMMISSIONER: It does not make any difference who used it. What does it mean?

MR. McMASTER: That it was in a very poor agricultural district, or a very poor district with regard to

poultry. A: No, I would not say that.

Q Would you say it was a good district for poultry raising? A: I would say it is fair.

Q Give me the appraisal in Case No. 65. I produce to you your appraisal in case No. 65, Mr. Brown. Would you just look over it and see if you remember it? Did you appraise that property from an agricultural point of view?

A I approached it from an agricultural point of view.

Q Why? I draw your attention to the fact there is in your report the statement there are four acres requiring heavy clearing at $300.00. The property is a mile and a half away from Mission, and you state this place at present can only be valued as a home of someone owning other land in the district, or working out.

A I also stated that the property could hardly be classed as a farm as yet. There were the potentialities of a farm there.

Q What was the -- you were appraising the potential agricultural value?

A No, I was appraising what I considered was the present day -- at least, what that property would fetch on the market at that time.

Q From what kind of a purchaser?

A The average purchaser.

Q Wishing to do what with the property?

A Well, he could develop it by clearing the land.

Q As a farm? A:As a farm.

Q If you had appraised it from the standpoint of a person who might be using, as you suggest, as a home in conjunction with other property or as a place to work out from, would it have made any difference to the amount you would have added to the land for the house on that property?

A Well, that time as I recollect it, there was not a big demand for houses. This was out sort of in the bush, and it was my opinion that was the fair market value of that property.

Q Would you answer the question, please? If you had approached that property from the standpoint of the person who wished to use it as a home out of which to work, or to work at some other farm, would it have made any difference to the value you would have placed on the building, if added to the land? A: Well, it is a long time ago. I didn't think it would have made any difference at that time.

Q At the time that you made that appraisal, Mr. Brown, did you ascertain the present day value of the building that was on there?

A Pardon me, the present day value?

Q Yes. A: I arrived at the value of the building by ~~o~~- the replacement value, by using the cubic contents method.

Q Yes. How much a cubic foot did you put on?

A I could not tell you that without referring --

Q What measuring rod were you using in 1942 when you

were making those appraisals?

A It all depended on the type of building, the type of construction. There were a good many factors to take into consideration.

Q The building had just been built, had it not?

A As I recall it, it was not finished.

Q Did you make any inquiry as to what it had cost to build? A: No, I didn't.

Q Did you make any inquiry as to how much the man had paid for the land?

A No, I didn't.

Q Were you aware of the fact he had purchased it fairly recently? A: Not at the time.

Q Did you consider that there was any timber in the uncleared portion of that land which was capable of sale, Mr. Brown, on a commercial basis?

A Usually the type of timber that was still on those Japanese properties was small and was hardly saleable at the time.

Q Do you recall this property, as to whether it had large timber or small timber on it?

A Unless it is stated in the report, I can hardly state that definitely.

Q What was the heavy clearing that you referred to that was going to cost $300.00 an acre?

A Well, where land has been logged off, you usually get some very large stumps, and that is what it would cost to clear.

Q What examination did you make of that uncleared land to ascertain what timber there was upon it?

A I went over the property.

Q Did you go all through the back part of the house, the whole four acres, to estimate the growth?

A I satisfied myself at the time as to the type of clearing, the type of wood that was on it, the brush.

Q My lord, I would like to refer to the case of Mitsuru Tanezaki which is a Toronto case. I have not been advised as to the number of the appraisal. Mr. Watson probably has it. Perhaps I may use my own appraisal and identify it by the case number later, My Lord. For my learned friend's information it is J.L.366. I produce to you, Mr. Brown, the appraisal which you made in that case of property situated at White Rock. Will you just refresh your memory on that?

A Yes, I recall that.

Q That property, Mr. Brown, is situated at White Rock, right in the Municipality, right in the town. Is that right?

A Yes it is right in White Rock, very close.

Q And it consists of three groups of lots that already been subdivided?

A Yes.

Q And those three groups of lots are not adjacent to one another?

A. No they are not all adjoining.

Q Well, none of the groups are adjoining.

A That is correct.

Q Did you regard that as an agricultural piece of land?

A. Could I see my report a moment please?

THE COMMISSIONER: Mr. Secretary, you have not yet had any list sent to you of the Toronto Claims with the numbers assigned.

Secretary: No

THE WITNESS: I state here I value that from an agricultural viewpoint.

Q From an agricultural point of view?

A Yes.

Q All of the groups of lots together only amounted to three acres.

A Yes.

Q Did you consider those three acres, scattered the way they were, would support buildings, added to the farm, at $700.00?

A Sizing the whole situation up it was my considered opinion that the fair market value of those buildings was $700.00, and the fair market value of the property, $1000.00.

Q Will you answer the question. Did you consider that that property, the three acres, scattered the way they were should be dealt with as a farm unit which would support a building of $700.00?

A I was not arriving at what the farm would support. I was trying to arrive at what that property would sell for on the market.

Q Do you suggest, or let me suggest to you that the property would sell better as subdivided lots for residential purposes than it would have as a farm?

A I didn't take that into consideration in my

valuation. At that time there was as I recall it very little demand for property of that description.

Q In the town of White Rock?

A In the town of White Rock.

Q Will you answer the question. Do you consider it would have sold more readily for residential purposes than it would as a farm unit?

A It is possible.

THE COMMISSIONER Q: There would be little prospect of three entirely separate and unconnected small parcels being developed from an agricultural point of view.

A They were fairly close together, My Lord. The street divided two of them.

MR. McMASTER: Your Lordship might look at the sketch which was attached.

THE COMMISSIONER: Well, they had been developed when the Japanese owned it apparently for agricultural purposes.

A. Yes, my Lord.

MR. McMASTER: Q: I draw your attention, witness, to your remarks on Page 3 of this report: " I valued the land from the agricultural standpoint.... $50.00 each". When you wrote that report, did you consider these lots could sell at $50.00 each?

A. When I made the appraisal, I appreciated there might be a value by the lot.

Q On those twelve lots you thought that value would be fifty dollars each?

A That is correct as far as I recall it.

Q Then you say that the remaining two lots 66' X 125' would be held at about $100.00 each. Was that your estimate of the value?

A Not the value from an agricultural standpoint.

Q Those groups of lots could have been sold for $800.00 for residential purposes.

A If there had been a demand for them. Similar lots were being held at from $50 to $100 a lot.

Q And you suggest there was not a demand for them in 1942?

A There was not a great demand.

Q Was there a demand for residential purposes right in White Rock?

A As I recall it, at that time there may have been a little demand but it was not very great.

THE COMMISSIONER: How many other similar lots were available?

A As I recall it my lord, there were quite a bit of land around that area at that time available.

Q Within the Corporate limits?

A Yes.

Q As this property was?

A Yes, my lord.

MR. McMASTER, Q: What enquiries did you make to ascertain that, Mr. Brown?

A I have no record of the enquiries I made, but after reading my report, my remarks again, I must have made enquiries there as to the value of what lots were held at in White Rock.

Q What enquiries did you make as to whether those lots were selling or otherwise?

A Well I presume I made enquiries at the same time.

Q You don't recall?

A All I say there is that lots were available which showed that the land was not all taken up. There was other land available there.

Q I draw your attention in the report you say, "Lots 9, 10, 11..... etc." I presume those are the lots which you say in the report were not suitable for residential purposes.

A They were not as well located as the other lots.

Q But from your remarks, following underneath, "The Japanese was trying to sell those lots for $1000.00" --where did you ascertain that information; from the Japanese himself?

A I don't just recall. Possibly from the Japanese himself, or from enquiries I made in the immediate district.

Q How did you arrive at the value of $100.00 an acre on this land?

THE COMMISSIONER: Will you hand me up the appraisal report please?

THE WITNESS: Ijust don't recall. I must have made some enquiries around there as to what land was selling at. It was close in and I took all the factors into consideration.

MR. McMASTER : Q: Were there farms in White Rock proper, in the town of White Rock similar to these farms

in 1942, other than this one?

A I am not just clear on the boundaries of White Rock Village, but there were other properties somewhat similar to this not far away.

Q Within how many miles or approximate miles from this property?

A I am just speaking from memory. I would say within half a mile.

Q When were you aware of PC 5523, the order in Council under which these appraisals were made?

A As I recall it, PC5523, if that is the correct number of it, was not published until sometime in July, if I recall correctly.

Q Did Mr. Barnet send you a copy of it?

A I think so.

Q But did you see it published in the public press?

A Now I don't recall it. I may have seen it at the time.

Q Do you recall hearing it discussed, prior to July 1st, 1942?

A Oh, I could not recall just when it was discussed or when I received it.

MR.MCMASTER: Could I have No. 478, please.

MR. HUNTER: My lord, this may not be of much use, but I am advised by Mr. Barnet that White Rock is not actually incorporated. It is part of Surrey Municipality.

MR. MCMASTER: Q: I show you the appraisal in Case No. 428-- I am sorry -- in 478, Mr. Brown.

A. Yes, I recall that.

Q And I draw your attention to the fact that that property was already subdivided at the time that you examined it.

A Yes.

Q Would you agree that 2.54 acres could hardly be classed as an agricultural unit?

A Well, that was the basis on which I appraised it.

THE COMMISSIONER: Where does this land lie?

MR. MCMASTER: It is in Mission, a quarter of a mile from the centre, located at the corner of Grand Avenue and 7th Avenue.

Q Now on the corner of that lot, or on the corner of those lots, as it appears from your appraisal report, there was situated a store with two gas pumps. Do you recall that?

A I do.

Q Had they been in operation as far as you observed?

A It was a very small store as I recall it, just a very small place, and I could not recollect now whether the gas pumps were in operation at the time I made the appraisal, but I have an idea that they were.

Q Yes, I think you state, "There is a service station and store on the corner, which....."

A I believe there were the three properties included.

Q And you say there are three gas pumps on the property which you did not attempt to value. Why did you not attempt to value them?

A I was appraising agricultural land, and the

gas pumps were not in my line of valuation.

Q And you consider they did not add any value to the agricultural land. Is that right?

A Well, I didn't feel that I was competent to value gas pumps.

Q I take it you gave no consideration in appraising this property to the possibilities of taking advantage of the existing subdivision and of the possibility of a sale of the agricultural land for the purpose of a store and gas station and the other lots for residential purposes?

A No, I didn't.

Q Why did you place a value on the buildings, added to the land, at $400.00, or rather added to the farm. You were appraising it from an agricultural point of view.

A. That was my idea of the fair market value of the buildings.

Q What did the store and garage add to the farm?

THE COMMISSIONER: Is there any purpose in pursuing this line of cross-examination, Mr. McMaster. It is obvious that this potentiality of this property was not valued. If it had not been valued solely for agricultural purposes, it is pretty clear to me those other potentialities should have been taken into account.

MR. MCMASTER: Q: If it was valued solely for agricultural purposes, I do not understand why he put any value on some of those buildings.

THE COMMISSIONER: That is a matter for argument later.

MR. MCMASTER: Q: I understood you to say, yesterday, Mr. Brown, that your instructions were to appraise agricultural land that was owned by the Japanese.

A Right.

Q I draw your attention to the appraisal in Case No. 597.

THE COMMISSIONER: You are not dealing with 921.

MR. MCMASTER: No,My lord. The secretary does not have it here.

Q Now this is a property which you appraised which consisted of .6 acres. Did you appraise that from an agricultural point of view?

A When I made the statement yesterday that I appraised from the agricultural point of view, that was my general approach to the problem. This property containing only.6 acres, I did not altogether appraise it from the farm point of view.

THE COMMISSIONER: It says so on Page 2; it is just a building lot, .6 acres, not an agricultural proposition, fairly close to Mission.

MR. MCMASTER: Q: If your instructions were to appraise only the agricultural lands of the Japanese, why did you appraise this property at all?

MR. HUNTER: My lord, that has been answered time after time. The agricultural lands were defined in the order-in-council.

THE COMMISSIONERS: I can see no purpose in flooding it with this kind of thing. The witness has made if very clear in his appraisal this is not an agricultural proposition. You see, there is

a great difference between the instructions upon which these men were operating and the terms of reference to me. I am required to determine what is the fair market value. That involves every possible potentiality that the property may have had but those men were not approaching it from that point of view; it is quite obvious. Mr. Brown appears to have restricted his work to agriculture even more closely than some of the other witnesses.

MR. MCMASTER: Q: If you are appraising this property from other than the agriculture point of view, can you explain why the value of the buildings, added to the property, should be less than the present day value of the building.

A. Well, sizing up this property, I considered that the fair market value was $1000.00 if put on the open market.

Q I draw your attention to Exhibit No. 2. In case 597, which is a snapshot of the buildings on this property. Is that a fair snapshot as you recall the premises?

A When I appraised that building there was only one coat of paint on it. This looks as if it had two or three coats, for one thing. As a matter of fact I can hardly recognize the house taken from that angle through the bush.

MR. MCMASTER: My lord, I am not sure if the date was brought out by Council.

Q Let me put it to you,this way, witness. If the house was as portrayed in that picture in

Exhibit 2, would you say that it would only be worth $900.00 added to the property?

A I can hardly answer that.

MR. HUNTER: My lord, this picture is very vague and only shows part of it through some trees. I think a conclusion reached would have no value, even if he did answer it.

THE COMMISSIONER: The question is distinctly hypothetical. Is not this a very unusual claim, Mr. McMaster?

MR. MCMASTER: I think there are quite a number of them, my lord.

THE COMMISSIONER: You think there are.

MR. MCMASTER: Not such small acreage.

THE COMMISSIONER: Was this property taken over by the Soldier Settlement Board?

MR. McMASTER: Yes, my lord, it was sold by them, or at least sold to them; $982.00 it was sold for, my lord, just slightly half-- just below the appraisal. That is all, my lord.

THE COMMISSIONER: Any re-examination?

MR. HUNTER: There is one question I might just try and find out. I don't know if the witness knows it.

Q In connection with that store and gas station, do you know if that also included their living quarters?

A Yes, it did.

THE COMMISSIONER: Next Witness.

MR. MCMASTER: My lord, just before we leave that point, I wonder if Mr. Brown might come back for a minute. This is case No. 478 which includes the store and gas station. Did I understand your

answer to be that in the back of the store there were living quarters?

A That is right.

Q In addition to that there was a shack on the premises?

A That is right.

MR. MCMASTER: That is all.

THE COMMISSIONER: Thank you, Mr. Brown.

(Witness Aside)

THE COMMISSIONER: Who is your next witness?

MR. BRAIDWOOD: I am proceeding now with the next appraiser, if your lordship pleases.

(Proceedings resumed after short recess)

MR. BRAIDWOOD: We are proceeding with with Mr.Patterson my lord.

THE COMMISSIONER: Is he a v.L.A.Appraiser, Mr. Braidwood?

MR. BRAIDWOOD: Yes, my lord.

JAMES DICK PATTERSON, being first duly sworn testified as follows:-

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q Mr. Patterson, what is your occupation?

A Supervisor of Farm Management.

Q Will you speak a little louder so his lordship can hear you.

A Supervisor of Farm Management.

Q Of what organization?

A Veterans Land Act and Soldier Settlement.

Q Would you give his lordship in your own words, some information as to your background in farm work and appraisal work.

A I was raised and brought up on my father's farm in Scotland, and came out to Canada in 1910. I worked for about three years on farms in Ontario--about one year there and two years in Saskatchewan. Then completed two years as a student in agriculture at the University of Saskatchewan, before enlisting in the first World War, and proceeding overseas in 1915. On returning from overseas in 1919, and about the beginning of June of that year, I joined the Soldier Settlement Board here in Vancouver as a field supervisor and was stationed at Kamloops and Nelson in the interior until returning or being brought back to the Fraser Valley about the beginning of 1920. I continued as a field supervisor, covering the municipalities of Coquitlam, Pitt Meadows, Maple Ridge and Mission and some of the provincial

territory just beyond Mission including Nicomen Island until being transferred to Victoria in 1931. I continued as field supervisor. Then from 1943 until I returned again to the district office in Vancouver in 1947, I was regional supervisor on Vancouver Island and the Gulf Islands. Insofar as my appraisal experience is concerned, I commenced appraising in 1921, I think it was, lands for the Soldier Settlement Board when they were then purchasing lands for the veterans of the First World War, and that phase of settlement and appraisal continued until that phase of settlement finished in 1924 or 1925. It was also part of my duties as field supervisor to appraise lands that reverted to the Soldier Settlement Board for one reason or another and while those were all put up for sale by public tender, as often as not they were sold by negotiations afterwards, so that I was fairly actively engaged in appraisal work and the sale of land, right along.

Q Can you give any information as to any other person or organizations for whom you did appraisal work, other than the Soldier Settlement Board?

A Yes, I also appraised for the Board of Review of the Farmer's Credit Arrangement Act, and also at times for the Department of Immigration and Colonization and for the Department of Defence.

Q Can you give any idea of how many appraisals you have made up to the present?

A I would say upwards of 500.

Q Now Mr. Patterson, you were one of the nine appraisers who appraised the Japanese lands; is that correct?

A Yes.

Q Will you tell us what you were trying to achieve when you appraised the Japanese lands?

A The fair market value of what those lands would sell for on the open market.

Q Will you speak a little louder?

THE COMMISSIONER: Yes, I can hear all right.

MR. BRAIDWOOD: Q: From what point of view were you appraising?

A From the agricultural point of view.

Q And what was your custom if the lands had a business or a residential value?

A As far as I recollect, very few of those lands had a business or a residential value.

Q What type of properties were they in the main?

A Agricultural properties in the main.

THE COMMISSIONER: Q; Did you take into account every potential use to which the property might be put?

A As far as I recollect my lord, in a few cases, comparatively speaking, yes, I think I did.

MR. BRAIDWOOD: Q: Mr. Patterson would you consider your appraisals to be conservative, or liberal?

A They were cautious, conservative appraisals.

THE COMMISSIONER: You are talking to a Scotchman, Mr. Braidwood.

MR. BRAIDWOOD: Referring again, my lord, to the list

of eleven cases, Mr. Patterson had one of those and I propose to have Mr. Patterson tell us something about this.

Q Mr. Patterson, you were personally on the Nabuto property?

THE COMMISSIONER: What number was that, 71?

MR. BRAIDWOOD: Ithink it is 71.

THE COMMISSIONER: Have you Exhibit 71 there, Mr.Watson?

MR. BRAIDWOOD: Yes, Exhibit 71.

Q The Nabuto Property is the second from the foot of that lande. When did you make that appraisal Mr. Patterson?

A On the 26th of May, 1942.

Q Would you give his lordship some general information as to your appraisal, the type of property and your views on it.

A The property contained 10.27 acres, located on a dead end side road in a hilly area about two miles or fully that, North West of Whonock. The buildings consisted of a log and rough lumber lined house about thirty years old and a barn and shed which was largely a shell; no inside fittings or floorings as far as I recollect and the buildingsonly had a nominal or salvage value in my opinion of $100.00. There were three rooms in the old dwelling and only a stovepipe chimney. The land totalled 10.27 acres, and four and one half acres under cultivation, situated on a rollin ridge and south slope which was cut up to an extent, and my valuation of the cultivated land

was $75.00 per acre, or $337.50 for the 4-1/2 acres under cultivation.

THE COMMISSIONER: Q: Seventy dollars, or seventy-five dollars?

A $337.50.

Q But $70.00 an acre?

A $75.00, sir. The remaining five and three quarters acre approximately was logged over scrub bush and stumps, very stony and I gave it a value of five dollars an acre, making a total of $366.35 for the land and $100.00 for the buildings, or a total for the property of $456.35. My description of the condition of the farm and the tillage at that time was a farm in poor condition and tillage only fair; that it had been occupied by the present owner--that was the Japanese owner-- for the last six years, but I understood that he had worked outside for quite an extent. I also stated it was a subsistence farm, soil not very suitable for small fruit or specialized farming and that it was somewhat weedy with thistles and couch grass; also that it was clay loam soil, hilly, cut up to some extent, and not very suitable for small fruit farming.

Q I notice from the typewritten copy of your report that I have here, that on page two of the report, the total added by buildings to the value of the farm is listed at $100.00, and at page one that figure has been carried forward

at $50.00. Can you explain that?

A The only explanation I can give for that since it is obviously-- in the total it is $100.00-- is that it is a typographical error.

Q That was not an intentional transposition of the figures there?

A No, whether it has been copied correctly or not, I cannot say.

Q What is your opinion of the fair market value of that farm at the time of your appraisal?

A That was the fair market value at the time of the appraisal in its condition and location as stated.

Q And is that still your opinion?

A Yes.

Q Now you are aware, I believe, Mr. Patterson that the farm was sold in August of that year at a higher figure.

A In August of what year?

Q In August of 1942, at a higher figure than your appraisal. How can you explain that?

A Yes, I believe it was.

Q Have you any explanation to offer to his lordship?

A My explanation would be that I have seen -- I have had an interview with the man who purchased the farm, and I understand that he is a veteran of the first war, and a pensioner, and he had been employed I believe in the City here as the driver of a milk wagon for some thirteen years or so, and found the going rather strenuous.

His health was failing and he decided he had to have a change and that it would probably benefit his condition if he took up a small place in the country. I don't think that he was very well acquainted with going values, and in any event, since he was apparently obliged to have a change that he possibly paid the full price of the property.

Q Is there anything else you wish to add, Mr. Patterson on that particular matter, with respect to this particular appraisal?

A I understand, in fact the records show that the Japanese was in arrears with his agreement to purchase the property, and that there was a foreclosure of the morgage, and that he had obtained $200.00 for a quit claim deed to the property, and that the agent who sold the property for the vendor, apparently only received $800.00 for the property, and not $1000.00 which I understand the sale price was.

THE COMMISSIONER: Let me understand you. If the Japanese quit claim the property, it cannot have been his when the custodian sold it.

MR. HUNTER: The custodian did not sell, my lord.

THE COMMISSIONER: I see; it was a sale by someone other than the custodian, subsequently.

MR. HUNTER: It is rather involved, my lord. Apparently the agreement for sale was from some one of the name of Marie Maserolle, and she got back a quit claim deed from the purchaser.

THE COMMISSIONER: Who was the Japanese?

MR. HUNTER: Yes, and then there was a deed to Menzies and a deed from Menzies again to the purchaser. It was a very involved real estate deal, I don't know what is behind it.

THE COMMISSIONER: It sounds like that.

MR. BRAIDWOOD: If your lordship wishes to pursue the matter, I can give you the numbers of the documents, the registration numbers;

THE COMMISSIONER: Unless the claimant counsel desires to pursue it, I don't.

MR. BRAIDWOOD: I will leave it then, your lordship.

THE COMMISSIONER: Q: In any case, it is your view, that if there was a sale of $800.00, it was an excessive price?

A I beg pardon?

Q Your view is that the re-sale even at $800.00 was an excessive price?

A Yes, in my opinion.

Q It was more than the property was worth?

A In my opinion.

MR. BRAIDWOOD: Q: I am producing to you another of those comparable sales forms. Was that form prepared by you?

A Yes.

Q Was that prepared in relation to the Nabuto property which we are now discussing?

A Yes, Sir.

Q And the material entered on this document was entered by yourself?

A Yes.

MR. BRAIDWOOD: Perhaps if we mark that now, my lord; yes, it is No. 85.

(DOCUMENT MARKED GENERAL EXHIBIT NO. 85)

THE COMMISSIONER: Before you leave this re-sale when did the Nabutos make the quit claim. Do you know, Mr. Hunter. Or deliver the quit claim.

MR. BRAIDWOOD: The 22nd of July, 1942.

MR. HUNTER: There was an agreement entered into on March 23rd, 1936 by Nabuto to purchase from Maserolle for $1000.00. By plaint dated May 7th, 1942, proceedings were taken in the County Court with respect to the agreement.

THE COMMISSIONER: That was in 1942?

MR. HUNTER: In 1942, yes, and apparently subsequently, although I did not find the document in the Land Registry office, it was quit claimed.

MR. BRAIDWOOD: There was a lis pendens on the 8th of May, 1942, followed by a release in June of '42 and the quit claim on the 22nd of July by K. and F. Nabuto in favour of Marie Maserolle on August 21, 1942.

THE COMMISSIONER: Alright.

MR. BRAIDWOOD: Mr. Menzies then obtained title from Marie Maserolle by certificate 152668 E, and then Smith by certificate of title 152669E.

Q. Now referring to Exhibit 85, Mr. Patterson, would you point out to his lordship, the information you have entered on there showing the comparison of this sale, Hidaka to Dirks.

A. Yes, this comparative sale from Hidaka to Dirks--

it was made in April, 1942 by the Japanese, or by Hidaka for $1000.00; whereas the Nabuto property-- the total acreage in the two properties was approximately the same; Nabuto 10.27 and Hidaka 10 acres; there half an acre more under cultivation on the comparative sale by Hidaka. First of all, perhaps I should have said that it was located 200 or 300 yards east of the Nabuto property with much larger frontage, cornering on two roads, The No. 3 and 25th Avenue, and therefore more conveniently located and with greater road frontage. The buildings were not as old, about 20 years and the dwelling contained six rooms.

MR. BRAIDWOOD: Excuse me, my lord, before we leave that. I don't know whether the Exhibit has been amended under the age for the Nabuto property. It would be thirty years, with the additional buildings, twenty years.

THE COMMISSIONER: I see that.

MR. BRAIDWOOD: Q: There was a typographical error in the first place.

A Yes, to the best of my recollection, yes.

Q Go ahead then, please.

A The building had electricity; that is the dwelling and there was also a barn which had a bath house and a small hen house on the Hidaka property and which I have already stated was well located, cornering in two roads, and it had more adequate and serviceable building than

the Nabuto property.

Q Yes, is there anything else you can add Mr. Patterson to your comparison between the two properties?

A Yes, the land was not quite as broken. It was a more uniform and less steep south slope,

Q Which land is that you are referring to?

A I am referring to the Hidaka property.

Q As compared to the Nabuto property?

A As compared to the Nabuto property. I think that is about all.

MR. BRAIDWOOD: That is all, my lord.

(CROSS EXAMINATION BY MR. MCMASTER)

Q While we are referring to Exhibit 85, Mr. Patterson, referring to the Hidaka property which is the one you say is comparable, what would you say the value of the buildings on that property added to the land.

A That is the Hidaka property?

Q Yes.

A I did not consider any separate value of the buildings from the property.

Q Surely you, having valued so many Japanese properties, you can advise his lordship what value those buildings would add from the agricultural point of view, to that land?

A No, because I had no occasion to value that property in 1942, the date it was sold.

Q But you are now saying that it was a comparable piece of property in 1942, and if it was com-

parable, and if you could place a value on the buildings on the Nabuto property appraisal, you could place the value on the buildings on the Hidaka property.

A No, I have no great recollection. While I saw them in passing in '42, I had no detailed knowledge of the buildings at that time.

Q But surely you have been out and examined them since, have you not?

A Yes, but I found that--well, I have local knowledge as to the buildings in 1942, considerable changes have been affected since, particularly on the dwelling house.

Q On the Hidaka property?

A On the Hidaka property.

Q So that when you say it is a much better house, you are using a conjecture, back into 1942.

A No, not entirely. As I say, I recall seeing the buildings driving past, and checking with the purchaser who bought it, who is still there, I have a fairly good idea of the buildings.

Q As they were in 1942?

A As they existed in 1942.

Q Surely you can advise the commissioner as to what value those buildings added to the Hidaka land at the time of the sale in April, 1942?

A No, I looked upon the property, and looking upon the property as a whole I could not accurately give an opinion as to the buildings separate to the land, in this case.

THE COMMISSIONER: You might approach it the other way, Mr. McMaster, the comparative value of the land of the two places.

MR. MCMASTER: Q; Well now, can you give us some idea as to how much an acre you would place on the land on the Hikada property on the cleared land first of all.

A Yes, I think I would have to give it a little higher value since it was better located on the road than the Nabuto property.

Q Yes, how much higher, how much an acre?

A Oh possibly around $100.00 an acre.

Q How much on the uncleared land?

A There again for the simple reason -- oh, possilby $10.00 an acre or a little better.

THE COMMISSIONER: Q: That would have been $550.00 for the land? A. There were ten acres there --- I beg pardon?

Q That would bring it to $550.00 for the land, five acres cleared at $100.00 and five acres uncleared at $10.00?

A Yes, my lord.

MR. McM ASTER: Did you consider that the Hikada place sold for its fair market value in April 1942? A. I beg pardon?

Q Do you consider that the Hikada place sold at its fair market value in 1942?

A Yes , I do.

Q Do you know anything about the purchaser of that property, why they bought it; why Dirks

bought it? A. No, I don't. I don't know why he bought it.

Q You are aware of the fact that the Japanese sales, which you are using as a comparable sale-- that the Japanese at the time it was sold was likely to be under notice to evacuate?

A Yes, I believe he had been trying to sell the property very strenuously.

Q Would you consider that an example of a willing seller? A. In that case I believe I would.

Q Were you unable to find any sales aroudd 1942 by Occidentals, Mr. Patterson?

A I didn't hear of any in that neighborhood.

Q What inquiries did you make in your recent investigation to try and find whe her there were or not? A. I made inquiries as we proceeded with those appraisals. I knew the district fairly well -- pretty well, I knew a great many of the property owners in it, owing to the fact that I had operated through it for ten or eleven years earlier and was therefore in a position to keep tabs on it fairly well, as the work progressed, in conjunction with keeping the job going.

Q What time are you talking about, 1942 or 1948?

A I am talking about 1942, and referring back to my previous experience in that district, back in 1931.

Q I am sorry. I am talking about 1948 when you

went out and saw this comparable property as you describe it. Was that in 1948 you took that one up? A. No, I have knowledge of that one in 1942.

Q At the time when you made the Nabuto report?

A Yes.

Q Why did you not mention it in your report?

A I did not relate it in that manner to the Nabuto property, I did not make much of a practice of mentioning comparable stuff in my appraisal reports. I may have done it in one or two cases, but it was not a general practice of mine. I know it was of one of the others.

Q Was it mentioned in your field notes?

A No, I think I am wrong in that, in that particular case, but I did have knowledge of it in 1942.

Q However, recently you have been checking up in the Land Registry office and other places with regard to both of these sales, is that right?

A Yes, in some cases we made rechecks.

Q Did you make any investigation in either the Land Registry office of the Municipal office as to whether property owned by Occidental people sold, anywhere near Mr. Nabuto's property around 1942?

A Would you mind repeating the question.

Q Did you make any inquiry in either the Land Registry office or the municipal office as to whether properties near Nabuto's place had sold in or around 1942? A. I believe I did so

in the municipal office but not in the Land Registry office.

Q And you did not find any occidental properties changing hands?

A Not at that time.

Q I draw your attention to the fact, Mr. Patterson, that first of all Mr. Menzies acquired this property of $1,000 as shown on August 7th,1942 . You say that the owners only got $800.00. Is that right?

A It would appear there that is what Maserolle got.

Q And it would appear likely that the other $200.00 went to the Japanese for the quit claim?

A Yes, sir.

Q Then immediately Mr. Menzies delivered -- Mr. Menzies sold it to Mr. Smith for $1,000, the same amount, when it was transferred to him?

A Practically at the same time; all one deal almost.

Q Has Smith made any improvement to this place since you were out? A. Yes, I believe he has.

Q What improvements did he make?

A I believe he put -- that he made some improvements to the dwelling and also to the barn and put a small, a very small poultry house on the place.

Q That is to the dwelling which you have described as having a salvage value only? Is that right?

A Yes.

Q He apparently disagreed with your opinion?

A He apparently was under the necessity of doing something to make the house a little more comfortable.

Q Where did you get that information from?

A Smith informed me to that effect at an interview, and I would think he would be under the necessity of doing so if he lived in the house.

Q Did he tell you how much he spent on the place?

A I think he intimated probably around $100.00 or so.

Q And did you inspect the premises to see whether his statement appeared to be carried out by the physical facts?

A I certainly did not carry out any inspection during Mr. Smith's tenure and would not be in a position --

Q But since Smith told you that he had spent about $100.00 on the place, have you looked at it?

A I have seen the house more recently but not from that point of view.

Q I draw attention to the fact Mr. Smith sold to Mr. Benman on November 1st, 1943, for $1500.00 ?

A To who?

Q Mr. Benman? A. Yes.

Q How do you account for the fact that Smith having only spent $100.00 on the place was able to sell it for $1500.00?

A Well,I told you he spent $100.00 or so on the house,

but he also improved the barn to some extent, and I mentioned that he had put on a small poultry house.

Q How much did he tell you he had spent altogether. I misunderstood you apparently?

A I think a matter of around between $200.00 and $300.00.

Q Let us assume he spent between $200.00 and $300.00. How do you account for the fact he was able to sell it for $1500.00 on September 1st,1943?

A He told me he considered he was very lucky in being able to sell it and probably the person who bought it did not know much more about it than Smith had when he purchased it. Also possibly there had been a little firmness in the market for property.

Q You suggest the market had become firmer?

A A little firmer. Perhaps that may have affected it in conjunction with other things. Smith said he had got out of it very well.

Q Do you know for what purpose Benman bought the place? A. No.

Q Now in your evidence referring to your appraisal of this property of Nabuto's, Mr. Patterson, I understood you to say that this was at a dead end side road? A. Yes.

Q Were you saying that in depreciation of the property? A. I beg pardon?

Q Were you suggesting that depreciated that property?

A Well, I was intimating that it was not very favourably located as to roads.

Q I refer to your appraisal where it refers to the property as having access to the main road. You refer to the fact it has 650 feet frontage on a fair gravel road, the No. 3 road. Why is there a difference between your comment in your appraisal report and the information that you gave just now. Why did you change the phraseology of it?

A Are there any further qualifying remarks in the appraisal, may I ask?

Q You have the appraisal ih front of you, have you not?

A Would you mind repeating the question, please.

(Question read by stenographer).

THE WITNESS: It is also is a fact, I think I was giving it everything that was coming, when I made that remark that you are quoting, Mr. McMaster. It is also a fact that it is on a side road and that road is a dead end road in a hilly area.

Q Now, I suggest to you, witness , that the value that you gave to the land in this appraisal was very high for that year in relation to say, other appraisals. In your appraisal you put $75.00 an acre on the land and I gather from what you said it was not very much of a farm.

THE COMMISSIONER: Are you complaining it was put too high?

MR. McMASTER: I want the opinion of the witness,my lord.

THE WITNESS: Perhaps I was a little generous, but I am fairly well satisfied, more particularly since I didn't object to giving $5.00 or so more for the cultivated land, and considering the cost of clearing land in this bush country; keeping the cost of bushland a reasonable price.

Q Whereas most of your appraisals were conservative you say that this one was generous?

A I think you said so, but I will agree.

Q I was taking it from your words. Did I not understand you.

THE COMMISSIONER: Is that not an inference for me to draw.

THE WITNESS: I am fairly well satisifed. I am satisfied with the value I gave him.

MR. McMASTER: Did you inquire as to whether the purchaser of this property took any crops off the land.

A Since he purchased in August, since most of the fruit -- the crop was small fruit -- no, he would not obtain any crop other than a few potatoes which I recall he said was a very poor crop.

Q How would you say, Mr. Patterson, that the values that you applied to land in the Fraser Valley, the Japanese lands that you appraised, compared with the values that the Farm Loan Board were putting on land around about 1941 and 1942?

A I would not know.

Q You had been doing some appraisals for the Canadian Farm Board Loan, had you?

A No, I cannot recall that I had. I don't think so.

Q I am sorry. I thought you said that you did.

A Not for the Farm Loan Board, no.

Q And did those 500 appraisals or upwards you made include the appraisals you made of Japanese land?

A I beg pardon?

Q You said you had done 500 or more appraisals. Did those include appraisals on Japanese lands?

A I am inclined to think that would boost the number I stated. I said upwards of 500. I think that would again be conservative.

Q How long had you been Regional Supervisor on Vancouver Island at the time that you were asked to do those appraisals?

A About four years, I think.

Q That was prior to 1942?

A No, that was '43 to '47.

Q You had a very short time between the contact with Mr. Barnett and the time that you had to commence the appraisals?

A Yes.

Q Just a matter of a few days between meeting Mr. Barnett on May 1st and when you actually went out appraising? A. Yes, if I recall.

Q And it was ten years since you had any experience in the Fraser Valley?

A Actually any official duties, you may say, although I have been through the Fraser Valley.

Q What steps did you take in those few days to establish a standard of values of land in the areas in which you were to make your appraisal?

A I contacted municipal officers, local real estate

agents and old established property owners, the few that I knew.

Q What municipal offices did you contact?

A If I recall Pitt Meadows and Maple Ridge.

Q Who at Pitt Meadows?

A The municipal clerk there.

Q The clerk? A. Yes.

Q Yes, and the municipal clerk at Maple Ridge?

A Yes, sir.

Q And what others, other than municipal officials?

A I knew Mr. Menzies very well.

Q Did you contact him?

A As far as I recollect I did, yes.

Q And who else? A. Well, he was operating pretty well through the district, including the municipality of Pitt Meadows. I don't recall whether I contacted Mr. Powell who also operated in that district.

Q Did you rely fairly heavily on Mr. Menzies' advice?

A No, not particularly. I have been operating there myself and think I knew my way around.

Q Did you feel you were quite familiar with market prices in 1942? A. I felt that I had taken the necessary steps insofar as I was concerned to make myself fairly --

Q In those few days that you had before you commenced your appraisals, did you examine any private sales of lands in any of the municipalities?

A There was not much land selling at that time and I don't just recall whether in driving around I

noted any particular private sales any more than we took or I took notice of sales, the few sales, that had been made by the department just about that time or previously and I think probably in my discussion of the matter with Mr. Menzies that he mentioned and I took note of possibly the odd sales that he had made.

Q And did you examine those properties before you began appraisals?

A No, not in detail, because I knew the district fairly well and had maintained my connection with it. I have property there myself.

Q Did your standard of values change from the first appraisal you made through to the last appraisal that you made as to the value of cleared land and uncleared land in the various municipalities?

A Only insofar as it would relate to the particular property and the condition governing that.

Q In other words some special features?

A Yes, the property did not change.

Q What about the values per acre?

A They vary on almost any property depending on the property.

Q Could I have the appraisal in 124. Just before referring to that case, Mr. Patterson, I suggest to you that you had in mind in making these appraisals as potential purchasers veterans?

A No.

Q THE COMMISSIONER: I assume you realized the possibilities that veterans might become the

ultimate purchasers from the V.L.A. or Dominion Soldiers' Settlement Board?

A I beg pardon?

Q I assume that you appreciated the possibility that veterans might become the ultimate purchasers in the event that the V.L.A. or the Soldiers' Settlement Board acquiring those properties?

A Well, I had not definite indication of that, my lord, other than that since we were asked to submit a statement in regard to the suitability of those properties that possibly some time in the future, if the properties came on the public market, that the Department might acquire them for that purpose.

Q That would be a reasonable assumption in view of the certificates you were asked to furnish?

A Yes.

MR. McMASTER: Q: I draw your attention to the appraisal in case No. 124, the comment on page 2 ; Home site and subsistence, no vegetables, etc., for a pensioner or locally employed veteran?

A May I look at this appraisal?

Q Yes. Just explain why you used that particular phrase? A. The question was what?

Q Why you use that particular phrase. Why did you indicate those particular types of persons for that property?

A I think I was merely typifying the type of purchaser, not necessarily a pensioner or a veteran.

Q Or a war veteran? A. Not

necessarily -- who might be interested in that small acreage.

Q Why did you use the phrase then. You are suggesting war pensioneers and weterans are typical settlers? A. No, in our Soldiers' Settlement work for some years prior to these Japanese appraisals and during the more difficult years, the thirties, we had done some investigation work and one thing and another for the war veterans allowances in the district, as we went around and since I had seen some establishment of individuals of this type I think I use that phraseology just to make it plain to the department, that type of purchaser, but not necessarily a veteran or a pensioner or a veteran any more than a civilian.

Q I draw your attention to the value you place on the uncleared land which is 1.1 acres of uncleared land; that is at $100.00 an acre. Is that correct?

A Yes.

Q And the property as it appears on here at approximately 280 feet frontage on the Lougheed Highway at the north?

A Apparently.

Q Was it your experience in 1942 when you made that appraisal, Mr. Patterson, that uncleared land on the Lougheed Highway was selling for $100.00 an acre? A. Not in all cases; certainly not in all cases.

Q Did you take that to be a fair price for uncleared

land with that much frontage on the Lougheed Highway; would that be fair?

A Not in all cases by no means.

Q That is property in district lot 278?

A Not, even in property in 278.

Q You think there might be a difference?

A Yes, I do!

Q Could I have the appraisal in case No. 877, please. I show you this appraisal in case No. 877. Could you advise the Commissioner how close that property is to the property in case No. 124.

A It is in the near vicinity, across the road, not necessarily directly.

Q It could be within a matter of a few hundred yards?

A Yes, I think it probably were.

Q And across the road?

THE COMMISSIONER: The sketch shows the plan of the property.

MR. McMASTER: I beg pardon?

THE COMMISSIONER: The sketch on 124 appraisal report shows the property --

MR. McM ASTER: That is correct?

THE COMMISSIONER: One lot to the west and across the road.

MR. McMASTER: Yes.

Q I draw your attention to the fact that in case 877, that property has a frontage both on the Lougheed Highway -- 200 feet on the Lougheed Highway and also if you look at your sketch it had frontage on the Power line road at the other

of the property?

A Yes.

Q In view of the value of $100.00 an acre for that uncleared land in case No. 124, how do you explain that uncleared land in case No. 877 is only $100.00 an acre according to your valuation?

THE COMMISSIONER: May I have your question again?

MR. McMASTER: In view of the fact that the uncleared land in case No. 124 is valued at $100.00 an acre, how does he explain his value of $100.00 an acre in case No. 877 on cleared land?

THE COMMISSION: Land under cultivation.

MR. McMASTER: Yes. Situated very close.

THE WITNESS: I think there is not quite the frontage. I note it states that it has fully 200 feet frontage as again I think 280, is it?

Q Yes, that is correct.

A And I point out in my remarks that the prpperty -- I draw attention to the fact that the property is well situated on Lougheed Highway and the Power Line road one mile from Hammond and three west from Haney. I also state that although I only appraise it $430.00 from a productive or agricultural viewpoint, I am of the opinion that owing to its fairly good location this property would sell fairly readily at $500.00 or better.

Q When you say it would sell for $500.00 or better, were you not referring to the agricultural point of view? A. I had that point

of view in my mind in this property which had a total acreage of 4.3 .

Q If you considered that the property would sell for $500.00 why did you appraise it at $430.00?

A In view of its location, as stated in the report, I was indicating that possibility, the potentiality of a little higher value which would bring it more in line with the --

Q With the fair market value?

A Well --

Q Is that right? A. Well, no. In my opinion the fair market value at that time was $430.00.

Q Although you thought that the property should sell fairly readily at $500.00?

A It had a potentiality I thought .

Q You say that is what this means, "Should sell fairly readily"?

A Yes, that is that it might; it had that potentiality. I was indicating that to the department.

Q Do I understand the difference between the values per acre that you placed on this property, and the property in case No. 124 was because the property in case No. 124 had 80 feet more on the Lougheed Highway. Is that it?

A In conjunction with what I considered possible potential value.

THE COMMISSIONER: We will adjourn now.

(PROCEEDINGS ADJOURNED TO 2.00 O'CLOCK)

I hereby certify the foregoing to be a true and accurate report of the said proceedings.

Deputy Official Stenographer

2: 00 P.M.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

JAMES DICK PATTERSON, resumed stand and testified further as follows:

CROSS-EXAMINATION CONTINUED BY MR. McMASTER:

Q Mr.Patterson, before we adjourned at noon, we had compared two pieces of property on the Lougheed Highway, one in Case 124 and the other one 877. In Case No. 124 you had placed a value of $100 an acre on uncleared land, and in Case No. 877, you had placed a value of $100 an acre on cleared land in crop, and as I understood your explanation it was in part, at least, that the first parcel had a 280 feet more frontage on the Lougheed Highway than the second parcel, is that correct?

A Yes, but that wasn't the whole reason for it.

Q That wasn't the whole reason for the difference in the value? A: No.

Q What were the other reasons, then, if I have overlooked them? A: I just didn't get your question quite clearly.

Q Well, you were appraising two pieces of property fairly close together on the Lougheed Highway, across the street from each other, practically, In the one case the property was uncleared and you placed a value of $100 an acre on it. In the other case, the property was all cleared and under cultivation, and you placed a value of $100 an acre on it. The first property had 280 feet frontage on the Lougheed Highway, and the

second property had 200 feet frontage on the Lougheed Highway. Now, I want to know the reason why there was the same value placed on those two pieces of land. A: Well, the parcel with the 200 feet frontage had a total --

Q Of four acres? A: -- of over four acres, as I recall, and was a long, narrow parcel. The other parcel was a more compact parcel of just about an acre, or fully that, if I recall, and had the better frontage, and was possibly more attractive as a homesite to the average purchaser than the other, which was more of a small farm.

Q Did you give any emphasis to the fact that the second property -- the third property also had frontage on the Town line road? Would that not make it valuable, that portion facing on the Town line Road? A: That wasn't quite as important.

Q In your opinion, that would not counter-balance the other factors?

A Counter-balance what?

Q Counter-balance the other factors that you say make up the difference?

A They both equalized out in that way, and more particularly since I indicated that there probably was a little more potential value to the other parcel.

MR. McMASTER: Now, could I have the appraisal in Case No. 885, please?

Q You state the frontage on the Lougheed Highway added

value to the property, did you?

A Depending on the location of the individual property, and just how it might affect the value of the average purchaser.

Q You are familiar enough with the District of Maple Ridge to know that District Lot 222 is adjacent to District Lot 278?

A I would like to see it on asketch, or a map, or something.

Q May I see Exhibit 83, (producing).

MR. BRAIDWOOD: There is 278 there (indicating).

MR. McMASTER: Yes.

Q Now, actually District Lot 222 is a little closer to Vancouver than 278?

A Yes.

Q Is it about a mile along the Lougheed Highway?

A Not quite. It is within the mile.

Q I draw your attention to the appraisal in Case No. 885. That is property with 380 feet frontage on the Lougheed Highway. How would you say that that property should compare with the property in Case No. 877, the second case we referred to this morning?

A Which case is that we are referring to?

Q The east half of "B", D.L. 278.

A What is the number? I am just looking at the map. Which is this?

Q I am just referring to the land, Mr. Patterson.

A They are fairly close together.

Q It should be the same type of land, shouldn't it?

A There might be some slight variations, but not a great deal, as far as I can recall at the moment.

Q Now, I point out that the property in Case No. 885 is more copact than the property in 887. It isn't as long and thin, is that right?

A What was the frontage, again?

Q In 877. I am sorry, I gave the wrong number a minute ago. In 877 the frontage was 200 feet and in 885 it was 380 feet.

THE COMMISSIONER: What is the acreage of 885?

MR. McMASTER: 4.148, my lord.

A That is about 100 feet difference, yes.

Q And the acreage of the two lots is about the same?

A Yes.

Q Now, you valued the cleared land in both cases at $100 an acre. Can you explain why those two properties, with that frontage, makes any difference as having the same value cleared?

A In the case of the one further east -- I don't remember your numbers.

Q 877, is it, the long one?

A Well, I know them from this number here, you see, (indicating).

Q Which one? A: The 72 and 182, because that is the identification on the map.

Q Unfortunately, the Commissioner has to identify them too. This is Case No. 877.

A Yes.

Q And this is No. 885, (indicating).

A Yes, I have it now.

Q Now, in view of the difference of 180 yards more frontage in Case 885 --

THE COMMISSIONER: Feet, was it not?

MR. McMASTER: Q: Feet, I am sorry. -- frontage of 885 on the Lougheed Highway, how do you explain the value at the same value?

A Well, there is statements of -- what is this number?

Q That is 887. A: There is a severance of 887. That is a small parcel, severed south of the highway, and also, whilst the other parcel has only the one frontage on the highway, practically speaking, and none on the other road at all, the power line road, which the first mentioned parcel has.

Q Now, you say that the difference is because 877 has a portion across the highway. Approximately one acre portion, is it?

A No, I don't think it is quite an acre. It is about that, going on my memory. It is mentioned in the appraisal, I think.

Q It is shown on the sketch there.

A You can't size it up from the sketch. I think I mentioned approximately how much it is. I think it is approximately an acre.

Q Wouldn't that one acre on 877 compare very closely with the acre right next door to it, which was Case No. 124, Sukaki?

A Well, of course, it appears to be cleared land I have on the sketch. There is a matter of

drainage comes in there, I think, too, and that possibly when I appraised these properties that the land here wasn't quite as good in this case as in that case, (indicating).

THE COMMISSIONER: Now "this case" and "that case" does not mean very much. What are you referring to when you say "this case"?

MR. McMASTER: Q: You mean 877, do you?

A You are now comparing 877 with something else?

Q With 124, yes. A: Yes.

Q We are now comparing the one acre portion approximately, with what you -- what would that be, the south side of the road?

A The south side of the road.

Q The south side of the Loggheed Highway, with the one acre portion, approximately, in case 124. In Case 877, the one acre portion was cleared and cultivated. In Case No. 124, the one acre portion was uncleared, and according to your statements would require $40.00 to clear it.

A Well, this portion --

Q That is in 877. A: -- is located a little closer, not only to the beer parlour, my lord, but also to the crossroad here. This is comparing these two (indicating), isn't it?

Q Yes. A: Then this portion has, and I think possibly my conclusion at the time I appraised these parcels very carefully, was it had a little better drainage, since there was better access to drainage on the crossroad, and

had just a little deeper soil. There is there a sort of local hard pan, which varied in that area, which had quite an affect on drainage. I took that into consideration, I think, in making those appraisals, and tried to equalize them, as well as I could, on a very close inspection.

MR. McMASTER: May I have the appraisal, please, in Case No. 1123, Mr. Secretary?

THE SECRETARY: I am sorry, that is with the Custodian, Mr.McMaster.

MR.McMASTER: Case No. 1123, my lord, is an Ontario case, Kato. I will use my own appraisal from.

Q Now, I show you the appraisal in Case No. 1123, Mr.Patterson.

MR. McMASTER: My lord, this is situated at Whannock, about one mile from Whonnock. It has direct access to public roads (reading).

THE COMMISSIONER: What is the acreage?

MR. McMASTER: The acreage is 3.50 acres, cleared and in small fruits, (reading).

Q Now will you explain in this case, Mr.Patterson, why you reduced the present day value of the buildings from $400.00 to $300.00?

A After carefully examining the property, $300.00, in my opinion, was a fair market value of the buildings.

THE COMMISSIONER: Q: The land and buildings, is it?

A I beg your pardon, sir?

Q Land and buildings, $300.00?

A The buildings only, my lord.

MR. McMASTER: Q: You mean the fair market value of the buildings where -- added to the farm?

A To the property as a whole, and what an average purchaser would pay.

Q You were of that opinion, despite the fact that you were advised, as appears on page 3, that the place had been rented for the current year for $500.00 odd?

MR. HUNTER: $450.00, you said.

MR. McMASTER: $450.00, I am sorry.

A Yes, $450.00.

Q For the current year, including the crops, and the right to renew at $225.00.

A Yes. I didn't attempt to value the crop, because it had been arranged for, or sold, and I took no cognizance of that in the value of the property.

Q Did you consider an annual rental of $225.00 was excessive, or reasonable, or too low?

A I didn't give it any consideration, very much. I think from what I remember of my impression, I think if I recall I saw that tenant either on that property or in the neighbourhood. What date was that appraisal?

Q June 20th, 1942. A: And from what I recall of the weather conditions at that time, I think he wasn't very optimistic about his rental, and certainly, from what I know of small fruit crops and the weather conditions of that year, I wasn't optimistic.

Q You are talkigg of that year. I was asking you

whether $225.00 a year, irrespective of the crop, would be a reasonable rental for the place?

A I didn't give the matter very much consideration at all, for the reason that I state.

Q Because that was, you considered, a poor berry year? A: I didn't think it had very great value on the valuation of the property at that time.

Q You don't think that a place that would rent at $225.00 a year would be worth more than $552.05?

A I am sorry, I don't just get that question.

Q You don't think that a place that would rent at $225.00 a year, would be worth more than $552.05?

A Is that the valuation?

THE COMMISSIONER: Is that not merely an option?

MR. McMASTER: It is a right to renew, my lord. I was trying to get the witness to say whether or not this was a reasonable rental, and his answer appears to be he didn't think rental had anything to do with the matter.

THE WITNESS: I didn't pay much attention to the rentals on these properties, because, as I have intimated, that tenant seemed to be in a mess, and it seemed to me that was the general situation as affecting the tenants on these properties at that date.

MR. McMASTER: May I have the appraisal in Case No. 634, Mr. Watson, please? Never mind that one. I have dealt with that point before. It is a case of Mr. Virtue's, which I asked for.

THE SECRETARY: Case 695?

MR. McMaster; 695. Have you the appraisal there, please?

THE COMMISSIONER: What is this, the Tanaka property?

MR. McMASTER: No, my lord, it is Nashima.

Q Now, I draw to your attention the appraisal in Case No. 695, Mr.Patterson.

A Yes.

Q Now, at page 3 of that report, witness, you state that the property is well located, (reading). Now, how do you explain your opinion that that would probably sell for 2 or 3 hundred dollars more than your valuation, with the statement that you valued the fair market value of this property?

A In view of its location, and that it was a corner property. I was indicating, as I think I have already mentioned in another case or so, that that property had the possibilities of potential value a little above my appraisal. That was the idea I was conveying to the Department in that regard.

THE COMMISSIONER: Q: That is to say, if the other potentials were taken into account, other than agricultural? A: I was taking into account possible potential value in that case owing to the rather favourable location of the property and the fact it was already in two 5-acre pardels, my lord.

MR. McMASTER: Q: Were you suggesting by that that this property had a value other than an agricultural value, Mr.Patterson?

A I wouldn't go very far in that. It was closely related to agricultural value, because I don't recognize, as I think I stated this morning, residential value. These were agricultural properties.

Q When you suggested it might sell for 2 or 3 hundred dollars more, did you have in mind its use for some other purpose?

A No.

Q It was for agricultural purposes?

A Yes.

Q So that, you were suggesting it would probably sell as an agricultural unit for 2 or 3 hundred dollars more than your appraisal?

A Yes, but to the purchaser -- the average purchasers of that kind of place will recognize -- well, will be more favourably impressed with certain properties in certain locations, more for homesite locations as well.

Q In other words, that difference represented the difference in location, did it?

A No. It represented largely the fairly favourable location of that property, and it was in two parcels and on two roads.

Q What did this difference of 2 or 3 hundred dollars represent? A: The possible potential value of that property, as compared to properties in that neighbourhood that didn't have the same favourable location.

Q When you valued a piece of land, didn't you take into consideration its location in fixing the

value? A: I think that is what I was trying to show.

Q Did you, in your appraisal of $100 an acre for that land, take into consideration the location of the premises? A: Yes.

MR. McMASTER: Now, I would ask for Case No. 356, Mr. Secretary, please.

Q Baker Road is 17th Avenue, is that right?

A That is right.

Q And that would be one block west of the property we have just been speaking of?

A I beg your pardon?

Q That would be one block west of the property we have just been speaking of?

A It is just dependent on what you speak of as a block.

Q I mean street, I am sorry. The other is 18th?

A Well, if I saw themap or the sketch I could probably determine it. It isn't a city block.

Q No. The property in 695 is at the corner of 18th Avenue and the Dewdney Trunk Road.

A Yes.

THE COMMISSIONER: I notice you describe one as three miles from Dewdney, and this property is two and a half miles from Dewdney.

MR. McMASTER: Q: This is the property we have just been discussing, Mr. Patterson, (indicating)?

A This one?

Q Yes. A: But what is the question?

Q I show you the appraisal in Case No. 356. That is at the corner of the Dewdney Trunk Road and Baker Road, or 17th Avenue, is that right?

A Yes, that is right.

Q I would like you to just look at that, please. I draw your attention to the fact that you appraised the cleared land in that case at $160. an acre, and the cleared land in the previous case, 695, at $100 an acre. Now, can you explain the difference in their value?

A Yes. In this case, this property is half a mile or so closer to Haney, with a school across the road, the Alexander Robinson School. I just forget whether there is a store there, or was at that time or not, kitty-corner to it. There certainly is now. I think it was there at that time, and in all these cases, even within half a mile, I was in a position to know the property and at this corner the going price was a little more than further up the road.

Q You suggest the difference is $60. an acre on cleared land? A: Since there were three parcels here, two of them were an acre and a half each, and one fully an acre, which was already sub-divided, I felt justified. That was my opinion of its fair market value.

Q I draw your attention to page 3 of the report on 356, where you state, (reading). Can you explain why, if you thought the property might sell readily at $100 more than your valuation, you valued

it at the figure you did?

A This is in relation to the previous appraisal that we were considering and is already indicated, I think, in what I have already said, that it was even a little more favourable, or that it was in relation -- one was in relation to the other, and my considered opinion, from my pretty good knowledge of the area, was that that was the fair market value, indicating again a little potentiality.

Q Where did you get the knowledge from as to the value of property in that area?

A From my previous experience and contact, and having owned property in the neighbourhood myself, and I lived not very far away.

Q And that was ten years before?

A Yes, but I owned property in the interval --

Q Did you still own any of it?

A -- and had certain interests up there.

MR. McMASTER: Could I have the appraisal in Case No. 1148, please?

Q Now, I draw to your attention the appraisal in Case No. 1148, Mr. Patterson. I think, for the purpose of my questions, I won't be unfair to you if I draw your attention to the fact that you appraised for 4.92 acres of uncleared land at $49.20. A: An acre, yes.

Q And I draw to your attention the statement at the top of page 3, that the Japanese had purchased it three years before from the Municipality as reverted tax sale land for $100.00. Did you take

that information into account in arriving at your value? A: I must have, since it was on the appraisal.

Q And did it have any effect on the value you put on the land? A: No. There again, in my considered opinion and knowledge of that property, which lies directly north of the one you referred to just there, and since it hadn't been further developed, as far as I recall, since purchase, that was my considered opinion of its value on the open market at that time.

It wasn't very well located, although it did lie immediately north of the previous one.

Q Now, witness, the claimant has made a sworn statement before the Commission that 9.2 acres of that land was cleared.

THE COMMISSIONER: There are only 4.92 acres in it.

MR. McMASTER: .92 acres, I am sorry, my lord.

Q That approximately one acre of land was cleared.

A What was the acreage on the property, Mr. Mc Master?

Q The total acreage is 4.92.

A Didn't I understand you to say 9.2?

Q .92 acres, the claimant says, is cleared.

A If I may see my appraisal again? I don't think I saw any cleared land. The property consists of 4.92 acres according to my description, and it is also noted on the sketch that there is a lot of over scrub bush, and it is also noted "Municipality of Mpale Ridge reverted tax sale

land, no clearing."

Q Is there any possibility of your having overlooked the clearing of an acre of land on that parcel?

A I don't think so.

Q Have you your notes on this particular parcel?

A Yes, I kept notes.

Q Have you still those?

A I believe I would have them on that parcel.

Q Perhaps you would be good enough to produce them to my learned friend, so I can see them.

MR. McMASTER: May I have case No. 956?

MR. BRAIDWOOD: My lord, this is the eighth appraisal which my learned friend has referred to. Unless he is going to establish some new point here, I don't know how long we are going ahead with this sort of thing. These cases are coming up, in any event.

THE COMMISSIONER: That is for your friend to determine, in any event. We all have to suffer under it. I have asked counsel not to protract this business unduly.

MR. McMASTER: Q: Witness, I show you the appraisal in Case No. 956, and page 3 I draw your attention to the first pragraph.

MR. BRAIDWOOD: My lord, I believe this is one of the category cases. I would like to point that out to your lordship.

THE COMMISSIONER: Well, if it is I do not propose to deal with it now.

MR. McMASTER: I thought I had eliminated the category

of cases, my lord. If it is, I don't propose to deal with it.

A Toronto case, my lord, I don't believe that the Secretary has yet received a copy of it.

THE COMMISSIONER: What is the name of it?

MR. McMASTER: Shogu Omura, my lord.

THE SECRETARY: That is with the Custodian?.

MR. McMASTER: Have you the case number?

THE SECRETARY: Yes. I will have to get it from the office.

MR. McMASTER: Q: I would like you to look at that appraisal, Mr. Patterson?

A: Yes.

MR. McMASTER: This property, my lord, is situated about a mile and a half from Hammond. (Reading appraisal).

THE COMMISSIONER: What is the agreage?

MR. McMASTER: Four acres cleared and in crop of small fruit. One acre uncleared. At page 1 the appraiser says, (reading).

Q Now, is the sale that you referred to of the property east of this property the sale by K. Ito, referred to in Exhibit 82 the other day, as the comparable sale? Mr. Patterson?

A Yes, I believe it was that case that came up the other day.

Q And did you consider this property to be comparable with Ito's property?

A To a degree.

Q Did the fact that Ito's property sold for $3000.00 have anything to do with your placing a value of $3000.00 on this property?

A Not directly, if that is what you mean, but I took cognizance of that sale, naturally, since it was mentioned there, but it certainly didn't mean that I just simply put the same value on this property for that reason.

Q And you are not very definite as to whether the properties were comparable?

A I said to a degree.

Q Yes. Now, you say that the value of the buildings and these improvements by way of ornamental trees and shrubs and flowers at the front of the house, in your opinion in relation to the production value of the property and its surroundings is $2600.00. What estimate did you make as to the production value of this property?

A Actually, I don't think I made any. That term "production" in my mind isn't a very good expression there at all, and in my mind it is definitely related to the fair market value.

Q Now you used the expression, Mr. Patterson. What did you mean by it?

A As I have stated, it isn't an expression that I use normally, and I realize now that it isn't a good one. It isn't what I intended to convey.

Q What did you mean to say then on these buildings--in relation to what?

A As I say, fair market value, because I didn't

relate the property at all to production value.

Q Do you suggest that the production value has nothing to do with the amount that a man can afford to invest on the buildings of the property, or would be willing to invest on the buildings of the property?

MR. HUNTER: Which question are you asking?

MR. McMASTER: We will say would be willing to invest in buildings on the property.

THE COMMISSIONER: Has the fertility not already been dealt with when the appraiser passed on the quality of the soil?

MR. McMASTER: My lord, he is now relating it by placing some value on the buildings, and I want to know whether he took it into consideration.

THE COMMISSIONER: You better ask him about it. I do not follow it that he was. Put your question to him.

MR. McMASTER: Q: My question, witness, from what you said is do you say that the production value of the land has nothing to do with the type of buildings, or with the value of the buildings, rather, which, first of all, a man could afford to support on land from its production value?

A I am not quite clear on your question, Mr. McMaster.

Q Perhaps it would be simpler if you explained to me how you arrived at the value on these buildings then?

MR. HUNTER: Which value? The fair market value?

MR. McMASTER: I am asking the witness how he arrived at the value of the buildings.

A Afterconsidering all the factors and deciding what was the fair market value or going price for the land, and also considering what was the fair market value of that property as a whole, I deducted the value of the land from the replacement or insurable value of the buildings, and that was the fair market value of the bu ildings.

MR. HUNTER: Wait a minute. There is something wrong there.

MR. McMASTER: Q: I think that is not quite right.

A The question is still not just entirely clear to me.

Q Neither is the answer.

A I am sorry.

THE COMMISSIONER: Do you want to pursue it?

MR. McMASTER: I don't think there is any benefit, my lord. There is just one other case I want to refer to with this witness. Do you want to adjourn now, my lord, or finish with him?

THE COMMISSIONER: You better go ahead and finish it up.

MR. McMASTER: Case No. 106. Have you the appraisal, Mr. Secretary?

Q I show you the appraisal in Case No. 106, witness. Doyou remember that property?

A Yes, I recall the property.

Q Was cleared land on Mayne Island selling for

$100.00 an acre, close to the C.P.R. wharf, in 1942? A: That was my opinion of the value of that land at that time. It was some distance back from the wharf.

Q Do you know whether or not it was actually selling for that figure?

A As I recall it, there was very little selling on that small island, or comparatively small island at that time, and I may say that was within my own supervision territory at that time there, Victoria.

Q Now, how did you arrive at the present day value of the greenhouses on this property?

MR. BRAIDWOOD: My lord, perhaps my friend should relate this to whether it is the present day value as listed on the appraisal form, if that is what he is referring to.

THE COMMISSIONER: I presume that is what was referred to.

MR. McMASTER: My lord, I think it is most obvious from the question that we are dealing with the appraisal form.

A If I recall, I used a square foot method on such valuations. You are speaking particularly now of the greenhouses. I am getting my mind away from the previous ones a bit.

Q Yes. A: Yes, I used the square foot method of valuation.

Q Yes. And how much a square foot did you give?

A I just can't recall at the moment in this

particular case. These greenhouses , they were not standard, if I recall. They didn't have cement foundations, or a cement wall foundation. They had all cedar post foundations. I just don't recall at the moment what the square foot rate was.

Q Do you recall where you found the square foot rate to apply?

A It varied, depending on the type of greenhouse.

Q What was your source of information? That is a thing I want to get at.

A We first commenced appraising these greenhouses in the Fraser Valley, and we interviewed practical greenhousemen and of course we had some knowledge of them previously from our appraisal work up there. Then we arrived at a fair basis of value.

Q Yes. Now, how many greenhouses, prior to appraising Japanese property, had you ever appraised? A: Not a great many. Possibly a dozen or so.

Q Whereabouts situated? A: A few in the Fraser Valley, and I am trying to recall Vancouver Island. I think possibly just a few there, too.

Q And those would be on lands that had reverted t to the Soldier Settlement Board, would they?

A Yes. Possibly in the Fraser Valley the odd one may have been purchased by the Soldier Settlement Board, right after the first war.

Q That would be back in 1920, 1921 or 1922?

A Yes.

Q Who was it you consulted as to prices, or to get your square foot basis?

A I beg your pardon?

Q Who was this person you mentioned whom you consulted? A: There were one or two. I can't recall. The one I recall most clearly was Brown Brothers in Maple Ridge, who had been in that business for a great many years.

Q Yes, and who else?

THE COMMISSIONER: Mr. McMaster, is there any materiality to this? If you are attacking the witness' credibility, as to whether or not he did have such experience, I presume you have something on which to base your attack. If so, why not put it to him directly?

MR. McMASTER: My lord, I want to know. Apparently he was relying on outside information, in part, at least. I want to know the source of his information.

THE COMMISSIONER: That is what he said, that he selected Brown Brothers, and I took it other greenhouse operators.

Q Is that right? A: I beg your pardon?

Q Did you consult any other greenhouse operators?

A Yes, I think there was one just outside of Westminster, and I think some of the other appraisers also consulted someone on their own, as well, and I got the benefit of the

information they had.

Q You pooled your information?

A Yes, sir, we pooled it.

MR. McMASTER: Q: Do you recall what your standard square foot rate was, in appraising?

A I think, depending on the greenhouse, that it would range anywhere from ten or fifteen cents to about fifty cents, going on my memory.

Q What rate of depreciation did you allot?

A There again, depending on the greenhouse. One would range up somewhere about, going on memory, of one fairly high there -- possibly four to about eight percent.

Q And that would depend, I suppose, on whether there were cement foundations and footings?

A Yes, sir, depending on the type of construction and the footings, and so forth.

Q In arriving at your square foot basis of appraising the replacement cost, did you take costs at 1942 costs?

A Yes, I would say at that time, or that approximate time.

Q I don't suppose you would remember what the c cost of glass was, for instance, in 1942?

A I don't. I know it has gone up considerably since, but I don't just recall what the cost of glass was at that time.

Q Witness, would you think a property with three acres and a number of greenhouses on it is, as you report at page 3, of average Japanese type with hotwater heating, and appear to be

operating in a serviceable manner, would you not agree that they should add their full present day value to the land; that, in other words, the farm that has that on it, the main business is the operation of the greenhouses?

A No. There again it came down to what was a fair going price -- fair market value -- for that type of property in its location, out on the Gulf Islands. I don't recall any white operators out there at that time.

Q Did you have any comparable sales of greenhouses at or near that time by which you arrived at the value of $3000.00?

A Yes, in a way. I knew a Mr. Hall, who first commenced greenhouse operations on Mayne Island, going back on my memory, shortly after he returned from the first war. I think he had probably done a little bit of it just before, in a small way, and I know that he put up fairly expensive greenhouses over there, not so very far from that property, about a mile away or less than a mile -- within a mile, easily, about the same situation from the water, that is the sea front, as the claimant in this case. Hall found he couldn't make the greenhouse business go over there, although he is quite a good operator, and then some Japanese purchased Hall's greenhouses which cost him, and I am simply going on my memory, several thousand dollars to put up, for $750.00.

Q When did he buy those?

A Going on my memory again, in around 1937, I think.

Q Now is that the other property that Nagata had on the Island with greenhouses on?

A That is right.

Q That was considerably inland, wasn't it?

A Hall's property wasn't inland. The property that Nagata purchased was inland, over a mile or two south -- about a mile south, but approaching the waterfront on the other side, just as close to the seafront.

Q But not close to the C.P.R. wharf?

A No.

Q That is the property you are referring to, that Nagata purchased from Hall?

THE COMMISSIONER: That is what he said, yes.

MR. McMASTER: Q: Did you make any appraisal of that property, at the same time you made an appraisal of the one we are discussing?

A I believe I did. I knew it very well. Incidentally, the Japanese purchased it from a returned soldier.

Q Do you recall what value you placed on the other property?

A Not offhand, no, I don't. It would have its relation.

Q Would you say that the value of greenhouses on Mayne Island had considerably increased by 1946?

THE COMMISSIONER: When was this property sold?

MR. McMASTER: This was sold to the V.L.A., my lord.

THE COMMISSIONER: That would be 1943.

MR. McMASTER: Yes, my lord.

THE COMMISSIONER: How are we concerned with 1946?

MRL McMASTER: I was just wondering, my lord -- the other property sold in 1946 and I was wondering with respect to greenhouse property. It was the witness' experience that values had gone up considerably between 1943 and 1946.

THE WITNESS: Yes, there was an appreciation on values between those years.

THE COMMISSIONER: I still do not follow you, Mr. McMaster.

MR. McMASTER: Very well, my lord.

THE COMMISSIONER: Any re-examination?

MR. BRAIDWOOD: There are just two questions I have, my lord.

RE-DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q My friend asked you this morning about some Smiths who purchased the Arinobu property. You recall that, and you gave some answer as to the amount of money expended by Smith after he purchased it?

A Yes.

Q I think you told my friend about $300.00, is that correct? A: Yes.

Q Would you clarify that for his Lordship? Would it represent materials, or materials and labour? A: That represented

materials, as I recall it.

Q And who did the labour?

A I understand that Smith did the labour himself. He may have traded some with a neighbour, to assist him.

Q So then when you gave the figure of $300.00 this morning, that was a material figure only, is that right? A: That is for material only.

Q Now a few minutes ago my friend also asked you to explain to his Lordship how you arrived at the fair market value of buildings, and there was some confusion in the answer. I am wondering if possibly you might clear that up for us now, and explain to us how you arrived at the fair market value of buildings?

A Perhaps my method of --

THE COMMISSIONER: Q: Just let me know what it was.

A I will have to go into it a little in detail in arriving at it.

I carefully looked over the property, and from my knowledge and inspection established what I considered was a going price for the land, that is on the basis of what similar land was selling for in the neighbourhood, and, at the same time, having looked the buildings over decided what was a fair market value for the property, and also for the buildings in relation to the value as a whole, and arrived at the fair market value in that way.

MR. BRAIDWOOD: That is all, my lord.

THE COMMISSIONER: Thank you, Mr. Patterson.

(Witness aside)

THE COMMISSIONER: We will recess now for a short time.

(PROCEEDINGS RESUMED AFTER A SHORT RECESS)

MR. BRAIDWOOD: My lord, we are now proceeding with Mr. Dodding, who is another Veterans Land Act appraiser.

10

DAVID DODDING, a witness called on behalf of the Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q Mr. Dodding, what is your occupation?

A Regional supervisor for the Kootenay District at the present time.

Q Is that with the Veterans Land Act?

A The Veterans Land Act and Soldiers Settlement.

Q Would you speak up so his Lordship might hear

20 you, please? Will you tell his Lordship in your own words some information about your background in land, and in appraisal work?

A I was raised on a mixed and stock farm in the Nicola Valley, where I got my earlier education. I worked there until I was 22 years of age, then I went to the Ontario Agricultural College for two years, at which time I enlisted.

When I returned from overseas in 1919, I worked the best part of a year on the ranch,

30 and then I was offered a position with the

Soldiers Settlement Board. That was in November of 1919, and I commenced work in the Kamloops district, and worked there until 1921. During that time I was appraising lands on application for soldiers under the Soldier Settlement Board.

I was then transferred to the Nelson District, in charge of the Soldier Settlement Board there, and I was there from 1921 until 1924, and over fifty percent of my work at that time was appraising land for Soldier Settlement.

I resigned that year and was out approximately two years when I was asked if I would consider returning to the Department, which I did in 1926.

Q What was your business during the two year period you were away from the Soldiers Settlement Board?

A Well, for about six months I was attached to a real estate firm, listing properties and placing a value on them, and the rest of the time I went into construction work with the C.M. & S.

Q In 1926, you returned to the Soldier Settlement Board, is that correct?

A Yes, and was stationed in Vernon, in charge of the North Okanagan supervision district. I was there until 1930. During that time, apart from general supervision work, I did appraisal work for the Revaluation Act on Soldiers Settlement land.

In, I think, it was 1930, I transferred back to the Nelson District. There the most

of the appraisal work was in connection with reverted lands, and later in connection with the Farmers' Creditors Arrangement Act, and I was in the Nelson District until about 1938, at which time I was transferred to New Westminster and attached to the Department of Pensions for investigational work in the rural areas of the Coast area, investigating war veterans' allowance cases, pension relief, and some pension cases in the rural part of the district.

Q But what was your experience with land in the Fraser Valley during that period of time?

A Well, apart from three appraisals that I did for the Farmers' Creditors Arrangement Act, it was mainly concerned with investigating the circumstances of War Veterans Allowance, men on subsistence holdings.

From 1938 to the fall of 1940 I was transferred to the Kamloops district, in charge of the Soldier Settlement area, covering from Salmon Arm to Spences Bridge west and from the Merritt area to Quesnel on the north, and I remained there until 1942.

Q Would you be able to give us, in round figures, some idea of the number of appraisals you have made? A: Oh, I would estimate between 550 and 600.

Q Are you a member of any professional organization whatsoever in connection with your profession?

A Yes. I joined the Appraisal Institute of Canada,

either in 1940 or 1941, I am not just sure which.

Q And are you still a member of that organization?

A A Yes.

Q Now, you were associated with the appraisal of Japanese lands in the Fraser Valley for the Soldier Settlement Board, is that correct?

A Yes.

Q And what were you trying to achieve when you appraised the Japanese lands in the Fraser Valley? A: The fair market value of those properties.

Q And from what point of view did you attempt to appraise the fair market value?

A Mainly from an agricultural point of view.

Q Did you give any consideration to any residential or business values which the properties might have had, other than agricultural?

A No, not in connection with values. If there was any business value, I noted it in my remarks, but it didn't reflect in my values.

Q On the appraisal reports you made a note of any potentiality? A: Yes.

Q In the main, what type of properties did you examine? A: Oh, mainly agricultural holdings.

Q And do you consider that the appraisals that you made at that time were conservative, or liberal?

A Oh, I would say they were conservative.

MR. BRAIDWOOD: . Now, my lord, Mr. Dodding has two cases on Exhibit 71 which we have considered.

Your Lordship will find the first cases on that list is the Arinobu case. That is one of Mr. Dodding's appraisals.

Q Mr. Dodding, did you make the appraisal of the Arinobu property in 1942?

A Yes.

Q Tell his Lordship, generally, what your appraisal showed, please. A: This is described as Parcel "A" on Lots 3 and 4. It contained four acres, and was approximately a quarter of a mile --

THE COMMISSIONER: Q: You will have to speak up, Mr. Dodding; I can't hear you.

A It contained four acres, and was approximately a quarter of a mile from Hammond, and I show in here employment opportunities of this particular locality, two sawmills, one brickyard, and a peat plant. Predominant nationality and religion mixed, with Japanese predominating.

There was part of a wire fence on the east side only. The water supply was from a well. Electric light was installed in the property.

There was a house 24 x 24, one and one-quarter storey shingle roof, one year, with a wood foundation, in a fair state of repair, which I gave a replacement value to of $500.00. This house was just under construction at the time. I estimated at that time it would cost about $300.00 to finish the outside, about

$200.00 to finish the inside. There was no basement to the place, and a brick chimney on a bracket and there were four rooms downstairs and one upstairs.

The land was 1.8 acres, level, sandy loam, approximately eight inches deep, over sand and hardpan, that was old sod, which I valued at $50.00 per acre, and there were 2.2 acres of the same type of soil which I estimated would cost $150.00 to $175.00 an acre to clear, and I valued it at $10.00 per acre.

In commenting on the farm condition and tillage and the length of time unoccupied or partly occupied, the wife of the owner was present at the time I visited the property, and the land was not cultivated. It was old sod. And I refer to it in the appraisal (reading).

MR. BRAIDWOOD: Q: Now, Mr. Dodding, you are aware, I believe, that on the 23rd of May, 1942, that property was sold for $850.00?

A Yes.

Q Have you any explanation to offer to his Lordship as to the difference between the sale price and your appraisal price?

A This property was purchased by a man by the name of Telford I think his name is, and he is one of the operators of the Maple Ridge Tavern.

I interviewed him last spring and questioned him briefly about his purchase, and he told me at the time that he had steady employment and was interested in the tavern as a bartender at

which he was working on varying shifts.

In connection with the tavern there is a coffee shop in which his wife is employed as an attendant, also at varying shifts, and he said this place particularly suited them, and they had an opportunity to buy it. It was close enough to the place so they could work the various shifts, and he was prepared to pay what he did for it.

Q In view of the subsequent sale price, what is your opinion now of your appraisal as representing fair market value?

A I still think it was fair market value, what I placed on it.

Q $612.00. Have you anything else to add to your explanation of the increased sale price of $850.00 at this time?

A No, I don't think I have.

Q Now, I am producing to you, Mr. Dodding, a comparable sales sheet showing the Arinobu property, and certain comparisons. Was this sheet compared by you?

A The detail was filled in by me, yes.

MR. BRAIDWOOD: My lord, I think we will put this in as an exhibit now, and I will have the witness proceed on it.

(DOCUMENT MARKED GENERAL EXHIBIT NO. 86).

Q Now, Mr. Dodding, the Arinobu sale is shown on the first column across the top, is that correct -- the Arinobu property, rather?

A Yes. That is my appraisal (indicating).

D. Dodding,
In Chief.

Q Now then, would you tell his Lordship something about the comparison No. 1 which is marked "Newman to Marr"?

A The Newman to Marr sale is approximately three-quarters of a mile in a north-easterly direction. It was purchased by Mr. Marr on the 15th of June, 1942, under title No. 151196-E for $1500.00. It consisted of four point six (4.6) acres as compared with 4 in the Arinobu property. There was only one-half acre cleared, as compared with 1.8. The house was 26 x 31, four rooms, compared with 24 x 24, 1½ storey, and five rooms on the Arinobu property. They were both on wood foundations. The Arinobu house wasn't finished, either inside or outside, while the Marr purchase was finished inside with wood and paper. The outside was ten inch cedar siding, painted.

Both properties were wired for electricity and neither property had any plumbing, and under my general remarks on the Arinobu property I state, "This house . . . dirt lane." In the case of the Marr house, "This was . . . paved road".

Q Now, Mr. Dodding, I show you a photograph. Do you know of what that is a photograph?

A This photograph was presented to us by Mr. Marri as being a photograph taken by him when he purchased it in 1942. The present location of the house is different. This house has been moved and additions made to it.

Q This was presented to you as the house in 1942?

A As the house in 1942, by the owner.

MR. BRAIDWOOD: I put that in, my lord, as Exhibit 87.

(PHOTOGRAPH MARKED EXHIBIT NO. 87).

Q Now, Mr. Dodding, you have a second comparison here, Hirotsu to Burrell. Would you tell his Lordship some of the features of that comparison?

A The Burrell purchase is also approximately three-quarters of a mile north-east. In fact, it is on the same road as the Marr purchase, about 500 yards west. It consists of five acres, as compared with the Arinobu four. Three acres cleared, as compared with the Arinobu 1.8.

The water supply in both cases is a well.

The house, as compared with the Arinobu house, is 26 x 30. I should say thatthat is only approximate, because the Burrell house is one of those things that has little pieces sticking out of it. It is one and one-half storeys and seven rooms as compared with one and a half storeys with five rooms. It is also on wood block foundations. While the Arinobu house is unfinished, this house is finished in wood and paper. The outside is finished with drop siding and paper. Electric wiring in both houses, no plumbing in either case. The state of repair for the Burrell house is good, finished building, and has been unchanged by the purchaser. That was his own statement.

Under "other buildings", while there are none

on the Arinobu property, there were two henhouses for 250 birds each on the Burrell property, there were two brooder houses, a garage, a workshop and two cabins. The comments on that property are, "With the exception . . . paved road." I have entered some comments that might have a bearing on it in the body of the form under "soil" (reading).

Q Now, have you anything further to add to the form with respect to these properties, Mr. Dodding? A: I don't think so.

MR. BRAIDWOOD: I think, my lord, we might point these out on Exhibit 83 perhaps which is the map of Maple Ridge.

THE COMMISSIONER: Very well.

THE WITNESS: This one (indicating) is Lot "A". That is the Arinobu property which is here (indicating), that is comparison No. 1 (indicating).

THE COMMISSIONER:. Q: When you are locating it, would you indicate by some letter, or something of the kind that is on the map, what the location of the lot is?

A Yes, sir. Comparison No. 1 is Lot 7 in the north-east quarter of Lot 242, under plan No. 1935, just north of the last figure in 242, that is the last "2". Comparison No. 2 is Lot 4 on the north-east corner of District Lot 241, consisting of five acres in Sketch 8719. That is outlined in blue, to the northeast of "1" in "241".

MR. BRAIDWOOD: Q: It is green.

MR. McMASTER: Did he identify the lots he is making these comparisons to?

A The Arinobu place, the property in question, is Lot "A".

THE COMMISSIONER: Q: You have given us that already. Point it out to Mr. McMaster, if he didn't observe it in the first instance.

A South of the figure "2" in 278, and outlined in yellow.

MR. BRAIDWOOD: My lord, would you like to see it very quickly where it is?

THE COMMISSIONER: No, it is all right. I will follow it later. They are comparatively close. The several lots are comparatively close to one another, are they?

MR. McMASTER: That is a matter of opinion, my lord.

THE COMMISSIONER: Within what distance are they?

MR. BRAIDWOOD: I think perhaps if your Lordship were to see it, you would have a better idea.

THE COMMISSIONER: Very well.

MR. BRAIDWOOD: Q: Would you come this way, please, Mr. Dodding? Would you point out to his Lordship the lot in question?

A That is the lot in question (indicating).

Q And comparison No. 1?

A Comparison No. 1 there (indicating) and there is comparison No. 2 (indicating).

Q That is Lot 4 here? A: Yes, Lot 4, by map scale they are within three-quarters of a

mile radius.

THE COMMISSIONER: Q: Well the two so-called comparable lots are on No. 21 road, is that it?

A Yes, sir.

Q And the other one, the Arinobu property, is on Second Avenue? A: On Second Avenue, yes.

THE COMMISSIONER: All right.

MR. BRAIDWOOD: My lord, that is, I think, all we have on this property. There is a second case to be dealt with.

THE COMMISSIONER: Perhaps it would be as well if you put in your Comparable Sales Exhibit so that Mr. McMaster is aware of what you are going to compare it with, and it will permit him to prepare himself. We won't go any further tonight. The comparable sales exhibit will relate, I take it, to the Nagamatsu property, which was also appraised by Mr. Dodding.

MR. BRAIDWOOD: Yes. I will ask him that question.

Q Did you appraise the Nagamatsu property?

A Yes.

Q I am producing a document marked "comparable sales". Are those comparable sales in relation to your appraisal of the Nagamatsu property?

A Yes.

Q Are they figures and what is on that comparable sales sheet entered by you?

A Yes, they were compiled by myself.

MR. BRAIDWOOD: I will tender that as Exhibit 88.

D. Dodding,

In Chief.

(COMPARABLE SALES SHEET MARKED GENERAL EXHIBIT 88).

MR. BRAIDWOOD: I take it, my lord, we will proceed in the morning then with the witness' evidence.

THE COMMISSIONER: Yes. You can go on with the detail in relation to it in the morning. We will adjourn until 10 o'clock tomorrow morning.

(PROCEEDINGS ADJOURNED UNTIL DEC. 9th, 1948, AT 10:00 A.M.)

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I hereby certify the foregoing to be a true and accurate report of the said proceedings.

J. C. Harrolin

Deputy Official Stenograph

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JAPANESE PROPERTY CLAIMS COMMISSION

(Before the Honourable Mr. Justice H. I. Bird, Commissioner)

Vancouver, B. C.

December 9th, 1948.

(General)

Proceedings on Commission

(Pages 851 - 960)

Dodding D.V.L.A. 851-899
Sinclair do 900- 935
Plumbly do 935- 960

The Commissioner.

10:00 A.M.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

D. DODDING, resumes stand:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

THE COMMISSIONER:

Q You are already sworn, Mr. Dodding. Who is examining?

MR. BRAIDWOOD: I was examining Mr. Dodding, my lord.

Q I think at the close of the session we were dealing with the Nagamatsu and I just put in a comparative sales form.

THE COMMISSIONER: That is Exhibit 88.

MR. BRAIDWOOD: Yes, my lord.

THE COMMISSIONER: Have you got Exhibit 88 there, Mr. Watson? All right, go on.

MR. BRAIDWOOD: Q: Now, Mr. Dodding, we were discussing last night the comparable sales form of sales in comparison with the Nagamatsu sale, and we put in Exhibit 88, my lord, which I would like you to describe to his lordship, the comparable features you find in comparison-- No. 1 to the Nagamatsu property, the comparison No. 1 being the Harris estate to M. & F. Caws. A: The Caws purchase is approximately 500 feet due east of the Nagamatsu property.

Q Excuse me, my lord. I think perhaps at this point, for clarification, I might put in a map of Pitt Meadows, so that your lordship can see the location. It will go in as Exhibit 89.

THE SECRETARY: 89.

MR.BRAIDWOOD: It is a map of the Pitt Meadows Municipality,my lord.

Q Will you point out, witness, to his lordship on the map the location of the Nagamatsu property?

A Parcel 8-- what section is this in?

THE COMMISSIONER: Well, in any case it is the square in orange and red in Tp. 9.

THE WITNESS: And the Caws purchase is Lot 3 in Block 8 of Distrcit Lot 283, outlined in green. I think that is green.

MR. BRAIDWOOD: Q: yes, lying slightly east of the Nagamatsu property?

A Yes. They make it 500 feet.

MR. BRAIDWOOD: Q: Now, if you would also, while you have the map in front of you, point out the Carter property, which is your second comparison.

A Lot 2 of Block 13.

THE COMMISSIONER: That is immediately north of the C.P.R. right-of-way, and again southh and east of Tp. 9? A: Yes.

Q They are comparatively close together?

MR. BRAIDWOOD: Q: Now, will you proceed with your comparison on the Caws property, Mr. Dodding?

A The Nagamatsu property was appraised at $550.75 on the 1st of July, 1942, and the Caws property was purchased on the 1st of March, 1941, for $1100.00. And the acreage comparison: There is 2.01 acres in the Nagamatsu property and 5 acres in the Caws property. Of the Nagamatsu property, which was cleared -- there were 2.01 acres in sod,

and the Caws property was 5.1 acres x clear and 3.2 acres in bush. Water supply is from well. The house on the Nagamatsu property was one year old - - just in a state of construction, and the house on the Caws property is given by Mr.Caws as being 18 years.

The Nagamatsu house is 26 x 28; 5 rooms downstairs and 2 upstairs. The Caws' house was 21 x 40 -- a 6-roomed house, one storey; both on concrete foundations. The type of construction, one and a half storey on the Nagamatsu property; no floor in basement, unfinished inside and out.

The Caws' property as a one-storey frame building, and both wired for electricity. Neither had any plumbing, and the Nagamatsu property, it was unfinished and purchaser states it cost $1,000 to finish house, and the Caws' property, it states, was reasonably good, lined and papered inside, drop siding and painted outside.

The other buildings: None on the Nagamatsu property, and on the Caws property there is a wood shed, 14 x 42, frame and shake. There was a hen house 12 x 24, frame and shingle, and my remarks on the Nagamatsu property: "The purchaser E. Hauha bought in 1943.

THE COMMISSIONER: Now, I do not know that we need to incorporate these things in the record as well as in the exhibit, so if there is anything you wish to add beyond what is stated in the exhibit, there is no need to refer to it except to indicate

that is in there.

A Thank you, your lordship.

MR. BRAIDWOOD: Well then, is there anything further you have to add in regard to the Caws comparison?

A Only that the Nagamatsu property is on a gravelled sideraod, and the Caws property fronts on a paved highway.

Q Now, would you give his lordship any remarks you might have with respect tothe Carter property as compared to the Nagamatsu property. That is, remarks in addition to what appears on the exhibit which is before us.

A Except that Mr. Carter, who is deceased within the last month, he was a retired Consular for years of the Pitt Meadows Municipality, and he purchased this property to retire on, on the 5th June, 1942, and while it is slightly north of the property -- elevation and type of soil is similar. I have stated in my remarks elevation and soil similar in all cases. "Condition -- details of comparative pro - perties obtained from the purchasers as to the condition of acreage, buildings, etc. as they existed in 1942."

And I might say in connection with Mr. Caws, he is a retired farmer in the distrcit, who sold out his farm holdings and purchased this place to retire on in 1941.

Q Now, I show you a photograph. Do you know of what that is a photograph?

A That is a photograph of Mr. Carter's residence.

Q That is comparison No. 2, is that correct?

A Yes, that is comparison No. 2.

Q When was that photograph taken?

A I was present when it was taken. I don't know whether the date is on it or not. It was taken in November, 1948.

Q And is that a true representation of the Carter house as it appears today?

A Yes.

THE COMMISSIONER: That is exhibit what?

MR. BRAIDWOOD: Exhibit 90, I think, my lord.

THE COMMISSIONER: The next one is 90. You can make a note of what these things are, Mr. Secretary, and then mark them up when you have an opportunity.

THE SECRETARY: Yes.

(PHOTOGRAPH MARKED GENERAL EXHIBIT NO. 90)

MR. BRAIDWOOD: Now, Exhibit 90, which I have just shown you, Mr. Dodding, what have you to say as to the appearance of that house today as compared with the condition in which it appeared in 1942, at the time of your inspection?

A You are referring to--?

Q Exhibit 90, the photograph.

MR. MCMASTER: Did he see it in 1942?

A I saw it several times in 1942. I was past it, but at that time I was not aware that Mr. Carter had purchased it.

MR. BRAIDWOOD: Q: Can you give us any idea of the difference or similarity in appearance today in respect to the Carter house?

A I appraised the property immediately adjoining it to the south and I was quite close to that house, and I recollect no difference between now and then, and Mr. Carter informed me it was exactly as he bought it.

THE COMMISSIONER:

Q Mr. Dodding, how is it that you say that these two properties are comparable to Nagamatsu's -- for instance, as to price? Nagamatsu is appraised at $550.00 and the Caws house was sold at $1100.00. What is the explanation of the difference, since you say they are comparable?

A The Nagamatsu house and the Carter property are almost identical as to acreage. The difference is in the house alone. One is a finished house and the other is not a finished house.

MR. BRAIDWOOD: His lordship is referring to the Caws property. A: Yes. The Caws property, while it is larger in acreage, it is the house that gives it the additional value.

THE COMMISSIONER: Yes, I see it is over twice the acreage. A: Yes.

Q And how about Nagamatsu and the Carter house? They are approximately the same acreage, and there is a difference of $150.00 between the appraisal and the sale price.

A Yes, your lordship. The difference there is again in the house. One is a finished house and the other is an unfinished house.

THE COMMISSIONER: I see.

MR. BRAIDWOOD: That is all, my lord.

CROSS-EXAMINATION BY MR. McMASTER:

Q Just while we are dealing with the Nagamatsu property, Mr. Dodding, I would like to refer to Exhibit 88. Have you a copy of that comparable sheet in front of you?

A Yes.

Q I will draw your attention to the fact, while your appraisal was $550.75, the place sold for $1400., is that correct --

A Yes.

Q -- in 1942. Now, I draw your attention to the fact that the title No. on the Caws property is is 151032-E, and the title number on the Smith property is 141946-E. Obviously, the second title came first then in the record, is that not right? in the Land Registry office?

A Well, I don't know just how that was.

Q Did you search this yourself?

A I have the record here of the title from the Land Registry office.

Q Well, the date of the title in 141946-E was in 1941. A: Yes.

Q That shows as being on the 5th June, 1942. Now, is that an error? Perhaps my learned friend can straighten this out.

MR. BRAIDWOOD: Probably I have a memorandumof the search that was made. There was a transposition made, 141946-E being applied to the Caws property, and 151032-E being applied to the Carter property.

MR. McMASTER: That is, the title number was switched?

MR. BRAIDWOOD: Yes.

MR. McMASTER: Not the date of sale?

MR. BRAIDWOOD: The application to register the Caws property was the 4th March, 1941, and that was title No. 141946-E.

MR. McMASTER: Perhaps my learned friend would advise me if there was any merger under the Agreement of Sale of these properties, or a merger of the Agreement of Sale.

MR. BRAIDWOOD: The search does not reveal that. The first was an estate matter and the second is a private matter. In the Smith to Carter sale-- actually there are two Carters and Hudson, which seems to be a joint tenancy --

THE COMMISSIONER: I do not think these difference sare going to make any difference from my point of view.

MR. McMASTER: Q: Now, referring again to Exhibit 88. You refer to the fact the property was sold in 1945 to -- I don't how to say that name, H-a-u-h-a.

A Well, he answers to Hoo-a.

THE COMMISSIONER: Which property are you referring to?

MR. McMASTER: The Nagamatsu property.

Q It is correct that was sold for $4200.00?

A Yes, I searched the title on that.

THE COMMISSIONER: In 1945?

MR. McMASTER: Yes.

Q So after paying $1400 for it and adding $1,000 for improvements, he sold it two years later for $4250.00? A: Yes.

Q Would that represent the increase in the market

price between 1942 and 1945?

A May I go back to what Huaha stated what he put into it. He spent $1,000 cash. That is his statement to me; contracted the finishing of outside and finished the inside himself in his own time, which is not included in the $1,000.00.

Q Why didn't youstate that on your statement, Mr. Dodding? A: I don't know that it occurred to me to put it in there. I was referring to the cash he spent.

Q Now, referring to the Caws purchase. I notice that house is 18 years old. You mentioned the basement with regard to the Nagamatsu property. What basement has the Caws property?

A It hasn't got a basement. It has a concrete foundation.

Q And with regard to the Carter property, how old is that house? A: Well, Mr. Carter was not sure about that and I could not find the Smiths, the previous owners, and he estimated around 18 or 20.

Q Now, you estimated the age of an awful lot of houses when you were appraising the Japanese properties. Were you not able to estimate the age of that property?

A Well,I would say it was not far from that.

Q 18 to 20 years old. And when you made your appraisal of the Nagamatsu property, did you appraise it from an agricultural point of view?

A Yes.

Q Despite the fact that you comment,"this is a small holding, with little or not possibilities as an agricultural unit, but it would make a good home-site." A: Yes, I had no authority or no instructions to do otherwise,but to regard it from an agricultural standpoint.

Q I understood you to say yesterday that all your appraisals were made from an agricultural stand-point.

THE COMMISSIONER: Yes, he said that, and he also said if there was any other potential he took it into account, or rather, he made a comment on it.

MR.McMASTER:Q: And that would explain, I suppose, in your appraisal on the Nagamatsu property the reason why you only give $400.00 as a value added to the land, instead of the present day value of $900.00, is that right?

A Not exactly. I was viewing this from a fair market value, as I considered the sale value at that time.

Q From an agricultural point of view?

A From an agricultural point of view.

Q Now I want to draw your attention to the other property that we have been referring to-- the Arinobu property, with respect to which you filed Exhibit 86. Do you have that appraisal in front of you? A: A copy of it, sir, yes.

Q In that case you mentioned that there is a one year old building, partially completed. The total present day value is $500.00 and the value added

to the farm is $500.00, and you then state on the second page: "Suitable type for agricultural farm; Limitations, if any -- homesite only, you say.

A Yes.

Q And farther down you say that is all that it is suitable for? A: Yes.

Q So in that case, I take it, you could not put an agricultural value on it?

A I gave the land, I believe, to be the agricultural value.

Q Yes, and the building.

A And the present day value of the property-- I estimates its re-sale value to be around $600.00 -- that 12 comes in in the fraction of acreages.

Q Yes, but on the building how did you arrive at the value added to the farm of that $500.00 and the present day value is $500.00?

A It just happened to work in that case. I estimated the value of that property at $600.00.

Q And then you said what the land was worth and deducted what was left, and that was what the building was worth?

A Yes.

Q Supposing the present day value was $500,00, what would you do?

A It would not have changed my opinion of the value of that property.

Q You would have reduced the value of the building, I take it. A: No.

Q Now, I draw your attention to the fact, Mr. Dodding,

that Mr. Sinclair appraised the property right next door to this, Lots 9 and 10.

A Yes. ~~next~~

Q Next door to Nagamatsu's property?

A Yes.

Q And on that property he said the buildings were $850.00, and he added $850.00 to the value of the land. Now, were you familiar with that property next door, Lots 9 and 10?

A I was on it on the date of appraisal. We appraised the two prpperties the same day.

Q Can you explain why the buildings on 9 and 10 should be worth its present day value, but the building on Lot 8 would not be?

A As I recall it, one was a finished house and the other was not finished.

Q Yes,but in the case of Arinobu -- that was not a finished house,either. You estimated there was another $500.00 to be spent?

A Yes.

Q So that did not enter into it -- your allowing the full present day value in that case?

A In which case?

Q In the Arihobu case.

A No, it was a question of arriving at what the present day value of those properties were -- what I considered they would sell for on the open market.

Q Now,on your copy of the appraisal in the Nagamatsu case--I am sorry -- yes, in the Nagamatsu

case -- how many rooms are shown to be in that house? A: Well, this had been changed twice, I notice. I believe there are five downstairs and two upstairs.

Q How many show in your appraisal, Mr. Dodding?

A Well, I have just got a typewritten copy here.

Q The copies that I have shows two rooms downstairs. Do you know what was originally reported?

A No, I haven't got my original appraisal.

THE COMMISSIONER: What difference does all this make?

MR. McMASTER: I am interested in what he saw in 1942. He saw these premises.

A As I recollect my original appraisement, there were five rooms downstairs and two up.

Q Now, witness, how does the land in the Nagamatsu location compare with the property on Advent Road in Pitt Meadows?

A That would be about half a mile north?

Q Yes. A: It would be a little lighter. There is a rise of land there.

Q Most of the property on Advent Road is used for residential purposes, isn't it?

A It wasn't in 1942.

Q Now, evidence has been given before this Commission that property was purchased by the Japanese on Advent Road in 1947, uncleared, at $100 an acre, and in 1940 at $25.00 an acre. How do you account for the difference in those purchase prices and your value of $75. an acre allowed for cleared land?

A We found at that time that the Japanese endeavoured to concentrate in blocks, and very often did not enter into the purchase; at least, we did not consider it. They were buying in blocks to concentrate the settlement.

Q Were you aware of any purchase of land around Advent Road in 1943?

A No.

Q Are you aware that Mr. Nagamatsu bought these two acres in 1941 for $540.00 , or in other words $200 an acre? A:Yes, I think he told me that himself.

Q And you found that out recently when you made the search? A: Yes.

Q Now, how do you account for the difference of what he paid for the cleared landin 1941?

THE COMMISSIONER: Uncleared land.

MR. McMASTER: No, this was cleared land, the Nagamatsu property. He paid $250 an acre approximately for these two cleared acres in 1941. Now, how do you account for the difference he paid and the $75 that you allowed?

A As I recall the situation, we made a survey of the district as a whole, to get what both cleared land and bush land was selling at, and I might say that was based on Soldiers' Settlement sales, in 1940 and 1941, and in that year -- in those two years the average sale to the public by public tender was $50 per acre for cleared land and $20 per acre for bush land. That was our basis.

Q That was what you used as a guide?

A Yes.

Q And it did not ~~x~~ matter what a man paid for a place? You did not ~~xxxx~~ let that influence your valuation -- that is, any recent purchase?

A Well, as I say, there are often cases where the Japanese would buy, regardless of value in order to be near their own countrymen.

THE COMMISSIONER: What are those $50 sales you speak of? Were those sales by the Soldiers' Settlement Board?

A Yes.

Q To whom? A: By Public tender.

Q That would be to the general public?

A Yes.

MR. McMASTER: Q: Were any of those sales close to this property, do you know? A: As I recall looking up one I would say it was a mile -- I forget whether it was south or southwest of it.

Q And were the Japanese property living around that property? A: No.

Q So your only explanation of why there was a difference of $225 the man paid in 1941 for the property and your estimate of $75 an acre, is that he wanted to live near other Japanese, is that right? A: That appeared to be the general condition.

Q Are you suggesting there are not quite a number of Occidentals living around this man's property?

THE COMMISSIONER: What year are you talking of?

MR. McMASTER: 1942.

THE WITNESS: No, there were mostly Orientals in that particular location, but they were moving in -- this property and the one adjoining the one previously referred to were comparatively new purchases.

MR. McMASTER: Q: Were properties in that area scarce in 1941-- in the area of this man's property?

A I don't think so.

Q Were they hard to get?

A I don't think so.

Q And do you think he would have had to pay $225 an acre for another piece of property in the same area? A: There is a tendency to try to get all of these Japanese out-- in some of those closer locations, and they had to move in.

Q Well, you have not been in the Fraser Valley except for appraisals for some years, have you?

A No, this was givento me by Mr. Thomson, the Municipal Cler at Pitt Meadows, this information.

Q And you acted on the basis of that information in making your appraisal?

A That entered into our consideration, yes.

Q Now, what would be your estimate as to how much land values in the Fraser Valley had increased by 1944, Mr. Dodding -- in the Pitt Meadows area? Don't let us get too far away.

A It would be rather difficult for me to say, because I left in 1942 and I haven't been back sinde.

Q You have no idea?

A No.

Q Now, when you made your searches to find comparable property, did you not find Lot 6, which would be two properties down from this property -- or two properties away, which sold in 1944 for $2200 from an Occidental to an Occidental?

A No, I didn't, I didn't proceed beyond 1942 in my search.

Q Do you know the property two doors down?

A Two doors west?

Q I am not sure whether they are west or not. You know where 8 and 9 are?

A Yes.

Q They are adjacent. A: Yes. No, I don't know that.

THE COMMISSIONER: Why should we concern ourselves with the prices in 1944?

MR. McMASTER: Because I would submit on the properties such as these, even assuming prices did increase in 1944, and assuming I cannot establish the general trend of increase, this property with one acre cleared, and a very old house on it, -- surely, in 1942, evenif you cut it in two it would be comparable or probably would be looked at as to the value of land in 1942.

THE COMMISSIONER: I do not think it is going to be very helpful. There were such wide differences between 1942 and 1944, and I would hesitate to say the rise in value was not attributable to that rise rather than any question of value.

MR. McMASTER: I hope to call evidence on that later, my

lord.

THE COMMISSIONER: Well, why not leave it there instead ofpursing it here?

MR. McMASTER: Very well, my lord.

Q Now, witness, with regard to Exhibit 88, which are your comparable properties on this, what would you say was the present day value of the house on your first comparison in 1942?

THE COMMISSIONER: You are now referring to the Caws house?

MR. McMASTER: That is right, my lord.

A I couldn't very well say. I didn't examine that house in 1942.

Q But you have examined the house now, haven't you?

A Yes.

Q And you said it had not changed, except for five years further depreciation, isn't that right?

MR. BRAIDWOOD: I think the witness said the appearance had not changed.

MR. McMASTER: Well, the appearance had not changed.

Q Now, you did a lot of appraising in 1942 and you surely should be able to estimate the present day value in 1942 -- I am sorry -- in 1941, when it was sold, yes.

A It would be pretty difficult for me to estimate the age of the house in 1948 as it was in 1942.

Q Well, let us forget about the five years depreciation. Using the 1942 prices, what would you say its present day value was in 1942?

THE COMMISSIONER: If you are able to give us anything

that you think will be of value, please do so, but if you cannot count on it yourself, I think it is shear waste of time going into it.

THE WITNESS: May I explain the way I compared these properties?

THE COMMISSIONER. Now, just confine yourself to endeavouring to answer this question. Are you able to put a value-- what was your question?

MR. McMASTER: Present day value.

THE COMMISSIONER: Present day value in 1942. I would be surprised if he can.

A On a house I did not examine, I cannot do it-- I am sorry.

MR. McMASTER: Q: Now, with regard to the second comparison, the Carter house: Do you suggest there is any real comparison between the Carter house, which is 18 or 20 years old, a picture of which has been filed, and a house one year old and which could be lived in, and was habitable, as to value? Would they be the same value or not?

A No. The Carter house, while it did have considerable years, was a well constructed house and had been well maintained, so that Mr. Carter lived in it from 1942 until 1948 without having to make any substantial repairs to it, whilst the other house was completely unfinished.

Q Completely unfihished. What do you mean by that?

THE COMMISSIONER: Well, it is a somewhat dubious comparison. It might be left there.

MR. McMASTER: Q: Now, referring to the Arinobu pro-

perty and to Exhibit No. 86, I draw your attention, Mr. Dodding, in looking at your two appraisals on the Arinobu property and the Nagamatsu property, you find these -- that they are exactly the same employment opportunities. The buildings are the same age. The Arinobu property--the house has a wood foundation and the other has a cement foundation. The present day value of the Arinobu property is $500.00 and the value of the other one is $900. There is no basement in the Arinobu property, and there is a concrete basement in the Nagamatsu property. The chimney on the Arinobu house is on a bracket and the chimney on the other house is to the ground. Both houses were unfinished. The Arinobu house was only 50 yards from the bush and the other was 200yards from the bush.

In the Arinbbu property there was only 1.88 acres cleared and in the other there were 2 acres cleared, and the cleared acreage was in sod and both were suitable only for home sites.

THE COMMISSIONER: What are you leading to, Mr. McMaster?

MR.McMASTER: I am just coming to that now, mylord.

A In the Arinobu case you say the present day value is $500.00, and you give the full $500 value added to the land; and in the other case youonly give $400 out of $900 as added to the land. Now, do you say the building on the Arinobu property was $500 added to that appraisal of land and the building on the Nagamatsu place was only worth $400 add ed to that land?

A My view of the present day value is what that property could be expected to sell for. In the case of the Arinobu property, it would sell for $600 and the Nagamaxtsu property, it would sell for $900. The Nagamatsu property is on a well travelled road and the Arinobu property is stuck out on a narrow dirt lane, which would reduce its selling value to the public, in my estimation.

Q And you give more value to the house on the Nagamatsu property than on the Arinobu property-- that is, added to the land?

A No, I considered its presnt day value, whatever that works out at -- its sale at $900 as a fair market value.

Q Are you referring to the Nagamatsu property or the Arinobu. A: The Nagamatsu.

And the present day value of the Arinobu is $612.00.

Q Well, the building is $500.

A Yes, it just happened to be that.

Q So you thought the market value of the Arinobu property was higher than the market value of the Nagamatsu property, didyou?

A No -- excuse me-- I was looking at the wrong part of this form here. That is the assessment. One is $612 and the other is $550. The Nagamatsu sale value that I considered at that time was $550.00. These typed forms are rather difficult to follow, and the sale value of the Arinobu property I put it at $612.

Q Despite the fact it had a house that was inferior?

A Yes, but I was approaching it from an agricultural standpoint. There were two more acres of land that could have been brought under cultivation.

Q Although in your opinion both of them were unsuitable for agricultural purposes?

A Yes.

Q Now, were you aware of the fact at the time you made this appraisal that Arinobu had bought this land September, 1941, for $570.00 and build a house on it after that?

A, Yes, either his wife or another Japanese told me that.

Q Did you take that into consideration in arriving at your value of the premises?

A No.

Q Why not? A: On 2nd Avenue, with the exception of a beer parlour directly north of thisproperty-- or three on four Japanese properties, directly south to the border of Advent, there are three or four Japanese properties, and with the purchase of this property, as I recall it at that time, it only leaves one white owner in the middle of the block, and I did not consider at that time that value particularly entered into that purchase.

Q Wouldn't you think if there was one white owner of property left, all surrounded by Japanese, he would be willing to sacrifice it?

A No, he would be more willing to hold it up.

Q Now, you mentioned in Exhibit 86 that this

Arinobu property or building was noticeably amateur. Why didn't you mention that in your appraisal report?

THE COMMISSIONER: What difference does it make?

MR. McMASTER: My lord, it is my contention it is in an endeavour to depreciate theproperty now when he had an opportunity in 1942 --

THE COMMISSIONER: That is a matter you can put forward in argument.

MR. McMaster: Very well, my lord.

Q Now, witness, I notice these two comparableproperties in the Arinobu case are three-quarters of a mile away from the Arinobu property?

A Yes, within a radius of three miles.

Q Were you able to find any Occidental sales in 1942 of Japanese property?

THE COMMISSIONER: I take it you mean property lying closer to Japanese property.

A I do not recall finding any in 1942.

Q Well,when you came to look for comparable property were you able to find anything?

A Closer?

MR. McMaster; Q: Yes, in 1948, when you looked for comparable property?

A Not that would compare. There are several -- no, they aren't Occidentals, either. They are Japanese sales.

Q I notice your second comparison is a sale from a Japanese to Burrell.

A Yes.

Q Do you know whether that property was appraised by the Soldiers' Settlement Board?

THE COMMISSIONER: Which?

MR. McMASTER: Q: Hirotsu -- the second comparison on Exhibit 86. A: No, I could not say.

Q I notice it was sold on the same day as the Arinobu property. Now, would you agree, witness, Lot 3 of D.L. 241 would be very close to your second comparison-- the property would be? Your second comparison is Lot 4 of the northeast quarter of 241. A: Is that the Burrell case?

Q That is Lot 4 of the northeast quarter of Section 241. A: And the location of the Burrell --

Q Would you say that Lot 3, Plan 241, would be close to the Burrel property?

A I don't know offhand what lot that is.

Q You did not find that lot in the process of your trying to find comparable sales. I will just tell you the details of the sale. It was the sale from Lawrence to Bohs.

THE COMMISSIONER: Now, what purpose can there be of you going into this matter with the witness, when he tells you he did not know the property?

MR. McMASTER: My lord, that was a piece of land without any improvements on it, and I wondered it if would change the value.

THE COMMISSIONER: He has already said he did not know

the property.

MR. McMASTER: Very well, my lord.

Q What attempt didyou make, witness, to find comparable sales in 1948?

A In 1948?

Q Yes, when you found these two that you have referred toin each case--p what efforts did you go to to find comparable sale?

A I tookthe list taken from the Maple Ridge Municipal rolls of properties that had been transferred in 1941 and '42, and worked them back.

Q And you did not consider any 1943 ones?

A No.

Q You did not prepare that list yourself, I take it?

A No.

Q Mr. Dodding, I understood in your evidence yesterday that you said you were a member of the Appraisal Institute of Canada.

A Yes.

Q And had been since 1941.

A Well, I wouldn't say for sure, but I think it was in '41 when Ijoined.

Q Are you familir iwith the literature theyput out from time to time?

A Yes, I have read it.

Q And you study it? A: Yes.

Q What is your general opinion of it? Is it fairly sound? A: In a general way, yes.

Q Would you agree, Mr. Dodding, that there are three

basic approaches in appraising rural properties: One, the capitalization of income; two, comparative sales, and thirdly, reproduction cost?

A Yes.

Q Did you use any of those methods?

A The third one, or the second one, I should say: "Comparable sales."

Q That was the only one you used?

A Yes.

Q And I take it from your evidence this morning the only comparable sales in 1942, you considered, were Soldiers' Settlement sales that had taken place in 1940 and 1941? A: Oh, no.

Q Now, what other comparative sale did you have in 1942? A: Realizing that I could not remember what I had done in 1942, I had a run-off taken from my diary of the months I was down here, and I find that I interviewed 66 parties re Japanese properties and 45 were those on general information concerning leases and possible sales, and what not, and 15 were directly connected with land sales in 1942, and I also made 6 visits to municipal offices.

Q Now, do you have notes, then, of the sales that these 15 people gave you information about?

A No, but I could give you the names of the people I interviewed.

Q You have no notes of the properties?

A No.

Q Did you refer to any comparable sales in your appraisal reports?

A No.

Q Why not? A: For one thing, it is not called for on the report, and another thing I have never-- I am supposed to find it and not necessarily refer to it.

Q And did those comparable sales influence your values that you placed on land in the appraising that you did of these Japanese lands?

A They were all part of it, yes.

Q Now, you mentioned before you and certain other appraisers arrived at certain standards of values from Soldiers' Settlement sales that had taken place in 1940 and '41. From your first appraisal to your last appraisal, did your standards change at all? A: As I recall it, we attempted to set a base line and worked up and down from there, according to location and type of sale and the general terrain.

Q And that base line was set on the basis of Soldiers' Settlement sales?

A On a combination of all the information we could arrive at.

Q Now, when did you see these few people?

A No, they were scattered continuously during the appraisal period.

Q And did the information you got on those have any effect on the values you got afterwards?

A Not in changing our general base.

Q Now, you did quite a bit of appraising -- was it the Creditors' Relief Act?

A The Farmers' Creditors Arrangement Act.

Q Under the Farmers' Creditors Arrangment Act, is that right? A: Yes

Q For what purpose were you appraising when you appraised for them, Mr. Dodding?

A Well, I believe that was a Bankruptcy Act put in reverse, and that is the way we applied it.

Q And what were you appraising?

A To adjust debts to the farmers' ability to pay.

Q And you did some appraisals for the Canadian Farm Loan Board, I think you mentioned?

A Yes.

Q And for what purpose were you appraising when you made those apprisals?

A Loan purposes for the Farm Loan Board.

Q Did you use the same basis of value when you came to appraise the Japanese land?

A No, because the Farm Loan Board's appraisals are for loaning purposes. They are of a wider latitude than one would find when appraising for the fair market value that we were expected to arrive at.

Q Were you instructed to appraise the fair market value of these lands?

A Yes.

Q Who instructed you? A: The District Superintendent, as I recall it.

Q At this meeting on May 1st or thereabouts?

A Yes.

Q Were the other appraisers present?

A Yes.

Q And just exactly what did the superintendent tell you? A: I could not recall it at this time. It was not written. It was a one day's conference, and one does not remember much about that six years later.

Q Did he tell you what he wanted you to appraise and what the purpose was?

A The purpose was to find the fair market value of lands held by the Japanese in the Coast area.

Q And with what end in view?

A To find the fair market value.

Q For what purpose, though? Why find the fair market value of these properties?

A Oh, I don't think that anyone knew the purpose. I know I didn't.

Q He didn't explain it to you?

A No.

Q Did you not wonder what the purpose was?

A Yes, an appraiser is always curious.

Q And were you unable to find out?

A I don't think I ever asked. I was told to do a job and that was that.

THE COMMISSIONER: Q: Was there any explanation made to you relevant to the instructions to furnish a certificate of the use of the property by veterans?

A Yes, your lordship.

Q What explanation was made to you?

A As I recall it, it was purely for the Department's use, to show any property that might be suitable for the Veterans' Land Act purposes should these

properties become available for sale on the open market.

MR. McMASTER: Q: And was it explained to you what the Veterans' Land Act--what were going to be the provisions of the Veterans' Land Act at that meeting, or what the provisions were likely to be?

A I believe in a general way, because I believe at that time the Veterans' Land Act was still in the making.

Q It was to be quite a change from the old Soldiers' Settlement Board? A:Yes.

Q That was made clear, was it?

A Yes.

MR. McMASTER: My lord, I want to deal with specific cases. Are we ready to make a break now?

THE COMMISSIONER: We had better wait until I hear from Mr. Watson. He has gone down to inquire about a room.

MR. McMASTER: By the way, witness, before I do go on with something else-- when you said certain bases were fixed in each municipality, do you recall what those bases were for each municipality that you appraised in?

A Personally, I think I worked from a level of $50 for cleared land in Pitt Meadows area and $90 in the Maple Ridge area.

Q Did you appraise in other areas?

A I did some in the Richmond area and some in the Delta.

Q And what were your bases in those areas?

A I just forget what those were.

Q Some were around $200 to $250 an acre?

A On the west of Richmond, it would be somewhere around there.

Q And do you recall what it was in Delta?

A No.

Q Would it be somewhere around $60 an acre?

A Well, the Delta, it is difficult to say, because so much of the Delta is very good farming land and there is quite a tract of it that is fine, gravelly land with very little value as compared to the main sections of the Delta area.

Q Did you have two standards, then, in Delta? One for the part that had agricultural possibilities and one for the part that didn't?

A No, I didn't operate in the good farming area. I was on the bench land -- whatever work I did at Delta, with the exception of a few properties down the River Road.

Q Now, I just want to draw your attention very briefly Mr. Dodding, to an appraisal which you made in Case No. 855, in Pitt Meadows. It was property on Advent Road, and the values; you state that it is suitable for agriculture-- suitable for mixed small fruit? A: Yes.

Q And the value you place per acre is $60 on cleared land and $10 on the uncleared land. Do you say that was the fair market value of that land in 1942? A: That is what I believed at that time, yes.

Q And that property you were appraising from an agricultural point of view, I take it?

A Yes.

THE COMMISSIONER: He has said he was appraising allof them from that point of view.

MR. McMASTER: Q: And I would draw your attention to the fact the buildings are appraised at $1200 and the value added to the farm is $800.00. Mr. Dodding, you also appraised another piece of property on Advent Road, quite close to the property I just showed you in Case No. 847. I show you the appraisal -- a property of Yumado -- and it has direct access to Advent Road: Value of buildings, $580.00 added to the farm, $350.00; the land you value at $75.00 on cleared land and the uncleare land at $15.00 an acre,and you state this is a small holding of little or no agricultural value. It appears to have been the home of an industrial worker. Now, do I understand at the time that you appraised that land you knew the Japanese had purchased it in 1940 at $250.00 -- for $250.00?

A No, I don't recall having heard that at the time.

Q And that would be before erecting the buildings?

A I imagine so.

Q Yes, they are a year and a half old-- built in 1940.

A Pardon me-- that is the ~~xhi~~ height.

Q I am sorry -- it would be with the buildings on. I don't know if I have just the right place there. Oh, I see. You say those buildings were 15 years old. Mr. Yumado, the Japanese, has given

evidence that he built those buildingsin 1940. Now, can you understand how there could be such a mistake? A: In most cases, if there xJapanese in residence, they would be asked the age of the buildings that were used, but I notice they were not in residence at that time, and that age could be wrong. It is evidently given as to the weathered condition of the building.

Q And if the Japanese said he built it in 1940, you not in a position to dispute that?

A No, I am not in a position to dispute that.

THE COMMISSIONER: We will recess now and we will resume in Judge Sargent's Court room.

(PROCEEDINGS RESUMED AFTER SHORT RECESS.)

THE COMMISSIONER: I fancey we shall be a little more comfortable here.

D. DODDING resumed stand and testified further as follows:

CROSS-EXAMINATION CONTINUED BY MR. McMASTER:

Q Mr. Dodding,you appraised one or more greenhouse properties, didyou?

A Yes.

Q Had you had any experience in appraising greenhouses before? A: No.

Q How did you arrive at the value of the greenhouses?

A As I recall it, two members of thestaff spent about the best part of one week investigating greenhouse properties throughout the Coast area,and the information that they gathered was made available to all appraisers.

Q And do you recall-- didyou appraise them on a square

what your measure was per square foot?

A I believe that ranged from 25 cents a square foot up to 50 cents, depending on the construction of the building.

Q I draw your attention to case No. 3 in the appraisal in that case. I will show you the appraisal I have here. It is a greenhouse property at Whonnock and your remarks at page 3 of the report: "The greenhouses are well laid out, water being supplied from the creek to an elevated tank. Pumping is done by a waterwheel. . . . . fuel for heating plant is mainly sawdust. The glass is on the concrete base and the sash well painted."

THE COMMISSIONER: Have you a copy of this?

THE SECRETARY: No, my lord, there does not appear to be any exhibits in case No. 3.

MR. McMASTER: My lord, I have a copy of the transcript, which indicates this was filed as an exhibit.

MR. HUNTER: It might not be. In the earlier cases, there was some doubt as to what were filed as exhibits.

THE COMMISSIONER: Yes, I recall that.

MR. McMASTER: It was sometime later that they began putting the appraisals in. I think perhaps I have an extra copy in the file -- if I may have it back, my lord. The pencil writing on it is counsels.

THE COMMISSIONER: Yes.

MR. McMASTER: I draw your attention to a greenhouse which you appraised at $1700.00, as being the present day value of that greenhouse, and you described the condition as good. The greenhouse is 40 by 200? A. Yes.

Q Now according to my calculations that would make out at 20 cents per square foot. Can you explain why that green house, --the present day value would be only 20 cents a square foot, Mr. Dodding. Is there any reason that you can see from your report? A. As I recall this greenhouse, and as the sketch shows, there are only two outside walls, and the main greenhouses are 20 feet, with two glass roofs, supported in the centre eave by wooden posts. The sidewalks of this greenhouse were only approximately five feet. The bracing in between -- across from the side walls to the centre was not well braced, and were only about five feet from the ground.

I visited this property last spring and I found that the present operator had to build trenches in the greenhouse, so that he could walk across the cross beams.

Q Don't you think you would have mentioned that fact in your remarks if you had observed that at the time, Mr. Dodding?

A Not particularly I don't think. The Japanese were using it satisfactorily. Becuase of his stature he could walk under a four-foot crossbeam.

Q And you think 20 cents per square foot was a

reasonable replacement value in 1942?

A For that particular greenhouse I think it was.

Q Now I notice that you say the value these buildings add to the farm is $2400.00, whereas the present day value is $4050.00. Would you not agree that the operation of the greenhouse would be the main pursuit of a farm like that?

A He had five and a half acres of other land that was not being extensively used.

Q So that the main pursuit was the operation of the greenhouses?

A But it still remains the farm, and because the greenhouses ha d become on of his main interests, in the past the farming had been his main interest.

Q Do you say that a greenhouse operation is not an agricultural pursuit?

A Yes, a specialized agricultural pursuit.

Q And you were not appraising it from a specialized agricultural pursuit?

A No.

Q Now just from looking at that, I notice there are some seventeen mixed fruit trees on the property, on which you did not place any value. Will you explain why you did not place any value on these trees?

A These trees appeared to me to be old and they had not been particularly cared for and as I saw them on that date they had no commercial value.

Q And you made no mention of that in your report?

A No.

Q And fruit trees in the Fraser Valley, did you consider they had a commercial value in 1942?

A Very few had.

Q Why was that?

A It is not a tree fruit -- well I should say it is not an apple growing district in the first place.

Q Yes? A. About the marketable apples of any value at all are probably the green apples for the early market.

Q And what about prunes, Mr. Dodding?

A Prunes have a certain market value for the jam factories.

Q I suggest to you that there is a large quantity of prunes grown in the Fraser Valley that are sold commercially?

A I believe there are, but I don't believe I saw many of them.

Q You don't know what kind of trees these were?

A I think that was a general mixture of everything.

Q Now you appraised a number of the properties, Mr. Dodding, that were down along the Fraser River and in the Delta munisipality?

A Yes.

Q The long narrow strips?

A Yes.

Q And you expressed the opinion, if I recall correctly, in all your appraisals of those properties, that they had little or no agricultural value; that they were

not suitable for agricultural purposes?

A I think that is right.

Q And you expressed them as being suitable as homes for fishermen?

A Yes.

Q And nearly all of those properties, if not all of them, had some water frontage, had they not--

A Yes.

Q -- across the River Road?

A Yes, what I saw.

Q Now did you place any value on the water frontage?

A No.

Q And that was because you were appraising from an agricultural point of view, is that right?

A Yes.

THE COMMISSIONER: What are those properties, again, Mr. McMaster?

MR. McMASTER: The properties in the Delta Municipality, along the River Road, with water frontage on the river.

Q In each case I believe there is a small strip on the north side of the river road?

A That is right.

Q Have you the appraisals, Mr. Secretary in case No. 904? Now witness, on what basis did you estimate the value of chicken houses?

A U sually the square foot or per bird of four square feet.

Q And how much didyou allow per square foot?

A It would range from 20 to 35 cents.

Q And you had appraised a lot of chicken houses before this time, or chicken ranches?

A No.

Q Where did you get your information from?

A That again was the subject of investigation by members of the staff, looking over poultry houses, and gathering information as to the construction, and the information was made available to all appraisers.

Q Now I suppose you would agree that a chicken ranch is also a specialized type of agriculture?

A Yes, depending on the acreage, of course.

Q Did you appraise properties with chicken houses on them -- that is, more than one?- with a number of chicken houses on them from an agricultural point of view? A. Yes.

A Yes, but not from a specialized agricultural point of view?

A No.

Q Did you have any instructions to deal with your appraisals in that manner?

A Not specifically I don't think. Oh, pardon me, I didn't just get that.

Q Did you have any instructions not to place any value on property that had specialized agricultural features? A. No. The instructions were general as from an agricultural viewpoint.

Q And your interpretation of that was that it excluded agricultural pursuits, such as greenhouses

and chickenhouses of a specialized nature?

A In a general way.

Q Now I draw your attention to this appraisal in case No. 904, to the value that you placed on the henhouses there. Now I notice there is a henhouse 20 by 80, one year old, made with good foundation, and repairs stated to be good and you state the present day value is $700.00; and right under that is a henhouse 20 by 60, and the henhouse condition is only fair and you appraise that at $600.00. Now did you appraise those two henhouses at their present day value, on the present basis?

A Well, that would be a little difficult to say, because the type of construction and the material that went into these houses would make a difference.

Q So you are suggesting those two houses were constructed differently, are you?

A That would indicate so.

Q You are going entirely on the fact that you placed a dif ferent rate, I take it?

A At this time that is all I can go on.

Q But in that case, Mr. Dodding, I notice that you mention with regard to the water supply from the well, "Beatty Electric pressure pump". What value did you place on the electric pressure pump?

A I don't think I placed any in this case.

Q For what reason would that be. What would be the reason for that?

A I considered it a chattel. It was not, as I recall, connected up -- very few of those are connected up with the house system. They are mainly for supply water to the poultry houses.

Q You did not consider them affixed to the land?

A No.

Q So you put no value on it, is that correct?

A Yes.

Q Are you aware some of the other appraisers put a value on the electric pumps?

A Yes, I did in some cases.

Q Well, why? A. It would depend on whether it would become a general permanent improvement or it was just sitting out in the well somewhere.

Q Weren't these pumps affixed to the wells?

A They were affixed to the wells, yes.

Q I wonder if I could have the appraisal in case No. 1181. Now in that case, Mr. Dodding, there are two lots: Lot 1 of the north half of Lot 250, and Lot 2 of the north half of 250. You appraised Lot 1 and Mr. Sinclair appraised Lot 2. Will you just take a look at those two appraisals?

Now at page 3 of your appraisal you draw attention to the fact that it is located in a successful small fruit area and at the corner of two main roads. "This ~~unit~~ holding is too small to make a satisfactory unit in itself . . . . . if combined with Lot 2 a very suitable 10 acre holding could be acquired, which could be developed into a small fruit and poultry unit". Are you aware

-- or had you been aware those two small parcels belonged to the same owner, and could be dealt with together, would you have given any additional value to that lot, Mr. Dodding. You gave $10.00 an acre there?

A No, I don't think I would.

Q You state if the two were joined together it would make a suitable agricultural unit?

A Yes.

Q But as a single unit , the five-acres were not suitable in your opinion?

A Y es, that is right.

Q Now I draw your attention to the fact, according to the transcript of the evidence in this case, the Japanese states he purchased this land for $800.00 -- that is 1 and 2, in 1940 . Were you aware of that when you made your appraisal?

A No, I don't think I was.

Q Would it have made any difference to the value you would have placed on it if you had known that?

A No, I don't think so.

Q Now I draw your attention to the fact, in the evidence the claimant said he had cleared four acres and had them in strawberries, and there was one building and two shacks on this property. Have you any recollection at all of that, Mr. Dodding?

A Yes. This is a case that I possibly should explain. There were none of the Japanese owners around this particular property at the time, and in endeavoring to locate these two properties

the corner post, on the Hunter Road -- the three corner posts were located between the two lots --

THE COMMISSIONER: I do not hear you witness.

A I say in endeavoring to locate the boundaries of this property, the three corner posts on the Hunter Road were located, because they came under two different titles, that we got from the Land Registry office, and it was surveyed in five acre blocks, and we were unable to find any corner post on the south portion of this property, and in a searchfor this corner post --

MR. McMASTER: That is the south-east corner post?

A The south corner post -- I contacted a store-keeper in this corner who owned this property.

Q That is the property again to the south?

A No, your lordship.

Q To the east? A. To the west.

Q To the west? A. Yes, his property was supposed to be a fiveacre property, and he showed me a corner post which he stated was the corner post of that lot.

Q That is midway -- A. Midway up here.

Q Midway up the Yamoto property?

A That is midway up Second Avenue; and being unable to find any corner post I accepted his statement that this was the corner post that should have been there and consequently the shack and that on that lot were not accessible.

Q When did you find that out?

A I didn't find it out. Some other member of the staff found that out a year or two years later.

Q And you did not examine the balance of the property, not believing it to be Mr. Yamoto's property?

A No.

Q I take it you and Mr. Dodding appraised those two lots together?

A Yes.

Q And made one report on one and two?

A Yes.

Q I am sorry, I should have said Mr. Sinclair?

A Yes.

Q Was that your usual practice in appraising these Japanese properties?

A No, but we just had one car at our disposal and whatever information was handed to us from the Land Registry office , we took into that particular district that we would be travelling over and oneman would be dropped off at one place and the other at another place, and it just so happened that that day we were both on that particular location.

Q How did you estimate the acreage on this lot, Mr. Dodding? A. Well, the dimensions were shown on the tracing given us from the Land Registry office.

Q But you actually did not measure it up yourself?

A We located the corner post, that we did find, by pacing, and my pacing should have brought me to that corner, and I would have taken that,

irrespective of being unable to find the post, but the next door neighbour who had lived there for years I considered he should know that line better than I would know it, and that accounts for the error in that case.

THE COMMISSIONER: Q: Well now, having in mind there were two acres under cultivation what change would you make in your valuation?

A May I see that a moment, please? As I recall it the building is on Lot 2, so that would leave Lot 1 -- the property I appraised. I believe subsequent information indicated that the bulk of the cleared land was on Lot 2: that is there was more on Lot 2 than on Lot 1. I believe it was reported to be approximately one and a half acres cleared land on Lot 1.

Q How much cleared land was there altogether according to your later information?

A I think it was four acres. Isn't that correct, Mr. McMaster?

MR. McMASTER: Q: You answer the question according to your information?

A Well, I haven't got the report on it, but I recall seeing a later report showing there were approximately four acres on it.

THE COMMISIONER: Q: Well, what change in value would you make on the assumption that there were one and a half acres cleared on Lot 1?

A I believe in that particular location I would have given a value of $75.00 an acre for cleared land.

MR. McMASTER: Q: You would say that would be the fair market value, would you?

A At that time, yes.

Q Now I take it of course, that you would not be able to tell us what the present day value of the buildings were?

A No, the building was not on Lot 1.

Q I beg your pardon?

A The building was not on Lot 1 that I appraised.

Q You did not see the buildings, did you?

A Oh we saw the building -- it was sitting out there in the open.

Q Now my information is that the building was on Lot 1, Mr. Dodding?

A It could have been, it is just my impression that it was not on lot 1, from my recollection of the location.

Q Do you remember any more than one building?

A Driving past on the Lougheed Highway, on that particular portion, I believe there may have been a shed or a shack or a chiken house or something.

Q This property was located on the Lougheed Highway, was it?

A. No, it is just sitting back off the road, There is nothing in front of it and you can see it from the Lougheed Highway.

Q It is all cleared land, is it?

A I think there is a little bit of swampland there, I am not sure.

Q And where are the buildings as you can recall from seeing them on the Lougheed Highway?

A I would have thought they would be about there.

Q And how many buildings were there?

A Well, I remember seeing that shack there somewhere, and a smaller building off to one side, but what they were I could not say now.

Q THE COMMISSIONER: What value per acre did you allow for the bushland?

A Ten dollars, your lordship.

MR. McMASTER: Q; Would the fact that part of the land was cleared not affect the remaining portion that was under bush in your opinion, Mr. Dodding?

A No, as I recall that location from the Lougheed Highway, it runs in on a level and then rises into the bushland and the bush is fairly well rolling land and there is quite a substantial ravine that runs through one corner of it.

Q Are you referring to Lot 1 or Lot 2?

A Lot 1 is the only one I am concerned with.

Q I refer now to your report where you say; "The land is slightly undulating" and there is no mention of any ravine. Now would you like to correct that statement you just made?

A Not altogether. Between the corner post on Second Avenue and the corner post on Hunter Road, the ravine as I recall it cuts that lot, because I had to walk through that ravine to get to the corner.

Q Why didn't you show it on the map at the time, Mr. Dodding. You are thinking of Lot 2, aren't you?

A Well, all I recollect of this thing is getting through a ditch to find that corner post and that creek is shown on Lot 2. That is correct.

Q So it would appear that possibly you appraised Lot 2 and Mr. Sinclair appraised Lot 1?

A No, because here is my boundary on the property I was working on (indicating on sketch).

Q I take it you would not agree with me that a person interested in clearing land for agricultural purposes would pay more for bushland, which form part of the farm which was partly cultivated, than he would for any piece of land --suitable land -- comparable land?

A No, I don't think so.

Q That is all.

REDIRECT EXAMINATION BY MR. BRAIDWOOD:

Q My lord, I just have one question. In case 847, the Yamato property at Pitt Meadows, that my friend was putting to you earlier, Mr. Dodding, on a matter of the age of the buildings, you answered him that you did not have any dispute to make with the owner as to the age of the building, is that correct?

A Yes.

Q Will you tell us what your observation of the building would lead you to believe was the age of the building?

A Well, in cases like that you would only go on

the appearance of the building and this building was weathered and it gave the impression to me that it was considerably older than it was reported to be.

MR. BRAIDWOOD: That is all, my lord.

THE COMMISSIONER: Thank you, Mr. Dodding.

(Witness aside)

THE COMMISSIONER: Who is your next witness, Mr. Braidwood.

MR. BRAIDWOOD: We still have Mr. Sinclair, who is another V.L.A. appraiser.

THE COMMISSIONER: Yes, you might call your witness up.

HARRY LUDLOW SINCLAIR, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRADIWOOD:

Q Mr. Sinclair, what is your occupation?

A Supervisor of Soldiers' Settlement and Veterans Land Act.

Q Now please speak up. Will you tell his lordship please, your experiences and training in connection with land and appraisal work?

I went out west in 1912-- to Wetaskiwin in Alberta and joined my uncle on a ranch , a mixed farm and ranch; and I was with him for about a year and then I farmed 320 acres of land up until 1916, when I went overseas. On my return from overseas in 1920 I went into the Peace River country. I farmed there to the end of 1919, I think and in 1920 I came to Vancouver Island. From Vancouver Island I went to a friend operating a ten-acre orchard -- truck and small fruits. I stayed with him until 1924. Then I went into the Okanagan and operated a 20 acre orchard and a mixed truck and mixed farm until 1927 when I joined the staff of the Soldiers' Settlement in Vernon-- in 1927 to 1929. This is just approximate, my lord.

I was working on a farm at Kelowna and then from Vernon to Salmon Arm through the Okanagan and the Spallumcheen municipalities.

In 1929 I was moved as Field Supervisor to Kelowna. I was there until 1931 and then was moved to Penticton. I then had charge of

the Similkameen, southern Okanagan and Kettle River Districts.

I had charge of those districts until 1938 when Mr. Dodding was moved from Nelson to Westminster, and I was given the Arrow Lakes and East and West Kootenay and I had that territory extending from Princeton. Partially from the Alberta boundary until 1942 when I came to value properties in this part of the province.

During that term I appraised for the Farmers Creditors' Act, the Farm Loan Act and the Farmers Colonization, the Department of Transport and Soldiers' Settlement Reverted Lands.

Q Were there any other organizations that you appraised for, Mr. Sinclair?

A Not that I can recall offhand.

Q And how many appraisals would you say you had made during the course of your career as an appraisal?

A Oh, upward of 400. I might add from 1942 after I returned I appraised land from then ~~p~~ with the exception of the winter months -- that was my main occupation for the Veterans Land Act and it stretched from Cariboo to Kelowna and into the Okanagan.

Q Mr. Sinclair, you were associated with the other appraisers in the appraisal of Japanese lands in the Fraser Valley, is that correct?

A Yes.

Q And what was the purpose of that appraisal?

A To establish the fair market value .

Q The fair market value from what point of view?

A From the agricultural point of view.

Q And what was your policy if you found any other potential that the property might have, such as residential or a business value?

A As I can remember, that did not ref lect in any way in my appraisal.

Q With regard to the properties that came underyour notice to appraise, in general what type of properties were they?

A F arm lands.

Q Now on considering your appraisals, do you consider they were conservative or liberal?

A I would think they were conservative.

Q Now, Mr. lord, Mr. Sinclair has also respresented on Exhibit 71, I believe, --

THE COMMISSIONER: Yes, let me have Exhibit 71 again, please.

MR. BRAIDWOOD: The seventh property down -- Fujishige property.

Q Now, Mr. Sinclair, did you appraise the Fujishige property in 1942? A. Yes.

Q Will you tell his lordship in general what your appraisal shows? A. The legal description Lot 1 or Block 241 CP 1 . Map 2998, containing 5.645 acres.

Owners name Fujishige, Takeo; Post office address, Hammond, B. C. Nearest rail point Hammond. Distance one and a half miles: market town, New Westminster. Distance 16 miles: church (Denomination) Hammond: all denominations. Distance one and a half miles;

nearest school, one and a half miles; Haney High school by bus, distance 3½ miles.

State how property was identified: map location and corner post.

THE COMMISSIONER: Speak up, Mr. Sincalir, I have to hear you.

A "Roads: State whether property has access to main road, the kind of road and its condition: Direct access to 21st road on north and from Power Line road on south; secondary gravel road fair condition.

Is this district a good one: Yes.

Employment opportunity: Two sawmills and brickyard.

P redominating nationality and religion: British Protestant Japanese predominating., immediate area.

Describe fencing and its condition: Barbed wire north and east, poor.

Water Supply: Well for domestic purposes; good supply; electric light in house;

Buildings on F arm:

Bldgs.	Dimensions.	Material.	Height.	Roof	Age	Foundation.	Repr.	Valuation.
House	28x30	Frame	1½ st.	shingle	15 yr.	poor	fair	$1000
Pk.shed	21x32	Pole shakes	12 ft.	shake - old		wood	poor	$ 50
Garage	12x15	Frame	7 ft.	shingle	old.	wood	poor	$ 20.
						Total present day val.		$1070.00

Total value bldgs, add to farm $800.00.

H.L.Sinclair,
In Chief.

Is dwelling habitable without repairs? Yes.

Describe the basement and chimneys: No basement, brick chimney on bracket. No rooms upstairs, give upstairs unfinished.

How finished: Paper over wood.

Are buildings Painted: Stained.

Condition of Paint: Poor

Distance from nearest bush: 300 feet.

Cultivated Land: Acres 1.

ACres:	Level Undulating, rolling or hilly.	Soil State Depth.	Subsoil.	Kind & Quality of Cropp.
4.60	Level	Sandy loam	2 feet	Asparagus 1.75 acres Fruit trees, peas, bal. fallow, and buildings. Val. per acre $75.00 Total value $345.00

Area unsuitable for cultivation.

Acres 1.04.

Bush and swamp.

Nature of timber if any and where marketable: None.

Value of land per acre -- Total $10.00.

Total value of land $355.00.

Total added by buildings to value of farm $ 800.00.

Total value of farm $ $ 1155.00.

Describe condition of farm, commenting on tillage, length of time unoccupied or partly occupied: Property completed by Japanese tenant, T. Hayashida; only acre in asparagas and small cropof peas being cultivated; balance or arable land lying fallow and weeding.

State most suitable type of agricultural if farmed,

beaming in mind the district's limitations if any: Small fruits and poultry.

Noxious weeds: Marestail.

Give approximate detail and amount of all annual taxes and names of taxing authorities:

District of Maple Ridge, 1942, $33.04.

Place: New Westminster, B.C.

In my remarks I say this: " This property at present is being rented by Japanese T. Hayashida from owner Takeo Fujishige; only the area in asparagas and a small plot in peas is being worked; balance of land fallow. There is a small acreage planted to fruit trees, prune and apple. Trees are young and not commercially productive and value of same included in land value. The dwelling is on cedar posts, no basement; first floor finished, second storey unfinished. Electric light installed in dwelling. The soil is a coarse sandy loam over sand and clay. Not retentive to moisture with the limited acreage and in its present state of cultivation, I think this is a mediocre place. Property is certainly not being worked and fallow land is weedy. And then I give; "1.80 acres asparagus only fair condition 1.15 acres peas; about 60 prune trees, 18 apple trees. "

THE COMMISSIONER: What was the cleared and cultivated acres? A. 4.60, sir., and the balance 1.04 in bush.

Q And you valued the cleared land at $75.00, is

that right, per acre?

A Yes.

MR. BRADDWOOD: Q; And what did you consider the fair market value of the whole property to be at the time of your appraisal?

THE COMMISSIONER: $115500

MR. BRAIDWOOD: Q; Now, Mr. Sinclair, you are aware of the fact that this property was sold on the 15th of June, 1942 for $1425.00 which is roughly 23% above your appraised figure. Have you any explanation to offer to his lordship why the difference in price occurred there?

A Well, I understand from my investigation that Giovanni Braite, the man who purchased the land,-- he is of Italian extraction -- he was able to get immediate possession, and I figure that I did not take the crops into consideration at all in my valuation. He would get the crops and I considered that would make up a large portion of the difference in sale price in my valuation.

THE COMMISSIONER: Q; What date was the sale -- in June of '42?

MR. BRAIDWOOD: In June of '42.

Q You are telling us now, Mr. Sinclair, you have two explanations. The first was immediate possession, is that correct?

A Yes, I understand from Mr. Menzies, that he could obtain immediate possession.

MR. McMASTER: Just before my learned friend proceeds, I would like the bases:the sale was in June,

and my information is that there was a sale on the 20th of June, 1942, for $1650.00. Has my friend made a search of that?

THE COMMISSIONER: Well, what was your information, Mr. Sinclair as to what the price this property was sold to the Italian for?

A $1450.00 I think -- $1425.00 net, my lord.

Q From whom did you get the information?

A If I remember correctly I got it both from Mr. Menzies and I went into the Land Registry office and searched for title.

Q Well now, when you say $1425.00 net, what do you mean? A. That is what it had on the document, sir.

Mr. BRAIDWOOD: Perhaps this could be explained . This was a sale by Mr. Menzies, and perhaps his commission would account for the difference, and it would show the net only.

THE COMMISSIONER: Do you suggest that Mr. Menzies may have charged the Commission over the $1425.00?

MR.BRAIDWOOD: Well, that is the only information I have. Can my learned friend tell me what information he has?

MR. McMASTER: The title number is 156688/E and the deed is dated 20th April 1942, from this Japanese to Giovanni Braite of Woodfibre, B. C.

MR. BRAIDWOOD: The notes I have on it show a net figure of $1425.00 but the application to register was on June 11th, 1942.

THE COMMISSIONER: Well, if you will investigate it further,

and perhaps you can let me know what information you get.

MR. BRAIDWOOD: Yes, my lord.

THE WITNESS: I discussed this property with Mr. Menzies, and if I remember correctly that figure was quoted to me by Mr. Menzies.

THE COMMISSIONER: The $1425.00 figure?

A Yes, my lord.

MR. BRAIDWOOD: Q: Now witness, we were discussing your reasons for the increased price, or rather your edplanation in the increase in price from the appraisal figure and the sale price, and you understand his lordship's remark with regard to advising him at a later date as to the exact figure? A. Yes.

Q But you have given two reasons -- one of which I repeated to you -- namely immediate possession, and the second I think you told us was attributable in your mind to crops which were taken over by the new purchaser. Is that correct?

A Yes.

Q Now in view of the subsequent sale, what is your opinion now as to whether or not your appraisal was fair market value for that property?

A I think my appraisal was fair market value for that property.

Q And you are still of the same opinion?

A Yes.

MR. BRAIDWOOD: Now, my lord, I would like to put in another comparable sales form in this particular

matter,which will be marked Exhibit 91, will it?

THE SECRETARY: Yes.

(DOCUMENT MARKED GENERAL EXHIBIT No. 91)

MR. BRAIDWOOD: Q; Now I produce to you, Mr. Sinclair, a document headed "Comparable sales sheet".

A Yes.

Q Was this document prepared by you in comparing the Fujishige property -- the property purchased from Kenny to Smith and the wordings on that document were entered by you, were they?

A Yes.

Q I will have that marked, my lord.

Nou have your own copy . Mr. Sinclair, have you the legal description of the K enny to Smith sale?

A I think I gave you that this morning.

Q I might as well while we are on this produce a certified copy under the Deputy Registrar of the sales from D. Kenny and Selina Kenny to William Smith and Fred Smith for $1400.00 in 1942.

MR. McMASTER: There is no need to file the document.

THE COMMISSIONER: No, there is ne need to file the document, your friend does not question it.

MR. BRAIDWOOD: Well, I hve the document, my lord.

Q Now, Mr. Sinclair, will you give his lordship any information you can with reference to comparison No. 1 of the Smith property to Ferguson -- that is information not already contained on this document that is before his lordship, but if you can give anything in addition that you would care to point out?

A. I don't think I have

anything further to add. It is immediately across the lane, my lord, west.

Q I am sorry I did not hear your last answer?

A I said it was just immediately across the lane to the west of the Giovanni Braite purchase.

Q Now in view of the fact the Smith property was sold at a larger amount than your appraisal of the Fujishige, how do you explain the difference in price? A. I was on this property -- for general information at the time I made the appraisal of the Japanese claimant's property. I went across there for general information.

Q Yes? A. And it is six years ago now, but if I remember correctly he told me about the sale.

Q What did he say? A. I would not be certain on that, but I have a recollection he mentioned a sale, and I viewed the buildings on the Smith property and they seemed to me to compare favourably. The soil conditions were practically the same, and there is a larger acreage of cleared land and I thought in my opinin the sale compared favourably.

THE COMMISSIONER: Now you might check me on this: the differences that I observe now to properties are these: there is two and a half acres additional cleared land on the Smith property compared to that on the Fujishige property?

A Yes.

Q That would account for what -- $175.00?

MR. McMASTER: It is only one and a half acres additional cleared.

THE COMMISSIONER: You are right.

THE WITNESS: One and a half.

THE COMMISSIONER: Q: A difference of roughly one and a half acres. What would that account for?

A At $75.00 it would account for --

Q In round figures 100 dollars -- no, a little more.

A Well, it is a little better than that. It is 1.40 acres -- yes, around $100.00.

Q And then, " I obs e rved there are more buildings on the Smith property". A. Yes, there were more buildings.

Q Apart from that, they seemed to be in general terms pretty much the same? A. Yes, my lord.

Q Well, how much would you attribute to the buildings. There is $350.00 roughly difference?

A Well, I would put it at --

Q Would you say there was $250.00 difference in the buildings? A. I think in the number of buildings and type of buildings, there is somewhere in the neighborhood of $200.00 to $250.00.

Q Yes.

MR. BRAIDWOOD: I think that is all, my lord.

THE COMMISSIONER: Well, it is time to adjourn now, and we will resume at two o'clock.

(PROCEEDINGS ADJOURNED TO 2.00 P.M.)

I hereby certify the foregoing to be a true and accurate report of the said proceedings.

E. Blyth
Deputy Official Stenographer

2:00 P.M.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

HARRY LUDLOW SINCLAIR, resumed stand and testified further as follows:

CROSS-EXAMINATION BY MR. McMASTER:

Q Witness, referring to this property of Fujishige, am I correct in assuming that you appraised that property from the purely agricultural point of view? A: Yes.

Q Did I understand you to say that the purchaser of the comparable property, the Smith Property, was a retired business man?

A No, I didn't make that remark.

Q Do you know what he was?

A No, I don't.

Q Have you interviewed Mr. Smith?

A No, I have not.

Q Where did you get the details as to the buildings on the Smith property?

A I got them from a visit to the property and my remembrance of the property, and from the son of the onwer of the property at the present time.

Q Who owns the property at the present time, according to your information?

A Mr. Puciano, I think his name is.

Q I am informed, witness, that the house that was on that property was very old and that the purchaser pushed it down and didn't even bother trying to repair it. Is that information contrary to the

information you have received?

A The present purchaser demolished the house, yes; he told me.

Q Did he give you any estimate or anything of his estimate of the value of that house?

A No.

Q Did he indicate to you whether he salvaged anything out of it or not?

A No. I saw this house at the time of my appraisal of the adjoining property.

Q It is not on the property at the presnt time?

A No.

THE COMMISSIONER: This is the Smith house you are speaking of, is it?

A Yes, my lord.

Q I am informed that the value of that house wasn't anything more than $200.00. Would you agree?

A No, I didn't form that impression when I was on the property in 1942.

Q Why were you on the property in 1942?

A For general information. That was one of our practices. If there was a tenant, like there was on this Fujishige property, he might not be able to speak very good English. We went across the road and got general information.

Q You were on the property in 1942 for the purpose of getting information about Mr. Fujishige's property, is that right?

A Yes.

Q Did you make any inspection of Smith's at that

time? A: The same inspection I usually made. I looked at the buildings and the land.

Q Why were you looking over Smith's property?

A I had a conversation with the man in regard to his property, as far as I can remember.

Q At that time, were you making a comparison of that property with Fujishige's?

A Well, if it was mentioned, which I think it was-- I am of the opinion it was -- I naturally would not have brought it in as a comparison.

Q If it was mentioned, then what?

A I wouldn't have brought it in now unless I considered it was mentioned at that time.

Q Didn't you look for other comparable properties recently? A: Yes.

Q So that, you might have come across this recently too? A: But I have made the statement I was on the property for general information at the time I appraised the Fujishige property.

Q But I want to know whether that general information was with regard to Smith's or Fujishige's property? A: It was with regard to the Fujishige property, but I am of the opinion I got general information with regard to this.

Q Did you make any notes at the time?

A Mental notes.

Q Nothing on paper? A: No.

Q You didn't mention it in your appraisal?

A No, it wasn't required.

Q Had you not been requested by Mr. Barnet to ascertain comparable properties?

A Yes.

Q And to make notes of them?

A Yes.

Q But you disregarded that instruction?

A Yes. It wasn't on the appraisal form.

Q And you are now relying on your memory five years ago, of what was on this property?

A There are some of the buildings there yet.

Q But this house isn't there now.

A No.

Q And the other buildings are just small outbuildings? A:There is a pretty fair barn. In fact, the barn compares more favourably and did at that time with the one on the Fujishige property. You will note that in my appraisal of the Fujishige property I say,"It is pole and shakes; no floor; just a straight bush proposition."

Q Have you seen the Fujishige property lately?

A Well, I have passed it. I was on there within the last year, because the Fujishige property has changed hands again. Mr. Klassen has purchased it.

Q And have there been any additions or improvements to the property?

A I had quite a long chat with Mr. Klassen and

he told me at the time he purchased the property from Giovanni --

Q Pardon? A: I had quite a long chat with Mr. Klassen and Mrs. Klassen, and they advised me tat the time they had purchased the property that Giovanni had made considerable repairs to the house, had made repairs to the house and had done repairs outside. I think I will just state what Mr. Klassen did tell me from my notes, instead of going by memory:

"The present owners of the property, Henry and Mary Klassen, were interviewed recently and stated that they had purchased the property in October, 1944, from Brait Giovanni, who had purchased direct from the Japanese.

Giovanni, according to reports, purchased with speculative intent, constructed poultry house, remodelled the well and installed an electric pump, prior to sale.

Present owners complained of the poor condition and structure of dwelling and stated that they had expended over $1000 in repairs, doing the work themselves and considered it would cost a further $1000 for further necessary repair work and to modernize dwelling."

Q That is the Klassens, after they bought in October, 1944? A: Yes.

Q What was it that Brait Giovanni had done with

the place? He had fixed up the well and installed an electric pump, did you say?

A Constructed a poultry house, remodelled the well and installed an electric pump prior to sale.

Q Did you see the poultry house on the property when you looked at it?

A This last time?

Q Yes. A: No. I wasn't there for appraisal purposes. I thought I could interview Brait Giovanni.

Q And you didn't observe any poultry house?

A No.

Q And in your appraisal, you mentioned the fact that at the time you appraised there was an electric pump on the premises, is that correct?

A Well for domestic purposes; good supply; electric light in the house.

Q So that there was a pump when Brait Giovanni bought it? A: I don't say that.

THE COMMISSIONER: There is no mention of pump, Mr. McMaster.

MR. McMASTER: I am sorry, my lord. I had the wrong appraisal in front of me.

Q Now, with regard to the Smith property again,-- I am sorry to refer back to that -- that property was purchased by Smith on January 20th, 1942, and was re-sold by him in February, 1943. He bought it for $1500.00 in January, 1942, and re-sold it a year later for $2200.00. What improvements did you say he made to it before he

sold to Faricini?

A The Smith property?

Q Yes. A: I think you are getting the two properties mixed up. You mean Puciano?

Q Faricini is the name I have got.

A I don't know.

Q You don't know whether he made any improvements between January, 1942 and February 20th, 1943?

A No, I don't.

Q Where di you look for other comparable property?

A I don't think I looked very much for other comparable properties, because I was actually on this property at the time I appraised the across-the-road property, and I think the comparison is the logical one to make. As I said, there was the same soil conditions.

Q And you don't think you looked for any other comparable sales? A: Not to compare with the Fujishige property.

Q Either in 1942 or 1948?

A No.

Q Do I understand you are saying that the buildings onthe Smith property were better buildings than the buildings on the Fujishige property?

A I don't think I made that remark. I said this morning there were more buildings on the Smith property. I thought in a general way they compared in comparison with the two properties at the time in 1942 I was on the Smith property.

Q I understood you to say to his lordship this morning that the buildings on the Smith property were about $250 better.

A That is taken up with more buildings.

THE COMMISSIONER: The witness was then discussing the outbuildings rather than the houses. I do not think the houses were mentioned. I took it that the two were roughly comparable.

MR. McMASTER: Q: You say the houses were comparable?

A I thought at the time --

Q It was a fair comparison?

A I think there was six rooms in the house. There were six rooms, one and a half storeys, four down and two up. And on the Fujishige property there were five rooms, with the house unfinished upstairs.

Q And you placed a value added to the land on the Fujishige property of $800.00?

A Yes.

Q Would you say that the house that was on the Smith property would have added $800.00 to the value of the land? A: I didn't compare it that way. I took the overall picture.

Q How can you say the houses are comparable if you haven't got the same value added to the land?

A Well, the structures were similar. It was a frame house, as I remember it at that time.

Q You mentioned this morning that you thought you had done 400 appraisals. Were those appraisals prior to the appraisal you did on the Japanese

property? A: Yes, I have done that many since that time.

Q And since you did the appraisal on the Japanese property, you have been doing a lot of appraising for the Veterans' Land Act, is that right?

A Yes.

Q Would there be any difference in the method of your appraisal in these V.L.A. appraisals than on the Japanese properties?

A Not the approach.

Q Or in what you were trying to find?

A Might I ask you to explain that?

Q What were you trying to find when appraising the Japanese properties?

A The present day market value.

Q And what were you trying to find when appraising V.L.A. lands? A: Present day value.

Q Don't you have in mind the uses to which the lands are going to be put when you are appraising V.L.A. lands?

A Yes, I think that is a natural assumption.

Q When you appraise for the Farmers' Creditors Relief Act, what purposes were you appraising for then? A: That was a debt adjustment act, but at the same time I didn't only appraise for the Farmers' Creditors Arrangement Act. That is the returned settlers. I appraised civilian land at the same time and in my opinion, I was establishing a fair market value

under the Farmers' Creditors Arrangement Act.

Q And when you appraised for the Farm Loan Board, what were you appraising for?

A That was a loan, and I think at that time I was trying to find the fair present day market value of the land.

Q Would there be any difference between your approach, appraising for those two Boards, in those cases, than in the appraisals you made on the Japanese lands? A: I don't think the approach would vary a great deal.

THE COMMISSIONER: Q: You were applying the same principles in each instance?

A Yes.

MR. McMASTER: Q: I take it from your evidence that it was your purpose to establish the fair market value from an agricultural point of view?

A Yes.

Q And that the values you placed did not reflect other potential uses of the property?

A I said this morning those weren't reflected.

THE COMMISSIONER: That is what I understood you to say.

MR. McMASTER: Q: Supposing you have a piece of property that is going to compete in the market and there are people who might be interested in buying it from the standpoint of farming, and other people who might be interested in buying it for other reasons, do you suggest there are two prices?

A I was out to establish the present day value from the agricultural standpoint.

Q Would you answer the question?

THE COMISSIONER: Isn't it very argumentative, Mr. McMaster?

MR. McMASTER: Very well, my lord.

Q You said this morning you were conservative in your appraisals?

A Yes.

Q Why was that? A: Our whole training has been along that line, to be cautious, conservative.

Q And what do you mean by conservative?

A Cautious.

Q That is your training with the Soldiers' Settlement Board? A: Yes.

Q I would like to refer you to Case No. 849. This is the appraisal you made. Would you just look at it, please? A: Yes.

Q That is a piece of land in Haney quite well located, with 8.93 acres cleared and in crop. On page 3 you state, "This is a good property . . . available," and you proceed to describe the property, all of which appears to be in a satisfactory manner, is that correct?

A Yes.

Q Do I understand from your appraisal that it is your opinion that that property, with 8.93 acres cleared and all in crop, cannot support buildings worth more than $1500.00?

A I didn't look at it from a supporting proposition.

Q Do you suggest that a man, purchasing a farm,

doesn't consider the ability of the land to pay off the capital invested over a period of time?

A I was looking for present day value, which doesn't take in the long term.

Q You believe, then, that in 1942 buyers were paying less than the real value of farms, is that right?

A I think I established the real value of the farms at the present day value.

Q What kind of a farm would you require to have had to support the buildings that were on there at their present day value of $2,350.00?

A I wasn't looking at it from the supporting angle. I was looking at it from the present day value for a sale.

Q Did you find any comparable sales on that land, do you know? A: In 1942?

Q Yes. A: If you will let me see that.

Q Yes, certainly. A: I think that was arrived at from the overall basis onwhich we worked.

Q You mean from the standards you had set up before you went out to appraise, is that right?

A Yes, more or less. There may have been comparable sales I haven't got recorded. We worked on this independently. Each man made his appraisal, but we had a lot of information, generally speaking, because we wrote our reports and had various meetings at night -- slept with it and ate with it -- and any information available to any other

of the team was on the table for all of us.

Q Did you place any value on the plants on this land? A: No.

Q Why not? A: Those plants, to my way of thinking, depended on the continued operation,-- weather. Strawberries, not properly maintained, can very soon become weedy.

Q And did you have any reason to believe that this property would not be properly maintained?

A Not at that time. I think I have stated in my report it was well maintained.

Q And that there was a tenant on their for the duration? A:That was his remark at the time.

Q I show you the appraisal in Case No. 615, Mr. Sinclair. A: Yes.

Q You were aware at the time of making that appraisal that the Japanese had bought the property in November, 1941, is that correct?

A I was told that by a local Japanese.

Q Did you inquire how much he paid for it?

A No, I didn't.

Q Why not? A: I don't think it would have had any bearing what he paid for it.

Q If you had known he paid $700 for that property in November, 1941, would it have made any difference in your valuation?

A I don't think it would have made any difference. I read my remarks:

"I am prone to give this property

... highly developed property."

Q Was there other land available in that area, Mr. Sinclair? A: I can't remember at this time.

Q You can remember one comparable sale?

A Yes. I left here and I went back to my district, and I have been very, very busy on appraisal work ever since 1943 and 1944. Practically my whole time has been put in on appraisal work.

Q Can you imagine why this Japanese would pay $700 for something you say is worth only $150.00?

THE COMMISSIONER: There is no accounting for what some people do.

MR. McMASTER: There are some limits, my lord.

THE COMMISSIONER: If this witness is guessing, will it be at all helpful?

MR. McMASTER: Maybe not, my lord.

Q Referring to your comments on page 3, why did it seem odd to you that this property had been left undeveloped in view of the fact it was in a closely settled district of highly developed properties? A: Well, isn't that only natural for a person to wonder why it wasn't developed. I mean, it must have been costly or something, if it is surrounded by highly developed properties, why this piece should be left. It is just a remark I made at the time I made my appraisal.

THE COMMISSIONER: Q: Is this one of the few pieces left undeveloped in this area?

A Apparently, my lord, that is why I have it in my remarks.

MR. McMASTER: Q: I would like to refer to Case No. 966. Will you look at the appraisal, Mr. Sinclair?

A Yes.

Q I take it you appraised that property purely from an agricultural view, is that right?

THE COMMISSIONER: He has said that was the case in all his appraisals. He said so in chief. The note I have made of it is he confined his appraisals to agricultural values, ignoring other potentials. Do we need to have it repeated again?

MR. McMASTER: Q: As an agricultural proposition, did you consider that house added $1,000 value to the land? A:I considered that the fair market value of that property was the figure I put down.

Q From an agricultural point of view?

A From an agricultural point of view.

Q How did you arrive at a value of $60 an acre on the cleared land?

A I think that, again, is from the overall basis.

Q Were you aware that Mr.Patterson, on the adjacent lands, Lots 4 and 5, had given $100 an acre for the cleared land?

A No, I don't think I was.

Q That property is situated in Hammond, in the Municipality of Haney. Was $60 an acre the low figure for your cleared land in Haney?

A I wouldn't state definitely. No, I don't think it

was.

Q What were the range of figures in Haney, as you remember them? A:I think the basis was $80 in Haney, to work up and down.

MR. McMASTER: That is all, my lord.

THE COURT: Any re-examination?

MR. HUNTER: No, my lord.

(Witness aside).

MR. HUNTER: My lord, the next witness who was to have been called was Mr. Wormworth. Mr. Wormworth has been ordered by his doctor not to go into the witness box. He has a hear dondition. He did one of these appraisals. He has given me his qualifications in writing as an appraiser, and I thought possibly I could read that and file it. I don't know that it is necessary to go in the transcript.

THE COMMISSIONER: Have you any objection, Mr.McMaster?

MR.McMASTER: Under the circumstances, no, my lord.

THE COMMISSIONER: I would be very reluctant to ask him to take the witness stand, under the circumstances. Perhaps you might file his qualifications as an exhibit, and that will avoid transcribing it.

MR.HUNTER: Yes. That is what I thought it would be best to do. (Reading Mr. Wormworth's statement.)

THE COMMISSIONER: Does he say anywhere there whether he ignores any other than agricultural potential?

MR. HUNTER: No, my lord. I was about to make a statement on that.

THE COMMISSIONER: Yes.

(STATEMENT BY MR. WORMWORTH MARKED GENERAL EXHIBIT NO. 92.)

MR. HUNTER: It will be recalled that Mr. Wormworth had one of these 11 cases in Exhibit 71 -- Ken Hayashi -- and I have here a communication from Mr. Wormworth in which he states -- and I think this should go into the record -- that: "In the Ken Hayashi case in Mission Willage, there were a number of lots farmed as agricultural land, including streets and alleys" --

THE COMMISSIONER: Just a moment, now. Your friend is not going to have an opportunity to cross-examine.

MR. HUNTER: I don't think this will hurt him very much.

MR. McMASTER: I would have appreciated seeing it.

THE COMMISSIONER: Perhaps it would be as well to show it to him before you read it in. Have you any objection?

MR. McMASTER: I take it that my learned friend will produce the letter that is referred to.

MR. HUNTER: I am not sure that I have that letter. I will have to check.

THE COMMISSIONER: You are content that it should be read, are you, Mr. McMaster?

MR. McMASTER: Yes, my lord.

MR. HUNTER: "In the Ken Hayashi case in Mission Village, there were a number of lots farmed as agricultural land, including streets and alleys. The survey into lots effectively took it out of

"the agrigultural class and automatically placed it in the residential class. As a trial balloon, I put an agricultural value on it and wrote Mr. Barnet for advice on it. You saw the letter I got, but could not interpret it into definite instructions. I knew Mr. Barnet and his methods and was able to interpret his letter to mean that he would not try to influence me in any way, but that it should be considered on a basis of residential land. He did not return the appraisal for alteration, so I concluded that he was satisfied that it did not fall within the purview of the Order-in-Council and would be laid aside. Had he returned it, Iwould have valued at so much per lot according to the going prices of lots in the area."

The rest, I don't know whether my learned friend wants it read or not. In other words, he is saying he gave it a purely agricultural value and it would have a sort of subdivisional xvalue, and he has told me that his appraising was done from an agricultural viewpoint. I realize that is only hearsay, but I think it will become evident throughout his appraisal.

THE COMMISSIONER: That seems to have been pretty general.

MR. M cMASTER: With respect to this one appraisal by Mr. Wormworth in Exhibit 71, which sets forth these 12 properties, I notice they show the sale price of this property at $1,050.00. My inform-

tion from the Land Registry office is actually the deed was for $1. on the 4th June, 1942, Ken Hayashi to Shimmick, with a value declared on the application to register the deed at $1500., and that subsequently in November, 1944, apparently Shimmick died and the property was transmitted to Shimmick and Sorenson, and a value declared at that time of $3000.

THE COMMISSIONER: That last figure might or might not have any significance.

MR. MCMASTER: Yes; but in any event I would think the value declared by Shimmick in 1942 in view of the deed being only $1.--

THE COMMISSIONER: How did you get the $1050. figure, Mr. Hunter?

MR. HUNTER: Possibly I could check that. If we are going to adjoun this might be a suitable time.

THE COMMISSIONER: Very well. You have some other witness to go on with, have you?

MR. HUNTER: Yes, my lord.

(Proceedings resumed after short recess)

MR. HUNTER: The $1050. there is the same figure that was shown on Mr. Shears original statement, and I found nothing in the file to correct it. So I assumed it was correct. If my learned friend states it was $1500. I presume that would be correct.

THE COMMISSIONER: I take it your friend has examined to find out.

MR. MCMASTER: I have examined the application, my lord,

and the declared value was $1500.

THE COMMISSIONER: That is good enough. We will change that figure in Exhibit 71 from $1050. to $1500. How many lots were invloved Mr. McMaster--twelve?

MR. MCMASTER: It is lots 1 to 45, my lord. It seems to me there were 45 lots in the subdivision.

THE COMMISSIONER: It is roughly $35. a lot, then.

MR. HUNTER: Possibly, my lord, if I read the remarks Mr. Wormworth made in his farm appraisal report it may give his approach to the problem: "This can scarecely be called . . . . . as a fruit farm."

THE COMMISSIONER: Thank you. Who is your next witness?

MR. BRAIDWOOD: I am proceeding at this point to call Mr. Plumbly who, I believe, is the last of the V.L.A. appraisers we are calling.

LIONEL BEVAN PLUMBLY, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q Mr. Plumbly, what is your occupation?

A At the present time I am retired, but prior to retirement I was field supervisor with the Soldiers Settlement Land Act.

Q Would you tell his lordship what your experience has been in regard to land and appraisal work.

A I had better start with the time I came to this country in 1904, when I worked on farms in the Kamloops district until 1911. Then I purchased 120 acres of wild land, and made it into a farm. That was in 1911. In 1913 I sold that property

and went over to Enderby and managed the Stepney ranch consisting of thirteen hundred acres with nine hundred under cultivation; a mixed farm. I operated that as manager until 1915, when I joined the Services and went overseas, and returned in 1919. I then took a job as foreman of a big cattle ranch in the Kamloops country; four thousand head of beef. Owing to war wounds I had to give that work up, and came down to the coast, where I obtained employment with the Soldiers Settlement Board as a field supervisor in the Victoria district. My supervision district there was in the small fruit country--Gordon Head, Saanich Penninsula and Sooke. In 1921 I received the appointment of supervisor of adjustments. In other words, I was the trouble shooter for the whole of Vancouver Island until October, 1921. I was then moved to Vancouver, taking over the same work in the Fraser Valley, which I did for ten years, which entailed the reselling of all adjustment properties that were reverted lands owned by the Soldiers Settlement Board, and also arranging for auction sales of stock and equipment. In 1931 that branch of the service was closed out; but prior to going to the island I handled the coordination and settlement in the Fraser Valley and on Vancouver Island of the British Family Settlement Scheme, which entailed seeing that all properties that were allotted to the different families were in a proper state and

living quarters made habitable under contracts let for repairs. I then moved to Vancouver Island as supervisor, and handled the island from Duncan north including the Albernis up as far as Sayward, which duties I continued to follow until November, 1946, and retired owing to overstrain of my one remaining eye.

Q Now, Mr. Plumbly, could you give us an estimate of how many appraisals you have made during the course of this work you have outlined to us?

A Possibly, prior to coming over here in 1942, I would say anywhere between 300 and 400 both on Vancouver Island and in the Fraser Valley.

Q You were one of the appraisers who appraised Japanese lands in the Fraser Valley in 1942, is that correct?

A That is correct.

Q Would you tell us what you were attempting to chieve when you made those appraisals?

A The fair market value.

Q From what point of view were you trying to arrive at the fair market value?

A From an agricultural point of view.

Q And if there were any other potentials in relation to the properties you appraised, did you take those into consideration?

A Not as I recall.

Q And in the main what type of properties were you dealing with during your appraisals work in the Fraser Valley?

A Mostly farm properties.

Q And as to your appraisals, did you consider them to be conservative or liberal in there findings?

A I might have had a tendency to be conservative, with the type of work I had done previously, but I was endeavouring to establish fair market value.

MR. BRADIWOOD: Mr. Plumbly also has one of the cases on Exhibit 71, the second case, the Hara case.

Q Would you be kind enough to tell us the general terms of your appraisal of the Hara property in 1942.

A I went to appraise this property on the 20th May, 1942. I was informed by the owner that he was negotiating a sale of the property for $1250. I will now describe the property in question (Reading appraisal report)

THE COMMISSIONER: Q: What value did you put on the buildings? A: $300., my lord. I would like to add here that I was in the district in that particular area on the 26th May, and the new purchaser had then got possession and would have the marketing of those crops on the property, which consisted of .39 acres of strawberries, two-year old plants; .45 acres of strawberries, 3-year old; .78 acre of asparagus; 2.80 acres of clover, very good; .75 acre of grass, orchard and building site; and .13 acre of fallow.

Q Could you give me a rough estimate as to what it would be reasonable to expect he would have realized from those crops?

A I did have a witness coming in here, but he is not here yet, who made the down payment for his father-in-law on this property, and he fully estimated the crop at that time which they harvested was worth $400.

MR. BRADDWOOD: I believe we hope to produce that witness tomorrow, my lord.

Q You were aware, as appears from your appraisal report, of the prospective sale for $1250. when you made your appraisal, is that correct?

A Yes.

Q Nevertheless you applied a fair market value of $836.17 to this property?

A Yes.

MR. MCMASTER: With regard to this $1250, my search of this property shows that the property was originally purchased by Hara, the Japanese, under an agreement of sale in January, 1919. On May 21, 1942, there was registered a quit claim deed from-- I'm sorry. Hara had purchased under an agreement ~~afxsaix~~ to purchase from Nagasa. On May 21, 1942 Nagasa quit claimed to the Pacific Cooperative Union, consideration $1., and the original owner quit claimed to the Pacific Cooperative Union. In each of those quit claims the consideration was $1. The value declared on the registration of the documents May 21, 1942 was $1400. Subsequently--I don't know the exact explanation of this--on August 2, 1944 the Pacific Cooperative Union gave a deed to the Secretary of State, and it was

registered in the name of the Secretary of State for $1250. in 1944. And then on August 22, 1944 the Custodian conveyed the property to one Distero(?), and the declared value in that case was $1250. It appears that at the time the Pacific Union registered the deed they declared a value of $1250. in 1942.

THE COMMISSIONER: If government counsel have any further information they can give it to me later.

MR. MCMASTER: I have the two applications to register; one from the Pacific Cooperative to the Honourable the Secretary of State, and the other from the Honourable the Secretary of State to Distero, and in my copy it shows a declared value of $1250.

THE COMMISSIONER: By the Custodian?

MR. MCMASTER: No, that is by the Pacific Cooperative to the Secretary of State.

THE COMMISSIONER: But the Custodian registered?

MR. MCMASTER: Yes; the subsequent registration from the Secretary of State, again with a declared value of $1250. I want to make sure, my lord, that in 1942 when these quit claim deeds were registered--

THE COMMISSIONER: Yes, I have that.

MR. BRAIDWOOD: Q. You are aware that this property was subsequently sold to Mr. Destero for a price higher than your appraisal, is that correct?

A Yes.

Q Have you any explanation to offer his lordship

to explain the higher price?

A He bought under an Agreement of Sale as far as I could make out. His son in law put $500.00 down and the balance was to be paid in two years $375.00 a year at 5%.

MR.BRAIDWOOD: My Lord, I have here a copy of the Agreement which would lead me to believe the matter was already under way under an Agreement of Sale of the 20th May 1942 from Hara Distero for $1250.00 . I have one signed copy and one ribbon copy.

THE COMMISSIONER: We are not concerned particularly with this claim except as it indicates the character of the Soldiers Settlement Board Appraiser's appraisal. Under the circumstances $400.00 does not seem an unreasonable figure for the value of the crop. Do Counsel think it is worth while to pursue the subject much further. Assuming a $1400.00 value, there is not much more than one or two hundred dollars difference between Mr.Plumbly's value and the sale price.

MR.McMASTER: There are two factors. One is this sale was by a Japanese who was required to be evacuated and therefore he was not a willing vendor.

THE COMMISSIONER: That is a matter of argument.

MR.McMASTER: The other question I have in mind is with respect to the crop, whether $400.00 represents the gross receipts from the crop or the net.

THE COMMISSIONER Q: I take it from what you said that from your information the net was $400.00, is that right?

A Yes your Lordship.

THE COMMISSIONER: The witness is available, if you think it worth while spending a lot of time on it. I am simply throwing out a suggestion that on the face of it, it is going through a lot of motions to no purpose. However, as Counsel is desirous we will have the witness called.

MR. BRAIDWOOD Q: Have you any other explanation to offer as to the reason for the increased price of the sale as against your valuation?

A I think one was for vacant possession and the other was probably for the purpose of taking the crop off.

Q We have had the crop, but you are now suggesting also that vacant possession played a part in your opinion?

A Yes.

CROSS EXAMINATION BY MR.McMASTER:

Q Do you suggest it was not possible to get vacant possession of agricultural premises in the Fraser Valley in 1942?

A Yes, it might have been possible.

Q You don't know. Is that right?

A I don't know, no.

Q In going through the appraisal report you made several comments. I would like to know if they are in your report. For instance you said there was no fence of any consequence on this place.

A Yes, there was very little. I have in my report here "Rail and barb wire fence around cleared land"

Q That would be around the 5.30 acres.

A Yes.

Q And you said with regard to the uncleared land there were very heavy stumps. Did you read that from your appraisal report?

A It says the land consisted of 13.867 acres; gently rolling to south; 12 inch sandy loam running to gravel and boulders; sand and gravel subsoil; light to heavy bush. What is meant by that is heavy is the stumps and the light is the alder and stuff that might be growing.

Q What bush would there be?

A There would be a certain amount of alder and some second growth fir.

Q There was some firewood available?

A Yes.

Q Was it your opinion in 1942 that firewood would have no commercial value?

A It has got to be cut.

Q But if it was cut it would have commercial value.

A It might.

THE COMMISSIONER Q: Had it any value on the stump?

A No, only for domestic purposes.

MR.McMASTER Q: It surely has a potential value. You didn't take into account in appraising the uncleared land.

A No.

Q Did you say you interviewed the owner and were advised it had been sold?

A I interviewed the owner's wife. He was at Mission negotiating the sale.

Q Did you place any value on the plants on this land?

A No.

Q Why not? A: I didn't value it for crops at all.

Q On the plants themselves though?

A No.

Q Did you consider they didn't have any value?

A No. The property was sold as far as I was concerned.

Q(But wouldn't the plants add value to the property?

A Not necessarily.

Q The .39 acre of two year old strawberry plants, have you any idea what the value of those would be?

A No.

Q Or any of these plants referred to on the third page of your report?

A No.

Q What did you mean when you said you included them in the value of the land?

A That is the value of the acreage. I put so much per acre including the fence.

A But you didn't know how much the plants were worth? A: I didn't give it a thought.

Q Do I understand that it is your impression that this $400.00 for the crop was net?

A I believe so.

Q Wouldn't land able to produce a $400.00 net crop

be worth more than $800.00.

A No.

Q Did you seek to find any comparable property?

A I knew of a sale across the road at the time. In fact I went to appraise it and knew it was sold.

Q That was a Japanese property?

A Yes.

Q What about sales in the same block?

A There were none that I can recall.

THE COMMISSIONER Q: Did you ascertain the selling price of the other property?

A Yes.

Q How much was it?

A $1,000.00.

Q How did it compare with this property?

A It was ten acres with five cleared. It was brought up in another case by Mr.Patterson, my Lord.

Q Mr.Patterson has already discussed it, has he?

A Yes.

MR.McMASTER Q: Do you know how much uncleared land was selling for in the same area as that land in 1942 or earlier, Mr.Plumbly?

A No. I only came over for the appraisal of Japanese lands from the Island in May 1942.

Q Did you make enquiries as to what uncleared land in the immediate vicinity had been?

A I think I must have done, because you may have noticed in most of my appraisals, I think in all, I put the Assessment and to get that I had to go

to the Municipal office. I think I enquiried what land was turning over at.

Q This was Lots 5 and 6 you valued?

A Yes.

Q Did you happen to observe Lots 7, 8 and 9 adjacent to it? A: There was heavy bush to the east.

Q And you didn't enquire whether that land had changed hands? A: No, I wasn't interested.

Q One of the witnesses this morning said that in appraising properties he didn't consider special operations such as greenhouses and chicken house operations were agricultural lands. Did you take the same view.

A Will you just repeat that question again?

Q I understood one of the appraisers this morning said he didn't consider special operations such as greenhouse operations and chicken farms, where the main operation was a chicken farm, were agricultural lands?

A They are all farming operations.

Q Did you appraise them having regard to their special features? A: No.

Q How did you appraise them?

A The fair market value.

Q But as agricultural lands or as special operations such as a greenhouse operation?

A Agricultural land.

Q And I suppose that is the reason why you put such a

low value in the case of No.361. Could I have the Appraisal please, Mr.Secretary.

THE COMMISSIONER: Is that a conclusion?

MR.McMASTER: I am asking the witness.

THE COMMISSIONER: You are making a statement.

MR.McMASTER: I said "I suppose"

THE COMMISSIONER: You said "put such a low value" Is that a conclusion?

MR.M c MASTER: Yes, my Lord.

Q I suppose that is the reason you put the value you did in that case?

A I was wondering what you meant. Yes, this is a greenhouse proposition.

Q And you appraised it as a straight agricultural piece of land?

A Yes.

Q And is that the reason why despite the fact the present day value of the buildings including the greenhouses $7,700.00, you only gave $2,850.00 to the buildings added to the land?

A Yes.

Q From a purely agricultural point of view and not a special point of view?

A Yes. Those people operated strawberries, too, as noted on my appraisal.

Q Why did you take that view of specialized farms such as this?

A We were told to appraise the properties as agricultural lands, and I figure that was an agricultural unit. I gave fair market value to

those.

Q Was that matter discussed at the meeting with Mr.Barnet? A: Not that I recall.

MR.McMASTER May I have Exhibit 59, Mr.Secretary?

Q I draw your attention to a paragraph in a letter Mr.Murchison wrote to Mr.Barnet: "As decided this afternoon.....is concerned" Was that communication from Mr.Murchison to Mr.Barnet discussed with you at that meeting or at any other time?

A I believe so.

Q It was discussed with you at that meeting?

A There were so many things discussed that I can't recall that.

Q Was it the result of the discussion of that paragraph I have referred to that you didn't give any value for specialized units?

A Yes.

Q How did you arrive at the present day value of the greenhouses in that case?

Q I would have to refer to my field notes to possibly give a correct answer, but I have an idea that after many enquiries at Browns Nurseries, Spencer's Nurseries, Mercer's in New Westminster and other places that we struck you might call it a yard stick of so much a square foot for greenhouses, allowing extra amounts for installation of hot water, I think, and as I recall--as I said I would have to refer to my notes--I think this particular place was 40 cents a square foot.

Q I think it works out to 30 cents a square foot?

A It might be.

Q I draw your attention to your comments on page 3 of that appraisal. Would you say that the greenhouses in that case were first class greenhouses?

A Yes, and no. The brace wasn't so good in them.

Q Did you say that in your report?

A No, I didn't.

Q Why not? A: I probably overlooked it.

Q And what else was wrong with them?

A Well, the Japanese are very small stature. I am not tall but if I walked into that greenhouses I would bump my head on the cross places unless I bent over.

Q What would the owner of that property have $10,000.00 invested in as you state?

A That was her remarks to me.

Q You say "This is a highly commercialized greenhouse proposition with an investment probably around $10,000.00". Can that be construed as meaning anything else but your own opinion of the investment?

A I hardly think so, because I only placed a value of $3,600.00 on it.

Q I would like to refer to the case of Manzo Sigmoto which is a Toronto case. The Secretary advises me he hasn't received the Appraisal yet. I would like you to look at that Appraisal witness.

A Yes.

Q This is property situate in Hammond, fronts on First Avenue and Old Dewdney Trunk Road. At page 3 of the Appraisal report you state "Japanese in occupation has been in .....

registered" Did you take the purchase price in February 1941 into consideration in placing your value of $268.50 on this property ?

A No. That value I placed was my considered opinion. The house was falling down.

Q Why didn't you take into consideration that the Japanese was willing to pay that much for it in 1941 after renting it seventeen years.

A He probably paid a lot more in rent than for the property; but it is a very cut up piece of land. It is noted on my sketch. There is a bench falling off into a pocket and very heavily timbered.

Q It has quite a large frontage on the Power Line Road--First Avenue.

A Yes.

Q On page 3 you state that you included the value of these trees and the small fruits in the land?

A Yes. They weren't bearing at the time.

Q And you say they have no value?

A They might have maybe 75 cents a tree or something. I included that in the land value.

Q So in estimating your land value there should be deducted the value of those trees about 75 cents each?

A Yes.

Q And what value would the one acre of one year old strawberries have?

A I couldn't say. I never valued them.

Q You say it is included in the land. What did you include in the value of the land for those?

A I placed a value of $75.00 an acre on the cleared land.

Q How much of that $75.00 an acre represents the plants and the trees?

A None of it.

Q None of it? A: No. It was all included in the land value.

Q How much of the land value, if they are included in it--supposing they hadn't been, how much less would the value of the land have been?

A It wouldn't have mafe any difference.

Q It wouldn't have made any difference?

A No.

Q So that when you used this phrase that the plants and trees are included in the value of the land it actually doesn't make any difference to the value of the land? A: No.

THE COMMISSIONER: Any re-examination?

MR.BRAIDWOOD: I would like to ask one question with regard to Case 361 which was learned friend was using.

Q In relation to that appraisal, would you tell his Lordship what was the present day value of the buildings as shown by yourself in that report?

THE COMMISSIONER: He fixed that at $5700.00.

A Yes, $5700.00.

MR.BRAIDWOOD: That is all, my Lord.

(Witness aside)

THE COMMISSIONER: Where do we go tomorrow apart from this one witness Mr.McMaster wants to hear from?

MR.BRAIDWOOD: I wanted to clarify a point with regard to the last matter. Your Lordship will

remember that my friend was discussing the Pacific Co-Operative Union.

THE COMMISSIONER: Yes.

MR.BRAIDWOOD: I have a letter from K.W .Wright, the counsel for the Custodian of August 16,1944 addressed to Mr.McPherson, the executive assistant to the Secretary of State with relation to this matter, and I think it would serve to clarify the picture a bit.

THE COMMISSIONER: Which property was that?

A' That is the Hara property.

THE COMMISSIONER: THAT was the first one on which Mr.Plumbly was examined?

MR.BRAIDWOOD: Yes, my Lord. I might show this paragraph to my friend before reading it.

THE COMMISSIONER: Yes.

MR.BRAIDWOOD: This letter was referring to the property and was addressed to Mr.McPherson and reads in part as follows: "We enclose herewith the deed .....is required"

THE COMMISSIONER: That would indicate there is nothing in the $1400.00 figure found in the Pacific Co-Operative document. Wouldn't it appear so to you, Mr.McMaster?

MR.McMASTER: Except somebody's estimate of value.

(LETTER FROM K.W.WRIGHT TO MR.McPHERSON DATED AUGUST 16,1944,MARKED EXHIBIT General 93)

MR.BRAIDWOOD: That concludes our evidence for this afternoon, my Lord. Tomorrow morning we hope to have Mr.Roberts who was the witness referred to by Mr.Plumbly, and from there we hope to arrange

to have Mr.Phillipson to do with fishing boats. And then in the afternoon my friend Mr.Hunter has a witness he might mention to your Lordship.

THE COMMISSIONER: I do not know that I want the information unless you desire to give it. I simply wondered where we were going on from here, and I have got that information now.

MR.McMASTER With regard to Exhibit 71 there are one or two things left in the air.

THE COMMISSIONER: Yes.

MR.McMASTER: There was one property sold by the Custodian.

MR.HUNTER: Two of them.

MR.McMASTER: First of all, dealing with the third one on the list. I ask my learned friend to produce, if he had one, an appraisal by the Custodian before sale.

THE COMMISSIONER: I recall that request having been made while Mr.Godfrey was on the stand. Is there any such appraisal?

MR.HUNTER: I am afraid, my Lord, it has slipped my mind. I will check on that tonight.

THE COMMISSIONER: That is easy to understand. Supposing you see what can be done and let me know later.

MR.MCMASTER: With regard to the other property referred to as having been sold by the Custodian I draw your Lordship's attention to the property being sold in two parcels, each for approximately $1500.00 by the Custodian, and I wonderered if my learned friend has had an opportunity to check into that yet?

THE COMMISSIONER: Probably not. Will you make a note of that please, Mr.Hunter.

MR HUNTER: Yes, my Lord. In any case I haven't, whether I had an opportunity.

THE COMMISSIONER: Those are the only matters outstanding.

MR.McMASTER: The only thing is I take it my learned friend will produce the letter referred to in Mr.Wormworth's letter, that is the one Mr. Barnet had written.

MR.HUNTER: That is a letter from Mr.Barnet to Mr. Wormworth.

MR.McMASTER: Yes.

MR.HUNTER: Maybe Mr.Barnet would produce that. I haven't got it.

THE COMMISSIONER: Will Counsel have a conversation with Mr.Barnet and see what you can do about it. We will adjourn until ten o'clock tomorrow morning. I would like to see Counsel for a moment in Judge Sargent's Chambers if that is convenient to you.

(ADJOURNED TO 10 A.M. DECEMBER 10,1948)

I hereby certify the foregoing to be a true and accurate report of the said proceedings.

Deputy Official Stenographer

D. Thornton

GENERAL EVIDENCE.

THE JAPANESE PROPERTY CLAIMS COMMISSION

B E F O R E

(THE HONOURABLE MR. JUSTICE H.I.BIRD, COMMISSIONER).

Vancouver, B. C.

December 7th, 1948.

PROCEEDINGS AT HEARING

(Pages 656 - 751)

VLA.

Cameron. cross 656. 671

Godfrey chief 672 - 717
cross 718 - 742

Brown chief 742.

The Commissioner.

Vancouver, B.C.,

December 7, 1948, 10:00 a.m.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Are you going on with the examination of Mr. Carncross?

E. CARNCROSS, resumed stand:

CROSS-EXAMINATION BY MR. McMASTER:

Q You referred yesterday to the fact that the select Commitee had examined 25 cases -- 25 pieces of property. Can you advise the Commissioner who selected those 25 pieces of property?

A I do not think that I can. It seems to me that they were selected partially as a result of a discussion, so far as the Regional Advisory Committee was concerned, we wanted to have something that was geographically representative of the Valley; and we wanted to get some property, say, which was representative of the Mission country, and then into the Haney country and Surrey and Langley -- different types of properties like that. I might say at the same time that we looked at these 25 properties we made a point to take a quick look at adjacent properties to them -- but these 25 properties received more study than would the adjacent properties.

Q Was there any record or any minute of the Committee to indicate what 25 properties were looked at?

A I presume there would be, but I don't know.

Q Who would have those minutes in their possession?

A If a record was kept of them, they would be in the

possession of the Veterans' Land Act.

Q Mr. Godfrey was the chairman of that Committee, is that right? A:Yes.

Q And he was also one of the appraisers?

A Mr. Godfrey did appraisal work, I understand.

Q Did you examine any of the properties he had appraised? A:I cannot say.

Q Now, Mr. Carncross, there were properties in ~~th~~ 769, in the following places: In Mission, Maple Ridge, Matsqui, Surrey, and Delta, Richmond, Pitt Meadwos, Langley Prairie, Coquitalm, Vancouver Island the Gulf Islands. Is that correct?

A Properties?

Q In the 769 that you first made an offer on.

A Well, I presume it is correct.

Q And how many in each of those muhicipalities did you examine -- in the 25?

A I could not say.

Q Did you examine properties in each of those places?

A Certainly,-- not on Vancouver Island --and we examined properties pretty well from Chilliwack to Richmond. That involved pretty well the whole.

Q Did you examine property in every municipality in the Fraser Valley?

A I would say that we ~~a~~looked at properties in every municipality in the Fraser Valley.

Q Not these 25? A: No.

Q How many municipalities did you cover in the 25?

A I could not say.

Q It would not cover all the municipalities in the

Fraser Valley? A: It is very likely there was a municipality or two that were not in that 25, but I don't know.

Q You don't recall which ones?

A No, I don't.

Q Now, is it your experience that the market price of land in any one municipality may vary according to the location of the land?

A Oh, yes, it will vary in 100 yards.

Q And it could vary considerably?

A Yes.

Q Did you consider the 25 parcels that you looked at as a fair example of the 769 parcels?

A I think it was as representative as could be found.

Q But not having examined all of the parcels, you could not say whether it was represenative?

A No, I couldn't say.

THE COMMISSIONER: Well, since it was limited to 25 parcels, it could not be completely representative, could it?

A Well, we looked at different classes of property--what we might call a better class of properties, the poorer class and the average class.

Q My question is directed to this, do you consider he 25 out of 769 properties could be said to be reasonably representative of the entire group?

A I think it would give a fairly good cross-section of the properties we were dealing with. Say we examined a property in the Mission area, at the time we examined it we made a point to look at

adjacent property-- just to say, "Well now, here is this property over here and over here and another one over here -- all pretty much the same class of land, and in the same district, and having a more or less common basis." I suppose if he had gone out and examined 100 properties, our examination would have come to just about the same in the result.

Q Well, you think it was representative of the whole, then? A: Yes, I feel it was representative of the whole.

MR. McMASTER: Q: How many properties did you look at that had new modern houses on them in the 25?

A Well, I cannot say, but I do know that we looked at two properties, I believe in the Haney area, that had a really nice house on it.

Q How many properties did you look at on which there were specialized chicken farms?

A Well, I cannot say that. We looked at properties that were specialized chicken farms and we looked at one or two that were depending on glass.

Q Greenhouses, you mean?

A Yes, green houses.

Q The fact of the matter is that your recollection of those 25 properties is pretty vague, isn't it, Mr. Carncross? A: It is vague. It was in 1943 and it is now 1948. At the time, what we were after was to get a representative picture of the whole deal, and we felt at that time by the examination of approximately 25 properties

and by a cursory examination of a much larger number of nearby properties we got the picture we were after.

Q Now, Mr. Carncross, you were on the Committee of the D.V.L.A. at the time they met with the Advisory Committee of the Custodian-- thatis the Advisory Committee of the Custodian; and you were advised at that meeting that the Custodian had had a sub-committee go out and look at 17 parcels of land.

A Yes.

Q And the sub-committee of the Custodian appraised those 17 parcels at 15% higher than the Soldiers' Settlement appraisers had. Did you consider that the 17 properties selected by the Committee were not representative of the properties to be sold?

A I can recall some of the properties the Custodian's Committee looked at. I presume they were representative in a way, but I question some of the valuations they put on them.

Q Were any of those parcels --

THE COMMISSIONER: You might ask the witness if he has seen the report of the Public Accounts. You have read it, have you, Mr. Carncross?

A I cannot say that I have.

MR. McMASTER: What page is that, Mr. Carncross?

A 114 (persuing report.)

Q Can you say whether any of those 17 parcels --

THE COMMISSIONER: Just a moment. Let the witness read this through, Mr. McMaster, before you proceed.

THE WITNESS: It was just those 17 parcels, my lord.

THE COMMISSIONER: That is right.

MR.McMASTER: Q: Were any of those 17 parcels included in the 25 that you examined?

A If I recall correctly, the bulk of them were.

Q Was that purely by coincidence, Mr. Carncross?

A I don't think it was coincidence. I think there were certain discussions made that we would agree to examine common properties.

Q Who made that agreement?

A I don't know.

Q That was your understanding at the time?

A It was my understanding that the Custodian's Committee were to look at properties and we were to look at the same properties, too.

Q Did you look at those properties before or after the Custodian's Committee looked at them?

A As a matter of fact, it was simultaneously done, because we happened to meet on one property one day, so I presume it went on at the same time.

Q You know Mr. Menzies, do you, of Haney? who was on the Committee of the Custodian?

A I know of Mr.Menzies. I am not personally acquainted with him.

Q But you are aware that he has beenin the real estate business in Haney for a long time?

A Yes.

Q And you questioned the values of the sub-committee on which he served on those 17 parcels?

A I certainly questioned the values.

Q For the purpose of the uses for which the D.V.L.A. wanted the properties.

A Your question isn't just clear.

Q Well, when you say you questioned his values, were you questioning his values from the standpoint of the uses or the purpose for which the D.V.L.A. wanted to purchase the property?

A I presume it would be also from that standpoint, and I thought he was very liberal in what he considered the value of the property was.

Q Liberal in regard to what, Mr. Carncross?

A Liberal in relation to the value of the property on the open market. I might say this, that Mr. Menzies knew the very type of the business he was in and he looked at properties possibly from his angle.

Q What do you consider his angle to be?

A His angle was that he could take the property here and maybe get so much money for it, but he did not have to bother with the entire six properties alongside.

Q Well, when you were considering the matter, then, you were considering only in terms of an en bloc purchase, were you?

A No, I wouldn't say that. I was thinking in terms of the suitability of the land for the Veterans' Land Act.

Q And that would not be a consideration with Mr. Menzies? A: That is not a consideration -- the basic thinking of the valuators -- that is, our committee on one side and Mr.

Menzies on the other side, was quite different. Now, Mr. Menzies' valuations would be representative of the big class of men who handle real estate over the country and who would not view valuations probably on the same sound basis that men engaged in pure agricultural work or largely agricultural work, would view them.

THE COMMISSIONER: Q: Why not?

A That condition exists today. It is a permanent condition. A real estate man goes out and views the property and he naturally feels the more he can get for the property, the bigger his commission will be. He views it from a totally different angle from what a land valuator would view the property.

Q Well, he finds what the public is prepared to pay for it, does he not?

A He finds what the public is prepared to pay for a percentage of the land. A land valuator has to find what the public will pay for the land for farms.

Q Well then, your valuation was influenced to a large degree by the fact that you were dealing with 769 parcels instead of 10?

A It could not help but influence it, my lord.

Q You see, your answer was to the contrary just a moment ago. That was the question counsel put to you: You were largely influenced by the fact you were dealing with a block of properties rather than a few, and you said you were not. Perhaps you did

not understand his question.

A Well, the situation is different. If I walk out to value one piece of property, and walk out to value 100 pieces of property, it is bound to have some bearing: That is, one piece of property is not much of a factor. One hundred pieces of property, you have to take into consideration that you are dealing with a large volume of property.

MR. McMASTER: Q: And do you consider yourself better qualified to appraise property than Mr. Menzies as to its fair market value, Mr. Carncross?

THE COMMISSIONER: Well now --

MR. McMASTER: Or perhaps that is unfair, is it?

THE COMMISSIONER: I think that question might be framed somewhat differently. All of us have peculiar ideas of our own capacity, Mr. McMaster.

MR. McMASTER: Q: Mr. Carncross, how much do you think the sale price of property increased between 1942 and 1943?

THE COMMISSIONER: You had better confine it to a particular area. Are you referring to the Fraser Valley?

MR. McMASTE : In theFraser Valley, my lord.

THE WITNESS: The increase was comparatively small over the whole. For instance, in 1942 real estate was moving fairly slowly. In 1943 there were indications that it was beginning to perk up by reason of the influx of population.

MR. McMASTER: Q: Could you give the percentage of increase in the Fraser Valley in that year?

A No, I do not think it is capable of being given in an approximate percentage. As the pressure of population moved into the Valley, we would get a quickening in these isolated sales and we would get possibly more people looking for property than there were in 1942.

Q But generally you would say there was some average increase, would you?

A Oh, undoubtedly. The real estate market was beginning to strengthen.

Q Now, between 1943 and 1944 what was the situation?

A It held fairly level.

Q And between 1944 and '45?

A Oh, I would say it was strengthening.

Q How much between '44 and '45?

A Well, I don't want to say. I am incapable of saying.

Q Would it be 10%?

A I don't know. The thing is incapable, in any ways, of putting a percentage increase on it. We had conditions, of people coming into the country, where the pressures were beginning to be exerted -- for people to find homes and accommodation. Now, if I landed in Vancouver last night with my wife and family and found all the hotels full and was tired and hungry, I might be prepared to pay $20 for a hotel room, but that does not create the value of a hotel room in Vancouver.

THE COMMISSIONER: Q: Would it not depend on how long that condition had existed and was likely to exist? that would indicate what was the value of the

hotel room in Vancouver? Presuming that condition had existed for six months prior and was likely to exist for six months after, would you still say it did not show what the condition of the market was? A: I would regard that even on a six months basis as an unsound condition, to either determine values or to take action on.

Q You would go and get your hotel room, then, somewhere else during that year?

A I would be pretty sleepy before I would pay $20 for it.

MR. McMASTER: Q: I produce to you Exhibit 36, which has been filed in the general evidence, and it sets forth certain properties which had been appraised by the Soldiers' Settlement Board in 1942, and the list at the top shows approximately 15 sales -- of properties purchased by the Custodian in 1944. In view of your suggestion, between 1943 and 1944 it wasn't very much changed, and in 1944 it was fairly level, how do you account for the difference in the price of the appraisals between the Custodian's price and the Soldiers' Settlement?

A Well, I think that is fairly easy to account for. You must understand that a lot of these were unsound sales, in that they were distress sales. When I pay $20 for a hotel room, that is unsound business, and the analogy runs through a lot of the sales that were made.

For instance, a man arrives here from the

east with his wife and family to work in the shipyards, and he has to have a place to live and it does not matter whether he pays $20 or $100, he must have a place to live.

Q Evidence was given that a few months before the sales the Custodian had these properties appraised by real estate appraisers. Now, how do you account for the difference between their appraisals and the appraisals of the Soldiers' Settlement of the year before?

A What is your question again?

Q How do you account for the difference in the appraisals of the appraisers the Custodian employed, and the appraisals of the appraisers of the Soldiers' Settlement Board? You see, the offer of the D.V.L.A was 2% less in the appraisals - the offer of $12,953.00 - which would make the appraisal somewhat around $13,000 by the Soldiers' Settlement Board, and they were appraised by the appraisers hired by the Custodian for $26,000. Now, how do you account for that difference?

A I would like to know who the appraisers were -- the Custodian's appraisers. Frankly, I have rather a low opinion of -- let us say, city appraisers, when they move out in the country, exactly the same as I have a low opinion of country appraisers when they move in to the city of Vancouver to make appraisals.

Q Do you suggest the Custodian's appraisers were not competent appraisers? Would that explain the dif-

ference? A: I am suggesting that they might not be asx competent as they could be -- that is if they were moved out of their element in making appraisals.

Q Well, let us assume that they were competent appraisers.

THE COMMISSIONER: Well, I think that is -- what is the document you are referring to there?

MR. McMASTER: 36.

THE COMMISSIONER: Let me have a look at it, please.

Q Coming back for a moment, Mr. Carncross, to the question of the 25 properties which were appraised by the Custodian's sub-committee: Will you think of those appraisals in terms of those particular properties-- not associated with 769 or any larger number? What have you to say with regard to those appraisals of 25 properties as being fair appraisals indicating the fair market value at the time or not? A: My lord, I can recall the tabling of some of those appraisals, and I can recall in particular one member of the Custodian's Committee who spoke very gigorously on the prices they had arrived at; and I can also recall that I did not think he knew what he was talking about. Now, that was my reaction to some of those valuations, because I thought they were over optimistic.

Q So that in relation to those 25 properties, you are not allowing your opinion to be influenced at xx all by the fact that they were part of 769 --

taken as 25 parcels alone, your opinion is that the Committee's evaluations are excessive?

A I can remember distinctly that.

Q Well, will you answer my question and then you can make your explanation afterwards. I am trying to determine-- to corroborate to a certain extent that your opinion is influenced by the fact you were thinking of 769 parcels when you gave your evidence previously. Now, I am putting it to you here, are these 25 parcels not associated with that -- what do you think of the Custodian's Committee? A:I considered they were too high.

Q You will notice there is a difference of $15,000 between the Custodian's Committee and that of the Soldiers' Settlement Board: In other words, the total Soldiers' Settlement Board appraisal was $28,000, where as the total of the Custodian's Committee appraisal was $43,000. Do you go so far as to say that the Custodian's Committee valuation was in excessof the fair market value by the amount of $15,000 on those 25 properties? Look at the figures.

MR. McMASTER: 17 properties, I think it should be, my lord.

THE COMMISSIONER: 17.

THE WITNESS: That would be difficult for me to say, my lord. I would say that the major portion of it, in my opinion, is excessive.

THE COMMISSIONER: Now, do counsel desire to pursue the

subject that I have discussed with the witness further there? Mr. McMaster?

MR. McMASTER: Q: What do you mean, witness, that thes appraisals by the Custodian's Committee were over optimistic?

THE COMMISSIONER: Well, surely we know that.

MR. McMASTER: Q: Who was it on the committee who spoke vigorously about these matters?

A Well, he is since deceased.

Q You are referring to Mr. McKenzie, I take it?

A Yes.

Q And are you aware of the fact that of the three members of the Custodian's Committee that did these appraisals, that Mr. McKenzie's appraisals were most conservative of the three?

A No, I was not aware of it.

THE COMMISSIONER: Any further questions?

MR. BRAIDWOOD: I have just one or two questions, my lord.

RE-DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q You were asked this morning about the investigation of various properties made b your Committee, Mr. Carncross. Will you tell his lordship whether or not there were anyother Advisory Committees in operation at that time?

A I understand there were Regional -- the Advisory Committees are regional -- and an Advisory Committee operated, say, on Vancouver Island and in various regions in the upper country.

Q So all of these properties did not come within the orbit of your committee -- all of the 769, is that correct?

A I just cannot say as to that. I know our Committee -- if there were any Japanese properties outside the region of our Committee, our committee did not handle them.

Q Well, I think yesterday some questions were put to you as to your knowledge of agricultural matters. Did you have any agricultural training that assisted you in your work?

A I am a gradaate of the Ontario Agricutlural College.

Q Thank you, that is all.

(Witness aside)

THE COMMISSIONER: The next witness, Mr. Braidwood?

MR. BRAIDWOOD: Well, my lord, my friend Mr. Hunter is now proceeding with the next witness.

MR. HUNTER: Mr. Godfrey, my lord.

THOMAS GODFREY, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. HUNGER:

Q Mr.Godfrey, what is your position with the Veterans' Land Act? A: My present position is a temporary employee.

Q You are retired, is that it?

A I was retired in December, 1946 -- superannuated.

Q And what was your position with the Soldiers' Settlement Board in 1942?

A In 1942 , with the Soldiers' Settlement, I was field supervisor.

Q Now, will you give us your qualifications as an appraiser of land, and the history of your work in connection with land.

A I came with the Soldiers' Settlement Board in May, 1919, shortly after I returned from overseas, on Vancouver Island, as field supervisor with a sub-district at that time, covering generally Vancouver Island, about as far as Courtenay.

Later on that was cut down untilmy sub-district over there embraced the Gulf Islands, and roughly speaking as far as Ladysmith, taking in the Cowichan Municipality.

I remained on Vancouver Island, in the Gulf Islands, in that capacity until the summer of 1931, when I was transferred from that area to the Fraser Valley, with my headquarters in New Westminster.

My sub-district here generally covered Delta, Richmond, Coquitlam, Pitt Meadows, Maple Ridge, Surrey, Langley and a very small part of Matsqui

municipality.

Q And were you appraising in the Fraser Valley?

A Yes. Prior to coming to the Fraser Valley, I had been appraising in my own sub-district on Vancouver Island --in the Gulf Islands, since approximately 1928, and the same work fell on my shoulders when I came to the Fraser Valley in the mid-summer of 1931.

Q Are you familiar with farm lands? Or rather, have you had any experience working on a farm?

A I have not worked on farms in the Fraser Valley, but I worked on farms in the Okanagan prior to the first war.

Q You were a farmer when you joined the army, were you? A: Yes.

Q And how many appraisals would you estimate you may have done, Mr. Godfrey?

MR. McMASTER: In what period?

MR. HUNTER: Andin what period.

A I feel that I have made up to say the beginning of 1943-- I think I am safe in saying 500 appraisals.

Q I see. And when would that have started?

A Not before 1928.

Q Now, your appraisals, when you made them, were they for the purpose of re-valuation?

A It took in there-valuation of soldiers settlement lands, and later on re-valuations for the Board of Review under the Farmers' Credit Act, and I did appraisals for the Farmers' Loand Board here in

the Valley, and I did appraisals for the Department of Colonization and Agriculture -- a few -- and I did other appraisals for Governmen Departments, as called upon.

Q Yes. Now, Mr. Godfrey, you recall the appraisal of Japanese land in the Fraser Valley in 1942?

A Quite well, yes.

Q What were you trying to achieve when you appraised one of those lands?

A Fair market value of agricultural lands.

Q And from what point of view were you appraising them? A: To get the fair market value of agricultural lands.

Q I see. Now, supposing the property had a residential or business value, what did you do in that case? A: I tended to ignore it.

Q And generally speaking, what type of properties were they that you were appraising?

A They were agricultural lands in the main.

Q And do you consider your appraisals to have been conservative or liberal?

A Conservative.

Q I am not purporting to go any further with the methods of appraisal, my lord, for the remaining appraisers -- I am just trying to get what they were trying to do.

THE COMMISSIONER: I follow you.

MR. HUNTER: Your lordship will again recall that in Exhibit 71, which was filed in substitution for

an earlier exhibit, there were those 11 sales of real property in 1942.

THE COMMISSIONER: Let me have Exhibit 71, Mr. Watson, please.

THE SECRETARY: Yes, (producing same.)

MR. HUNTER: Your lordship will notice from that exhibit that a number of these properties that were sold in '42 and '43 were appraised by Mr. Godfrey, and I am proposing to review them in the order as is set forth in that sheet, the first one being Kusano.

THE COMMISSIONER: Yes.

MR. HUNTER: Q Mr. Godfrey, do you recall appraising that Kusano property in 1942?

A Yes.

Q And can yougive us a brief description of the property? A: It was a property containing 6.415 acres, Lot 4 of Lot 241, Group 1, Map 298. It was a gently undulating land to south, light sandy loam 2 to 3 feet deep, subsoil sandy clay. Strawberries and asparagus in high state of cultivation.

Buildings on the property: There was a house 24 x 36, frame stuccoe, 2-storey, shingle roof, concrete foundation and in excellent repair; a new garage 28 x 30, frame, 14 feet, shingle roof, new wood; a wood shed 20 x 24, rough lumber 10 ft. high, shingle roof, old wood, poor. Old garage 12 x 20, rough lumber, 7 ft. high, shingle roof, 20 years old, wood poor.

Bath house 8 x 24, lumber, 10 ft. high, shingle

roof, 15 to 20 years old, wood poor. Bath house 12 x 22, lumber, 7 ft. high, shingle roof, 15 to 20 years old, wood poor. Brooder 12 x 12, lumber, 7 ft. high, shingle roof, 15 to 20 years old, wood poor. Poultry house 24 x 48, lumber, 8 ft. high, shingle roof, 15 to 20 years old, wood foundation, fair. Poultry house 20 x 72, lumber, 12 ft. high, shingle roof , 15 to 20 years old, wood foundation, poor. Poultry house 16 x 40, lumber, 7 ft. high, shingle roof, 15 to 20 years old, wood foundation, poor.

Three portable packing sheds of no assessable value. Electric light was installed and the water supply was excellent; a domestic well, electric pump. The dwelling was said to have been habitable without repairs.

Full concrete basement and brick chimney to ground. Number rooms downstairs, 5; upstairs, 3. V. joint panelling and paper. No plaster. Dwelling house was painted. Condition of paint very good and the bush was all clear.

And my appraisal shows unoccupied -- for many years this was run as poultry farm up to 2,000 birds. Fertility has been maintained.

State most suitable type of agriculture for farm, bearing in mind the district's limitations if any: Small fruits, asparagus and poultry.

Noxious weeds: A few Canada thistle showing in fallow land on northeast part.

Give approximate detail and amount of

annual taxes and name of taxing authorities: Maple Ridge Municipality, Land, school and library, $49.41.

Remarks: Typical of this area north of Hammond where berries and asparagus have proved most suitable crops for this deep light soil. For many years this was a commercial poultry farm and fertility of soil is yet good. The nest of old unpainted buildings, all close around the south half of the property, do not add to the general pleasing setting. Electric light is in the house. Co-operative marketing facilities good. The undulation of the land is the low acre in the south end, probably always cropped to later vegetables.

Remarks re general lie of land, fertility of soil, irrigation, draining or dyking and reclamation: There are eight mixed orchard trees south of the dwelling.

Orchard: Small fruits, etc.

At that time there were approximately three-quarters acres of peas, one and a quarter acres first and second year strawberries, three acres of asparagus--three to five years, balance fallow, could probably be for beans later.

That is the general picture as portrayed by my appraisal.

Q I show you two photographs of this property here, Mr. Godfrey. Can you tell us what those are?

A This one is the house.

Q As of what date? A: That picture was taken, to the best of my recollection, in the fall of this year - I think about October.

Q Yes, and what is the general appearance of it?

THE COMMISSIONER: That is this last fall, 1948?

A Yes.

MR. HUNTER: Q: How does it s appearance in the fall of 1948 compare with 1942?

A It has been freshened up with a coat of paint. In other words, it looks the same but it looks smarter than it did in 1942, but I think that is accounted for by the coat of paint.

The other one is looking up into the garage. That is the south portion of the dwelling house as shown on the left portionof the picture. That picture was taken in 1948 -- not by myself. It was either taken by Mr. Paterson or Mr. Cameron-- I don't know which. I haven't a camera.

Q How does the appearance there compare with the appearance of it in 1942?

A Pretty much the same; pretty much the same.

Q Now, when you were appraising this farm, didyou appraise it from an agricultural point of view?

A Yes, entirely.

Q I will file these as Exhibit 81, my lord.

(PHOTOGRAPHS MARKED GENERAL EXHIBIT NO. 81).

THE SECRETARY: One exhibit?

MR. HUNTER: One exhibit I think is sufficient.

Q You will notice your appraisal was $2,241.50, and on the 30th June, 1943, it was sold by the Custodian for $4200.00. How do you account for the difference between your appraisal and the sale price a year later? A: I would assume -- and I did not know the appraiser at that time -- that he took into account the residential value of the house, which was not included in my appraisal.

Q In other words, that is how you explain the difference in your approach to your appraisal?

A Could I?

Q You do. A: Yes.

Q Are you able to say what appraisal you would have put on that property at that time -- what value you would have put on it if you had been appraising it from the point of view of all potentialities -- that is, residential and other potentialities, instead of restricting it to an agricultural point of view?

A Well, letting my mind go back to 1942, and prior, to be honest, I could not see any residential value in that particular area in '42 or prior. It was quite closely settled by Japanese. One could almost visualize it (and I believe I did) as a mill town settlement. The bulk of the Japanese, who worked off their properties, I believe worked in the Hammond mill, and frankly I could not see very much residential value around Maple Ridge

prior to 1942.

Q I see. Do you think you would have appraised it at any higher figure if you had been considering potentialities other than agriculture?

A Had I been instructed, undoubtedly I would have had a different approach.

Q And can you say whether your appraisal would have been higher? A: Taking in its residential value, yes, it would have been higher.

Q I see.

THE COMMISSIONER: Can you indicate a perdentage?

A No, my lord, I would not like to indicate a percentage, but if anyone would approach that at that time, and appreciated its residential value -- that house could almost have carried its full value as a residence, and also from the approach of an agricultural point of view.

THE COMMISSIONER: Have you got the appraisal there, Mr. Hunter?

MR. HUNTER: Only a typewritten copy, my lord.

THE COMMISSIONER: I was interested to know how much was put by the witness on the house.

MR. HUNTER: The value added to the land, $1600.00 -- and there was a replacement value-- of course, that was not the house only -- that was all those buildings, the replacement value was shown as $3,000.00.

THE COMMISSIONER: Yes.

MR. HUNTER: I now produce a Comparable Sales Sheet.

THE SECRETARY: It is Exhibit 82.

(STATEMENT MARKED GENERAL EXHIBIT NO. 82.)

THE COMMISSIONER: What do you call this document, Comparable Sales Sheet?

MR. HUNTER: Yes.

THE COMMISSIONER:

Q What is this going to show?

MR. HUNTER: I am going to present it to the witness and have him explain it, my lord.

Q Mr. Godfrey, this comparable sales sheet, was this sheet compiled by you-- that is the facts set out on this sheet?

A As set out here?

Q Yes. A: Yes.

Q Now, you show the Kusano property and you show another property sold by K. Ito to Solodki.

A Yes.

Q Would you explain to his lordship the salient factors which make these two properties comparable?

A Of course, my lord, there is a difference in the acreage there. The claimant's land was 6.415 acres and a comparison on the other was 4.13 -- both cleared land, and possibly not identical but very, very similar soils. Both properties had electric light installed and good water, and was handled with an electric pump.

Q Excuse me, Mr. Godfrey -- these properties of yours are all in the same municipality-- these five?

A Yes, all but the one. There was one on Vancouver Island.

Q Well, we are not taking that. I think, my lord, it may help you if you can look at this from time to

time -- you might look at the map and locate the properties and see how close they are to one another, as comparable sales. I would like that to go on file, my lord, as an exhibit.

THE COMMISSIONER: Yes, we will mark the big map as Exhibit 83, a map of the Municipality of Maple Ridge.

(MAP MARKED GENERAL EXHIBIT NO. 83.)

MR. HUNTER: Perhaps, Mr. Godfrey, you could locate these two properties on the map for his lordship, so that he could see how close they are.

THE COMMISSIONER: Have you enough light there?

A Yes. This, my lord, is the line here. Both properties, my lord, are situated on the north side of the Power Line Road. The property of the claimants is just by the place marked out in yellow. The comparable sale is this -- 4.13 acres -- not more than one half mile west.

Q Almost immediately at the "R" in pwer -- or the "E" in power? A: Yes, my lord. That is the 4.13 acres as a comparison that is offered against this of the claimant -- this 6.415. Right in a closely settled Japanese area -- all on the Power Line.

MR. McMASTER: Could we have the legal description, my lord. My friend can possibly take it off the map.

THE COMMISSIONER: I think you might be able to follow it from here. Is the legal description shown there? Possibly I can read it for you.

A I think, my lord, that would be Lot 2 of the

southerly part of 263 in Group 1, and it should come under a map number -- Plan 1051. That is the comparable. And the claimant's would be Lot 4, District Lot of 241, Group 1, under Plan 1750.

MR. HUNTER: I think he has that, Mr. Godfrey.

Q Well now, Mr. Godfrey, would you proceed to relate to his lordship in what way these properties are comparable? A: I am afraid I have not my pencil notes. I am sorry, my lord, I have not got the dimensions of the comparison-- of the buildings,-- with me.

Q It is shown on the Comparable Sales Sheet.

A Oh, pardon me, it is-- Claimant's house 24 x 36, and a comparison of the dwelling house, 33 x 34, with four rooms down and a hall, three up -- all good wood, plus a 6 x 34 verandah. The house was well painted and in good condition. It had a full concrete basement and a concrete sidewalk from the front to the rear; a 2-storey house, frame, with wood cedar siding; cold water tap in the kitchen; an old garage, outbuildings 18 x 21, still useful, and an old house 12 x 22. The frontage of the property was landscaped in flowers.

Q And that sold in '42 for $3,000.00?

A Yes.

Q Now, what are the main differences between those two properties, the essential differences, if any?

A The essential difference is taken up in additional acreage on the claimant's property.

Q It is not a claimant -- it is the sale, I mean.

That is, there is no claim on this property, the one that we are discussing.

A Pardon me. Well, the main difference is in the size of the acreage.

Q Well, how much difference in acreage would that difference make in terms of money in 1942?

A Using the same scale that I applied to the Kusano property, it would be a matter of -- a little over $200.00--the difference between 6.41 acres and 4.13 acres at $100 per acre.

Q Let us see if we can relate that to your appraisal in 1942.

A I placed the value on the land in '42 on the Kusano property at $100.00 per acre.

Q Yes, Your total appraisal was $2241.50. If this sale by Ito to Solodki had been a fairly representative of the fair market value, then your appraisal would have been higher by the difference in acreage, is that correct?

A Yes.

MR. McMASTER: Kito's acreage was smaller, my lord.

MR. HUNTER: That is the point I am making.

MR. McMASTER: I am sorry, I don't follow it.

MR. HUNTER: I am trying to find out, my lord, what are the substantial differences between these two properties in terms of money. That is, you have the Ito sale of the property to Solodki, selling in 1942 for $3,000.00, and one obvious difference is that question of approximately 2 acres.

THE COMMISSIONER: Yes, approximately $200.00.

MR. HUNTER: Q: Now, what other differences are there that might be represented in terms of money-- fair market value in 1942? This property sold for $3,000.00.

A Yes.

Q Now, I would like to know the major differences between these two properties, so that we can try to calculate if the Ito property represented the sale of fair market value, what the fair market value of the Kusano property would have been. Now, the Kusano property is 2 acres more, so we have stated there would be approximately a difference there of $200 at $100 an acre. Now, what other substantial differences would there be between the buildings or any other part of the land that we could represent in terms of money? I know this is a little theoretical , my lord, but I am just trying to arrive at it.

THE COMMISSIONER: Well, is there any difference between the residences on the respective farms?

A The Ito residence, in my opinion, is equally as good a residence as Kusano's.

MR. HUNTER: Q: Is there any difference in the outbuildings in their values?

A There were more outbuildings on the Kusano property.

Q How much more, and were theyworth more money in your opinion?

A Yes, a possible variation of a minimum of $400.00.

It might have been five.

Q That is between the two properties?

A Yes, made up by the additional outbuildings on the Kusano properties.

Q Now, are there any other major differences between those two properties that you can represent by the terms of money -- ~~xxx~~ you said outbuildings 4 to 5 hundred dollars. Assuming the sale price of the Ito property represented the fair market value, you could say that the fair market value of the Kusano property in 1942 would be approximately $3700.00. A: Yes, granted.

Q Would that seem to you, in 1942, to represent a fair market value, taking into account its potentiality as a residence and so forth?

A Taking into consideration the potentials of residence, I would say yes.

Q Is that sufficient for your lordship's need? I am trying to get at the truth of these things in some manner, my lord.

THE COMMISSIONER: Well, it offers some assistance. I think you cannot do very much more with it.

MR. HUNTER: Now, the next one is Mukuda.

MR. McMASTER: Before my learned friend proceeds to that, I think that sale is shown as having been made by the Custodian. Does he have an appraisal by the Custodian?

MR. HUNTER: I haven't, my lord. There may be one, but I haven't it.

MR. McMASTER: I would ask my friend to produce it, if

there is one.

THE COMMISSIONER: What you are referring to now is the Ito property?

MR. McMASTER: No, the Kusano property. My record of the search on that property indicates the property which was vested in the Custodian was sold by the Secretary of State.

THE COMMISSIONER: All right. You are referring to an appraisal made subsequent to that of Mr. Godfrey, and before the sale.

MR. McMASTER: Yes.

MR. HUNTER: There may be one, my lord, I will check on that.

MR. HUNTER: Q; You are familiar with this Mukuda. You are familiar with this Mukuda property, Mr. Godfrey? A. Yes.

Q Now your appraisal was $894.70, and the sale on the 13th of May, 1942, which would be somewhere around the same time as your appraisal, maybe a little earlier -- was $1,000.00., a difference of 11.7%.

THE COMMISSIONER: Now is there any purpose in going into so minor a difference as that?

MR. HUNTER: I think my lord, very quikcly before wasting much time, I can perhaps be helpful on that.

THE COMMISSIONER: All right.

MR. HUNTER: Q: Mr. Godfrey, how do you account for that difference? A. I made an appraisal of that property on the 6th May,1942. That would be before any of the spring crops would be ready for

marketing.

Q Do you know whether the purchaser of that property got the crop? A. Yes, I do.

Q And did he? A. He did.

Q I am not going to waste any more time on that, my lord. The next one is Tanaka. There is a large difference there, my lord. You are familiar with the Tanaka property, Mr. Godfrey?

A Yes, quite.

Q And how do you explain the differnce between your appraisal and the sale price?

A The sales price was what?

Q The sales price was $950.00. A difference of 81.8% between your appraisal and the sales price at approximately the same time?

A I would assume the purchaser was ignorant of farm practices.

Q Did the property have a residential value?

A No, it was on No. 19 road and in 1942 there was no electric light of any kind and I would call it almost a hole in the bush.

Q Do you know who did buy it?

A My records show Henry Aleor. He purchased that.

Q Do you know what he did for a living?

A He was a clerk in Streight's Mens Furnishings on Georgia Street, Vancouver.

Q I see. A. I was informed by one of the senior men inthe store--I haven't his name, but that was his position, and Doris was his niece, whom I interviewed and verified the same

information.

Q I have here a comparable sales sheet I will file as the next exhibit, my lord.

(COMPARABLE SALES SHEET MARKED GENERAL EXHIBIT 84)

THE COMMISSIONER: Does this sheet relate to the Tanaka property?

MR. HUNTER: Yes, my lord.

Q Now, Mr. Godfrey, I wonder if for his lordship's convenience you could quickly relate the Tanaka property and these three comparable sales on the map so that he can see how close they are?

A Y es, (referring to map). These are the properties along the Dewdney Trunk Road -- coming to Haney. And you come to 19th Avenue and this is the Tanaka property -- this one outlined in yellow. The comparable sales I have quoted are Lot 7, I think 11, 12, 13 and 14 on 21st Avenue and 20th avenue runs through here and it was not opened at the time, and here is the Tanaka property and you would have to come down the Dednesy Trunk Road and simply come up 21st Avenue.

MR. McMASTER: Have you the legal description of it, - that is comparable? A. Well, there was Lot 7, (this one) indicating on map. Lot 7 would be the north half -- in the north half of the south-east quarter of Section 22 -- and 11 and 12 are here, and I quoted 13 and 14 -- that would be the north-east quarter of Section 22 in Township 12.

Q Yes.

MR. HUNTER: Q: Now, Mr. Godfrey, you show these three comparable properties here, and perhaps you could explain wht makes them comparable in your opinion? A. They are not as fully comparable as I would have ,liked to have had them, but that is something that I cannot very well help. These three properties, although they are three -quarters of a mile east of the Tanaka property, they are in a more open area with a better class of settlement -- far more cleared land and the electric light was there. The water was just about the same, The property had some fences, not particularly good, but they had been fenced in the old days -- mostly old fences but of a better class or better value in the buildings that were on the property, and when I put these comparisons in, in thinking the matter over and discussing it with people on 21st Avenue, and looking over the area, I felt fully justified in adding a minimum of $10.00 an acre to the land there as against the figure which I put on the Tanaka property.

The Tanaka property simply had a little building, which in my appraisal said it was habitable, and it would lend itself to a lean-to kitchen -- to a dwelling that might be put on at a later stage, and it was a pretty modest affair, whereas on the three comparable properties each had painted buildings and the electric light was installed and some of the outbuildings were still

of use and in use.

Q Well now, regarding those comparable sales, and the property in question which you appraised, do you wish at this time to alter your appaisal, or do you feel that your appaisal was sound?

A My appraisal was conservative of that particular property -- admittedly conservative, yet that is as I saw it in '42. There was nothing done on the place and there had not been for years and there were brambles and other growth there. The habitation might have suited a batchelor, but it certainly was not a family place; and those factors, which were evident to me at the time, were the factors that allowed me to set that conservative valuation on the land, which I did.

Q If you had been inclined to have been more liberal, Mr. Godfrey, and taken a more optimistic outlook of that property, how high do you feel you would have gone at that time?

A That is problematical and I can only answer that in the light of this inquiry, that has caused me, as an appraiser, to throw my mind back to the time that appraisal was made. And I might have gone another ten dollars an acre, I don't know, but I would have had to have altered my whole approach to it at that time.

I find it very difficult to make a definite statement now, six years after, as to what I might have done in 1942.

Q I see. What is your opinion as to the sale price

of $950.00? A. I think the lad who bought it, bought it in ignorance, in spite of the fact that I know he was able to resell again at quite a profit.

Q Is there anything else you wish to bring out in connection with that property, Mr. Godfrey?

A I don't recall any other points.

THE COMMISSIONER: Do you know when the resale was made, by the original purchaser?

A Yes, my lord, it was sold to Henry and Mrs. Stobbs.

MR. HUNTER: There is an agreement of sale dated the 16th June1944, according to my records, my lord.

THE WITNESS: My records -- I haven't looked at it for quite a while, is it was sold on the 16th of June, 1944, for the sum of $2,050.00.

Q And you say in spite of that increase two years later you still feel the sale price by Tanaka was high? A. The sale price by Tanaka?

Q Yes? A. Yes, I do from my viewpoint of it -- from an agricultural point of view, and the condition it was in at the time I appraised it.

THE COMMISSIONER: Before you go on with your next property, I think we might recess now for a short time.

(PROCEEDINGS RESUMED AFTER SHORT RECESS)

T. GODFREY, resumes stand.

EXAMINATION CONTINUED BY MR. HUNTER:

Q MR. GODFREY, do you know whether Mr. Allora, when he sold this property, had made any improvements on it? A. Yes, I am advised by his niece, Miss Doris Allora, whom I interviewed, and Mr. Seigner, the adjoining neighbour on the north -- which is purely hearsay, that Mr. Allora while he was there used to come out on weekends and he spent his summer holidays there. And he had a new floor put in in what I call the cabin and he papered it throughout and by that time the B.C.Electric had run the main pole line up the avenue and he had the electric light brought in from the road and put in the little house, which entailed one pole on the property.

Q And was the house wired?

A Yes, the house he wired it and installed electric light.

Q Now on this Kamori property -- I don't know whether your lordship wishes to go into that, it was appraised at $1778.50 by Mr. Godfrey and was sold by the Custodian on the 30th of June, 1944, for $70.00 less than the appraised price.

THE COMMISSIONER: There does not seem to be very much difference, but if you wish to do so --

MR. HUNTER: I don't know very much about the Custodian's sale. I don't know whether he had it reappraised or not. Perhaps he could give a brief description of the type of property?

T. Godfrey,
In Chief.

A My appraisal was made on the 30th day of July, 1942 and it sets out, Block 1, section 28, containing 6.1 acres. The nearest railway point was Marpole, a matter of one-quarter of a mile. Good local facilities for marketing. Church within a mile, school within a half mile and the property was identified in this way -- that it had a road and had access to the main road, which was No. 1 road. The condition of the road was good. On the property there was a house, 16 x 24 and a second house 18 x 32, and a third house, 31 x 31. The was a boat house 50 x 60 with a runway down to the water. There was an addition, 12 x 12. And electric light was installed. My remarks as to whether the dwelling was habitable, was otherwise. The three small houses were occupied by Japanese workmen and not habitable by white men. They are on piles. There is no basement. All brick bracket/chimneys and the buildings were finished in bare wood. The buildings were not painted. .61 acres of river outside the dyke -- I simply put water and I put in my remarks, " This is boat-building plant -- value $778.50."

According to the memorandu I haven my lord -- it is a memorandum from Bill Anderson to the director of the Veterans Land Act, and it says, "The Canadian Fishing Company have shore rights on this property from May 30th,1943 to 1944, --paying $100.00 for this".

J. F. Brooks occupys three houses on piles.

And E. L. Morrison has a lease at $20.00 a month on the balance of this property, and also holds an option to purchase until June 1944. And according to the memorandum I have from the Veterans Land Act they withdrew from the whole transaction.

THE COMMISSIONER: They withdrew the property from the V.L.A.? A. Yes .

MR.HUNTER: Yes.

Q So I presume there was no subsequent appraisal in view of the fact it was under option. The option was exercised anyway. That is all, my lord.

THE COMMISSION R: Well, if this last transaction resulted from the exercise of the option --

MR. HUNTER: The date is not significant.

THE COMMISSIONER: It is not very helpful.

MR. HUNTER: No, it was just to complete the form.

THE COMMISSIONER: Yes, Mr. McMaster.

CROSS EXAMINATION BY MR. MCMASTER:

Q Mr. Godfrey, I would like to deal with that last sale first. Have you your appraisal there?

A Kamori?

Q Yes. Now the legal description that you show this property is Lot 1, section 28, block 5, north range, 6, west map 304.

A Yes.

Q I am instructed that that property is divided into two parcels. It was lot 1, section 28,

Block 5 north, range 6 west, and the north 66 feet were sold off the property. Were you aware of that when you made the appraisal?

A I don't think so. The plan I worked on shows .61 acres. That would be on the west side of the main road.

Q Was part of the property that you looked at one side of the dyke and the other the other side?

A The whole thing was on one side of the dyke.

Q And all these buildings that you described, 16 x 35 and a house 31 x 31 and a boat building shop 50 x 60 and an addition 12 x 12, were they all on this strip?

A Outside the dyke.

Q Yes? Now I refer to page 2 of your appraisal. Are you sure it was at least 66 feet that Mr. Austin was renting or was it the north 66 feet?

A My district superintendent brought that same thing to my attention in the memorandum and I think I was a little bit out in my orientation and yet I was on the property.

Q Yes, but it was the north 66 feet that Mr. Austin had rented, is that right?

A I shall have to verify that by what I have here. Yes, on my appraisal report -- cottage was occupied by his employee, E.L. Carson who is now employed in boatbuilding and had arranged for a two year lease with option to purchase east 66 feet.

Q How many buildings were on the part that Mr. Austin had rented? A. That is the

point I don't know, because I haven't got a copy of my sketch here. Those buildings should be shown-- their position on the land, on the map on my appraisal,-- on a sketch.

Q Well, I suggest to you the part that Mr. Austin rented was not the whole parcel -- the whole of Block 1.

A Would you repeat that?

Q I suggest to you the part that Mr. Austin rented was not the whole of Block 1, not the whole of the parcel that you were appraising?

A It would appear to be that.

Q Just part of it? A. That he was only renting part.

Q I draw your lordship's attention to the fact that my search of the Land Registry office shows, "Lot 1, except the north 66 feet", was sold by the Custodian to the Canadian Fishing Company on June 6th,1944 for $1650.00 and the north 66 feet, was sold by the Custodian to James Whitfield on March 26th,1945 for $1395.96 and on May 19th, 1945, Whitfield transferred it to the Canadian Fishing Company for $1500.00.

THE COMMISSIONER: The indication being there was a $1300.00 increase in the sale price of the property.

MR. McMASTER: Yes, the total sale price of the two lots by the Custodian was actually $2,046.00.

MR. HUNTER: Well, my lord, I don't follow that. The parcel was only beyond the dyke -- there was only one parcel appraised by Mr. Godfrey.

MR. McMASTER: I think it is apparent from Mr. Godfrey's answers, the north 66 feet was part of lot 1.

THE COMMISSIONER: That is what I quoted from your answer, am I wrong in that?

A My lord, the sketch of the property that has been given me here is .61 acres and I appraised it as one parcel, .61 acres. Now this pencilled sketch is not a copy of the sketch that I put in at the appraisal date, so I don't know from this just how I had sighted the building on the property. The dimensions are given here as 100 feet at the bottom and 100.2 at the top and I don't know where that 66 feet came in.

MR. McMASTER: Q: May I see the sketch, Mr. Godfrey?

A Yes.

Q The north 66 feet -- you have a n arrow on this sketch pointing north -- the north 66 feet would be presumably --

A The 66 feet would be down towards the south.

Q Yes, facing on the river. Now is that where Mr. Austin was located, do you recall?

A I don't know from this. I don't know. If I had my original sketch I would know where I had sighted the buildings on that .61 acres.

Q Well, the east 66 feet would not have any water front? A. No.

Q Well, where did you get this plan from?

THE COMMISSIONER: Is there any purpose in pursuing it, with so much doubt existing as to what the facts are?

MR. McMASTER: I think this plan demonstrates the north 66 feet is a long narrow strip along the Fraser River and it would be only reasonable the division would be that river frontage.

THE COMMISSIONER: If there is any significance to be attached to it, get the facts as they are. It is obvious there is some doubt about the situation now.

MR. McMASTER: P erhaps my friend would be good enough to produce the original V.L.A. sketch attached to the appraisal, or a copy thereof.

MR. HUNTER: I have a copy right here.

MR. McMASTER: But it doss not identify this 66 feet.

MR. HUNTER: That is the copy that was on the original appraisal.

MR. McMASTER: Well, I would ask to file that, my lord.

THE COMMISSIONER: Does this sketch which Mr. Hunter now has, add anything to the picture?

MR. McMASTER: My lord, it shows the dimensions of the property and its location, but it does not show where Austin had his lease on it.

THE COMMISSIONER: Well, how am I t determine -- this was one property sold for three thousand odd or something different.

MR. McM ASTER: Well, the witness has said he appraised the whole of lot 1, and the Land Registry office shows, Lot 1 was sold in two parcels, the north 66 feet and the remainder.

THE COMMISSIONER: Can you satisfy yourself on this, Mr. Godfrey, with the information Mr. Hunter can

give you now -- the additional sketch, is that sufficient for you to determine it was the same thing that was sold for three thousand odd?

THE WITNESS: My lord, I appraised from the sketch that was given me, which was the .61 acres and there should be my original sketch of where I sighted the buildings on that particular parcel of land.

Q Well, did you appraise the whole of Lot 1?

A Yes, my lord.

Q Well, that makes your point clear, Mr. McMaster?

MR. McMASTER: That is right, my lord.

Q Now with regard to the Tanaka property -- what was the exhibit number?

THE COMMISSIONER: Tanaka? 84 is the comparable sales.

MR. McMASTER: Yes, may I see that, please.

Q I understand, Mr. Godfrey, that you got certain information concerning the Tanaka property, from a Mr. Seigner?

A Yes.

Q And at the time you got that information, were you aware of the fact that Mr. Seigner had at one time, or presently owns Lot 10 right adjacent to the Tanaka property?

A He is in residence there.

Q And did you inquire as to when he bought Lot 10?

A I don't think so.

Q You did not know that he had bought it in 1943?

A I don't think so.

Q Would you not agree that the property right next door to the Tanaka property would be a better comparison than these comparisons you set forth on Exhibit 84 ,, some distance away?

A No. In endeavoring to keep, as we were required to, to a comparison, the property that I had appraised, had all been cleared land at one time, whereas the Seigner property only had two small parcels on it and partially cleared and was the roughest of stuff.

Q Yes, and how do the buildings compare?

A There is an ancient dwelling house on the Seigner property which was there when he purchased it and the poultry houses that are there, he put up himself.

Q So when he purchased, that property would be considerably inferior to the Tanaka property?

A In my estimation, yes.

Q And you say you were not aware that he purchased that for $1900.00 in December 1943?

A I don't think I looked into that, because I did not meet Mr. Seigner until this fall.

Q Well, when you met him you were trying to find comparable properties for the Tanaka property?

A Yes.

Q And how did you go about trying to find these comparable properties, Mr. Godfrey?

A Generally from hunting up properties that had changed hands in the municaplity, from municipal records, if I hadn't any local knowledge myself.

Q Yes, and how did you go about doing that? How did you go about doing that? Would you locate the property in the taxrolls first and then look at the adjacent properties to see if they had changed hands?

A I beg your pardon?

Q Would you look at the property in the tax rolls and then look at the adjacent properties and see if they had changed hands?

A Yes, generally if they were of a comparable class.

Q Well, you didn't do that in this case?

A Well, Seigner's property did not look comparable to me.

Q It was inferior?

A In my estimation. Well, it was not in the same class. One was cleared, and the other had very little clearing on it.

Q Now in view of the fact that Mr. Tanaka -- or rather the purchaser of the Tanaka property was willing to pay $900.00 -- or what is it -- $950.00 I believe, and subsequently , with certain minor improvements that you have mentioned, two years later someone was willing to pay $2250.00 for that property, and in view of the fact that the lot next door which was inferior, sold for $1900.00 in 1943, do you still maintain that $950.00 was too much for the Tanaka property?

A Well ,I wouldn't certainly have paid it. My appraisal price was my opinion of its value at the time I appraised it.

Q And that was purely from a farm point of view, is that correct?

A Right.

Q And your estimate of the property next door, the Saigner property would be purely from a farm point of view?

A Well, it had been developed to the stage where one could farm it.

Q I mean at the time in 1943 when he bought it -- it was all in bush?

A Well, it was pretty well a bush property.

Q And your estimate of that property would be from a farm point of view?

A Yes.

Q Well there seems to be quite a difference in the value you place on as the fair market value and the agricultural value?

A No, my approach was fair market value from an agricultural point of view.

Q Now in dealing with the second property that you dealt with, the Mukuda property, Mr. Godfrey, did you make any inquiry as to when the Japanese purchased that land?

A At the time I appraised it?

Q Either at the time you appraised or at the time you were trying to find out whether the sales price was representative of the fair value or not?

A. I don't think so.

Q Would it have made any difference in your opinion if you had known he had purchased it under agreement

for sale in 1943 -- the 10 acres for $1,000 uncleared or in other words, 10 acres at $100.00 uncleared? A. No, I don't think so.

Q Is it your impression uncleared land in 1942 in the Municipality of Maple Ridge was selling for less than it was in 1943?

THE COMMISSIONER: One swallow does not make a summer, nor does one sale fix the market price.

MR. McMASTER: Well, I will call other evidence as to like sales, but I was just wondering what the witness' opinion on that was.

THE WITNESS: Getting back to '33, I don't really recall. It is a long time back.

Q You were appraising land in the Fraser Valley in 1933 weren't you, in order to your evidence this morning? A. Yes.

Q And you are aware of the fact that there was a depression in 1933?

A Yes. We hadn't got very far out of it if at all.

Q Could I have the comparable sheet on Mukuda, or did you file it?

THE COMMISSIONER: There was not any filed.

MR. McMASTER: Q; Did you try to find comparable sales with respect to this property either in 1942 or recently? A. Not actually, no.

Q Why not? A. Well, in 1942 I figured I was well conversant with the movement of farm lands in the Municipality in which I was working and had a knowledge of crop prices and returns. It was part of my business to be well conversant

with those things.

Q And in 1948, to find comparable sales, I did not quite see the necessity of it, because I was satisfied in my own mind on this sale here and the samall amount of difference between what it changed hands at, and looking at my appraisal,-- the actual crop that would have been takenoff in the spring of 1942, would, in my opinion, have been far in excess of the price that the property turned over at, what I put on it in my appraisal.

Q You mean the returns from the crop would have been in excess of the $1000 it was sold for?

THE COMMISSIONER: No, the difference.

MR McMASTER: I am sorry.

Q What did you say as to the value of the crop that would have been taken off this place?

A It would have more than made up the difference.

THE COMMISSIONER: A little over a hundred dollars.

MR. McM ASTER: Q; Have you any idea as to the value of the crop that would have been taken off in 1942? A. Yes, my appraisal shows that he had better than one acre of varying raspberries to harvest within two months of his acquiring the property and could be expected to harvest three tons of strawberries, at eight-cents per pound and three tons of raspberries at ten-cents per pound, and his gross receipts should have been, " Strawberries, $480.00 and Raspberries, $680.00, totalling $1080.00, allowing the purchaser

60% for costs, which is generous,-- his net returns should be $432.00, and I think I have been conservative, in quoted yields and quoted price per pound below the price to grower quoted in the Provincial Government's statistics, covering the Fraser Valley for the year 1942."

Q Now you considered your appraisal was fair, did you?

A I did.

Q And did you include anything in your appraisal for the value of the crop?

A Well, with the property changing hands right at that time, I think I mentioned in my appraisal,-- I believe,-- I am not sure--that the Japanese were selling, and the remarks here on my appraisal, "Describe condition of farm". My remarks at the time of my appraisal, "Cleared land -- berries and asparagas show neglect. Moving crops generally would be good".

Q Did you place any value in the crops in your appraisal? A. No.

Q So on the figures you have given as the net, allowing a generous amount for expenses would be $432.00 on the crop, and if you add that to your appraisal that would make $1300.00. Now would that not have represented the fair sales price of that property in 1942 according to your own figures?

A Well, in 1942, as an appraiser, I was not valuing crops.

Q I am suggesting to you that the purchaser got a bargain at $1,000?

A He should have been well satisfied for that year -- for that summer, yes . What might have happened to it afterwards -- whether the bargain he might have considered he had at that spring would be problematical because it would be up to him as to how they operated it eventually.

Q Well, did you find out from inquiries that he had sold it in December, 1943 for $2300 odd?

A That is information I have had since.

Q And at that time there would not be any crops?

MR. HUNTER: Why not?

MR. McMaster: In December 1943.

THE WITNESS: Well, I would not know what he did after he acquired it in 1942.

Q Now then, dealing with the first property that you referred to K. Kusano?

A Yes.

Q You suggested that if he used Ito's property as a basis, Kusano's property would be worth $3800.00 in 1942, is that right?

A Yes.

Q Now what value are you placing on the buildings of the Kusano property when you are saying that?

A Replacement value less depreciation.

Q And were you suggesting that when property sells for other than farm purposes that it carries with it as part of the sale price the full replacement value less depreciation?

A It could be.

Q Well, you would have considered that this property

would have done that? A. I don't just get that.

Q You would have considered that this property, the Kusano property would have carried its full replacement value as far as the buildings are concerned?

A At the time of my appraisal.

Q No, when you stated -- you were comparing it with the Ito property -- if you took the Ito property as a fair sale, then this Kusano property would sell for $3700.00?

A If the purchaser had taken in the present day residential value.

Q What do you mean by the present day value?

MR. HUNTER: Just a minute, are you referring to the appraisal form?

MR. McMASTER: Yes, in the appraisal form.

Q What do you mean by present day value?

MR. HUNTER: Show him the form.

MR. McMASTER: Q: This is the phrase, "total pre sent day value"? ". Total present day valuing. That is representing the buildings -- that is the present day value of the buildings -- their replacement cost, less depreciation.

Q Yes, now I draw your attention when you made an appraisal of this property in 1942, you showed the present day appraisement value as $3,515.00 ?

THE COMMISSIONER: Of the building?

MR. McMASTER: Yes.

THE WITNESS: Yes .

THE COMMISSIONER: I have it that the witness said that

the replacement value of the house was $3,000.

MR. McMASTER: Yes, that is correct.

Q And you allowed $641.50 for the land?

A $100.00 per acre.

Q Now how much did you estimate recently when you went out and looked at the Ito property? How much did you estimate that the buildings on the Ito property added to that land. That is, what you said was comparable, in 1942 when sold?

MR. HUNTER: Why not have the first question, my lord, which should have been, did he break down the values of the property.

MR. McM ASTER: I am asking him to answer my question.

THE COMMISSIONER: I think this witness is quite capable of looking after himself.

THE WITNESS: Would you mind repeating it?

THE COMMISSIONER: Now what is the question?

MR. McMASTER: Well, the question is, how much did you estimate the buildings on the Ito property added to the land at the time it was sold in 1942?

A I don't think I estimated it that way. The picture I have in my mind now is: there is the Ito house. Whether the purchaser purchased it from a purely farm point of view or residential, I don't know. The other property, the Kusano property, when it was sold, was sold with a residential value, that I had not shown or appreciated, and I feel when I made that comparison that that comparison was made by Solotky, taking its residential value as well as its farm value.

Q Well how did you proceed to compare the buildings then, Mr. Godfrey?

A On the Ito, which Solotky purchased, assuming he also had a residential appreciation in his mind, I figured his building would add the full value to the parcel of land.

Q And did you not estimate what the full value would be? A. Well, he has got full value there. He has good property there in the property he purchased.

THE COMMISSIONER: I understood you in chief to refer to the two dwellings as comparable dwellings, as a comparable equal value, is that right?

A Yes, the two dwellings, my lord.

MR. McMASTER: Q: Well now, did I understand you in chief to say that the value of the house on the Ito-- I am sorry -- on the Kusano property was $3,000?

A That is as I have shown it in my appraisal, yes.

Q I just draw your lordship's attention that the whole sale of the Ito was $3,000. Now I notice that this Ito property was property which was sold by Japanese in May 11th,1942. Were you aware of the fact in 1942, that the Japanese were being evacuated in the spring of 1942?

A Yes.

Q And you were aware of that fact when you went to make your comparison the other day,or within the last month or two?

A You mean I was still aware that the Japanese were being evacuated in 1942?

Q Yes? A. Yes.

Q And would you say that a person who is under compulsion to evacuate is a very good example of a selling vendor?

A No, no.

Q Now were you not able to find any sales near to the Kusano property that were under orders to evacuate or likely to be under orders to evacuate?

A In that locality -- if I did I have not recorded it. I haven't any record of any sales that were made at that time. It was very much of a Japanese locality there.

Q Now when you made your searching the other day to try to find this comparable property, did you not notice any sales that were made in the immediate vicinity of Kusanoa's property that were sold in 1942 or 1943 to occidentals?

A I had no record of them.

Q And you tried to find a comparable property to this by going to the municpal records?

A Well, in this particular case of the Ito property, I scouted around there earlier in June of this year, when we were scouting around to find these comparable ones. That is how that came about.

Q You didn't try to find a comparable property in the municipal office for the Kusano property?

A Well, it is in all probability those were the records he got there. Generally speaking the information that is being gathered in 1948 for these comparables were taken from the municipal

records and then verified on the ground where possible, and where it was thought they were comparable.

Q Now you would agree, would you not, that the lots immediately adjacent to this lot would form better comparisons of market sale price in 1942 and '43 than the Ito property, which is down the power line to this place?

A You mean adjacent lots to Kusano?

Q Yes? A. The adjacent lots to Kusano's were all Japanese held.

Q How did you know that?

A Well, I knew Maple Ridge quite intimately.

Q And were there no sales by Occidentals of those lots in 1942 and '43?

A I couldn't say.

THE COMMISIONER: If you have any such, Mr. McMaster, you can put it to the witness. To deal with generalities in matters of this kind does not seem to me to be a fair approach to the witness.

MR. McMASTER: Well, if he has not looked into the adjacent lots, I do not see how I can cross-exmine him on them and I shall have to call evidence on them.

Q Now, I take your evidence is in the Kusano case, you approached it from an agricultural point of view?

A Yes.

Q And on that basis, while the present day value of the building is $3,515.00 you considered at that time that the buildings only added a value of $316.00 to the land? A. That is what it was down to, from an agricultural point of view.

Q How do you arrive at the value of buildings from an agricultural view?

A Well, the actual arrival of values after you have checked up and reviewed them, that first figure is a guide for insurance more than anything else, and an appraiser having gone over the land, and verified your different classes of land, if they are not all cleared, and you place what you consider a fair market value against that acreage, the appraiser has a feeling he has a birds eye view of the whole property as a whole, and as the farm, he figures that farm is worth so much. It may not be worked in pencil and on paper. It is a considered opinion.

Q It is worth so much in relation to what, Mr. Godfrey?

A As a farm.

Q In other words it has an intrinsic value, is that what you are saying?

A Which?

Q The farm? A. Yes, the unit as a whole.

Q Without any relationship to other farms or without any relation ship to the market, for instance?

A No, it is supposedly based on one's knowledge of what one is doing in the area where that farm is located.

THE COMMISSIONER: Does it come down to this: when you have examined the land and determined what it is worth, you calculate that such and such a farm can afford to carry a house at such and such a

cost? A. From a farming point of view, that is what it boils down to.

Q Yes, I see. A. For instance after I have thoroughly familiarized myself with a piece of land, you stand back and you look her over and you say, " Well, that property as it stands as a farm is worth $2500.00", or $3,000, or whatever it is, and if you take the value of your land away from that picture you get pretty well the value of the buildings to the land.

MR. McMASTER: Q: And how do you arrive at that first value of $3500.00 -- just intuitively?

A Which?

Q How do you arrive at the first value of the land? Do you do that intuitively?

A No, you me sure up the buildings and get the value of the crop production.

Q And does the ability of the farm to produce have any relationship to the value you add for the buildings? A. Well, of course, the farm won't produce without the operator, and that hinges a good deal on the knowledge of the operator. You can take a piece of good land that has every indication by the natural growth around it and other factors that it is a good piece of land and good for a dwelling and otherwise, and it could be lost by an ignorant operator.

Q Well, in basing your value on these Japanese lands, what sort of an operator did you have in mind? A. A white operator.

Q Was he the average or better or typical?

A I would say he was below average. He would be below average.

Q Why did you assume there would be that kind of operator? A. Well, it is my opinion, looking back and knowing the conditions.

Q Well, I would like to have your opinion at that time? A. In 1942.

Q Yes, why did you assume a poorer than typical operator? A. Well, I don't think there were any white operators in that district that would have willingly changed their own white operation to take up a Japanese farm.

Q I suggest to you you had in mind that veterans would be placed on this land?

A I could not ignore the possibilities, but certainly not the fact that veterans would be on the lands.

MR. McMASTER: Well, my lord, in dealing with this particular branch of cases, I would suggest that we adjourn now. It is 12.30.

THE COMMISSIONER: Well, are you through with Mr. Godfrey now?

MR. McMASTER: No, but I am through with some particular sales, but I have some other line of examination to go on with later.

THE COMMISSIONER: Very well. Now it is possible that we may be able to find a court room this afternoon that will be more comfortable than being down here. If you will inquire of the secretary, he will be able to let you know after luncheon, what room we will be in. We will adjourn not until two o'clock.

(PROCEEDINGS ADJOURNED UNTIL 2.00 P.M.)

I hereby certify the foregoing to be a true and accurate report of the said proceedings.

E. Bligh
Deputy Official Stenographer

(2 P.M. PROCEEDINGS RESUMED)

THOMAS GODFREY, Resumes:

CROSS-EXAMINATION BY MR. McMASTER, Resumed:

MR. MCMASTER: Can I have appraisals for case No. 900 and case No. 855 and case No. 847.

THE SECRETARY: 900 is with the Custodian.

MR. MCMASTER: Q: Mr. Godfrey, I am showing you the appraisals; first of all an appraisal which was made by yourself of property in Pitt Meadows, and also an appraisal made by Mr. Plumbly in Pitt Meadows. Referring to the last pade of your appraisal in case 900 you observed that there is another piece of property held by the Veterans' Land Act adjoining the property you were appraising; and referring to J.L. 424--the appraisal in 855 is J.L. 425, and the appraisal in case 855 is lot A, block 2 of lot 3 of lot 12, section 26. Those two properties are adjacent properties are they, Mr. Godfrey?

A I really should have verified it by the map. I believe they are. One says lot 3 of 12, and the other says lot 3 of block 12. Just whether that would make any difference I don't know.

Q I refer you to your own last report where you refer to J.L. 425 adjoining the lot you were appraising.

A J.L. 456 this is.

Q Maybe I have got the wrong parcel. I'm sorry. It is portion 10 acres more or less of lot 3 of lot 12, section 36, an appraisal made by Mr. Dodding.

A Yes, that seems to fit in.

Q That is an adjoining piece of property?

A Yes.

Q I would like you to look at those two appraisals and advise the commissioner as to whether the lands in those two properties are comparable?

A I would say yes.

Q Can you explain the difference in the amount given by you for the property in case 900 and the amount given by Mr. Dodding in case 855. You gave $45. an acre, and Mr. Dodding gave $60. an acre.

A No, at this date I can't explain it, my lord.

Q Can you explain the difference in uncleared land. Mr. Dodding gives $10. an acre, and you give $20. an acre.

A I would say my form varies. Mine is the V.L.A. form, and the other is the old Soldiers Settlement form; and under these headings here of the land, kind of subsoil, nature of crops and value per acre (Reading) "Cost of reclamation per acre $175. to $200. per acre."

Q And he places a vlue of $10.

A I think that could easily be accounted for by the natural cover of the property.

Q I am referring you to what you set out as to the cleared portion in No.900: "3.25 acres suitable for cultivation. . . . . sandy to clay soil; bush." And down below you state a minimum of $150. per acre to clear it, and you place a value of $20. per acre on the uncleared land.

A Mr. Dodding shows $175. to $200. an ancre to clear it. I would assume from that that he found a denser forest growth on it than there was on the parcel I was dealing with.

MR. MCMASTER: I draw your lordship's attention to the fact that the witness's appraisal in case No. 900 was made on November 16, 1943; the appraisal by Mr. Dodding was made on July 6th, 1942.

Q Dealing with case No.900, the parcel you appraised, Mr. Godfrey, were you aware of the fact when you made that appraisal that the man had purchased the property in 1937 from Mr. Hal. Menzies for $100. per acre uncleared?

A I doubt if I was, or had I been I believe I would have recorded it.

Q Would it have made any difference to your appraisal? A: No.

Q Were you aware of the fact that his neighbour in case 855 that we were just referring to had purchased his ten acres in 1931 for $90. an acre uncleared? A: I don't think I would have been aware of it. Had I been I believe I would have recorded it.

Q And would it have made any difference to your appraisal in case 900?

A No.

Q Were you aware of the fact that in case 847, which is a property adjoining this, that the claimant had purchased two acres in 1940 uncleared for $125. an acre?

THE COMMISSIONER: What was that case number?

MR. MCMASTER: Case 847.

A Again I don't think it would have been, or I would have recorded it.

Q And if you had been aware of that, would it have made any difference in your appraisal in case 900?

A I don't think so.

THE COMMISSIONER: Q: Can you suggest any explanation for the substantially higher prices paid by these Japanese in years prior to your appraisals?

A It is my opinion, my lord, that where there is still a limited amount of land available and where Japanese were already in the district, it is my opinion that the Japanese would pay a higher price to get in among his own people than he would possibly on a piece of land somewhat isolated from his own people. That is my opinion, my lord.

MR. MCMASTER: Q: And do you suggest that the Japanese would pay the difference between $20. an acre and $125. an acre for the purposes of getting near his own people for uncleared land?

A It is a question I can't answer.

Q At the time you made your appraisal in case 900 that you have there, were you aware of the fact that the Japanese had quit claimed half of his property, that is the east half--you appraised the west half--that the Hapanese had quit claimed the east half to Mr. Hal Menzies in November, 1942 for $387.50, being the balance under the Agreement of Purchase remaining unpaid?

A I don't recall it.

Q Would it have made any difference in your appraisal if you had been aware of it?

A No.

THE COMMISSIONER: Let me understand what that means. There was a balance of $387. owing on his agreement covering the whole, is that right?

MR. MCMASTER: That's right, my lord.

THE COMMISSIONER: And in order to get rid of his liability he quit claimed a certain number of acres.

MR. MCMASTER: Yes; the east half, five acres.

THE COMMISSIONER: Which may or may not be significant.

MR. MCMASTER: Yes.

THE COMMISSIONER: Incidentally, what was the price the Japanese bought 845 for, and in what year?

MR. MCMASTER: 845; 1931, $90. an acre.

Q Did you enquire about private sales by persons other than orientals near this land at the time you made your appraisal?

THE COMMISSIONER: Near which land?

MR. MCMASTER: The land in case 900.

A I don't recall specifically I did.

Q I refer you to page 4 of your appraisal, about one-third of the way down. The question is asked "Give available information . . . . . (No guide at all)". Do you recall why you mentioned that property?

A No, but I must have made those enquiries at that time, or it wouldn't have been in my original report.

Q What does the phrase "No guide at all" refer to. Does it refer to the whole transaction, or does it refer only to the fact the improvements are taxed at $25.?

THE COMMISSIONER: I suppose it means assessed, does it?

MR. MCMASTER: Yes, my lord.

A Without further information I don't know. It is too far back.

Q Have you any field notes on that?

A I would have had, but when I wa superannuated at the end of 1946 all my notes were destroyed. They were no good to anyone else. I doubt if any others at that stage would be able to decipher them.

Q Can you tell his lordship as to whether or not you took into consideration that sale you mentioned in arriving at your values?

A My lord, I would think not because the last record is "1.85 acres sold ..... $250." Then I put in brackets "No guide at all."

THE COMMISSIONER: Q: The indication would be you paid no attention to it, is that it?

A Or no comparison, my lord. I don't even recall the property at this stage in spite of the fact I know Pitt Meadoes very well.

MR. MCMASTER: Q: I suggest to you, witness, that that phrase "No guide at all" refers to "The improvements were assessed at $250."

A Not necessarily. After six years it's pretty hard to say why I should have shown the taxes or

the improvements on the land because it would all be on the same document I would get from the Municipal Hall.

Q Can you recall as to whether you were aware of any other private sales other than sales by orientals at the time you made that appraisal in the immediate vicinity of that land?

A I can't recall.

Q If you had would you have made a record of it?

A Not necessarily.

Q Why not?

THE COMMISSIONER: That would be pretty hard to answer I would think.

A Well, my Lord, at that time I felt very competent to know what was doing in the area where I was appraising and where my business was as a field supervisor, and much of the information was pigeon-holed that was never made a record of.

MR. McMASTER Q: I suggest to you, witness, that in fact you were not interested in comparable sales.

A Well your suggestion is not in keeping with my appreciation of that issue.

Q You say then in 1942 when you made these appraisals that you were interested in private sales of adjoining property?

A Yes.

Q And if this adjoining property you refer to here, 1.85 acres, was only useful as a residential property I suppose you wouldn't be interested in it?

A I don't recall what the property was. I have no idea what that 1.85 acres was.

Q On page 4 you are asked to give your opinion as to the saleability or ready marketability of the property under ordinary conditions and you answered "In my opinion this little home should be readily saleable" . Were you taking a long range view when you made that appraisal?

A No. When this was made the Veterans Land Act was functioning and had been for some time, and at that time these properties, in 1943, we may have been acquiring were more or less lands for Veterans settlement at that time.

Q Do I understand then that you were appraising something different than the fair market value at the time you made this appraisal?

A Not necessarily, no.

Q I draw your attention to the Section on page 2 of your appraisal which deals with the description of the buildings and their age. It shows the cabin to be twelve years old, the garage and wood shed twelve years old and the pump house ten to twelve years old. If you had known that the land was purchased in 1937 you would have known that those buildings could not have been more than six years old at the time you made your appraisal?

A' Yes.

Q Would that have made any difference in your estimate of the present day value of those buildings?

A Probably yes.

Q What do you mean by probably?

A If I had known for a fact that a building was only five or six years old instead of ten to twelve I would have been more definite on its age and would have been knowing where I was getting at indepreciating those buildings.

Q You showed the total value of the buildings as $230.00, and you showed the value added to the land on page 3 at $120.00. Would it have made any difference to the value added to the land if you had known the age of those buildings?

A Not necessarily.

Q I draw your attention to page 4 of the appraisal, Mr.Goffrey . Your name is typed on there as Chairman ~~and~~ Regional Advisory Committee. Am I fair in presuming that you signed that document?

A yes.

Q As chairman of that committee?

A Yes.

Q Do you concur in the opinion of the committee expressed in that certificate?

A Yes.

Q And with the values that they show as the sound value and also the price at which the property should be purchased?

A Yes.

Q Then I take it you agree that your appraisal didn't represent a sound value?

A It was in my opinion a fair market value of the

property.

Q Do you consider that sound value is higher than fair market value. I draw your attention to the fact that the committee certifies that in their opinion the sound value of the property under ordinary conditions is $400.00 and your appraisal is $316.25?

A It could be. It is round figures.

Q In other words you say that your appraisal could be that much below the sound value?

A It could in this particular instance. V.L.A. purchased the property entirely for Veterans Land Settlement at this stage, and there is a field of spread allowed there by the committee.

Q They allow a price range of $400.00 to $500.00 and your appraisal was $316.25?

A Yes.

Q And in fact the D.V.L.A. purchased that property from the Custodian for 2% less than your appraisal?

A Yes.

MR.McMASTER. I draw your Lordship's attention to the fact that the certificate by the committee was made ten days after the appraisal on November 26th,1943.

Q If I recall righly your evidence this morning, Mr.Godfrey, you stated that by present day values you meant the replacement value less depreciation?

A Well, that is the answer I gave you. I have got to admit I was a little confused in your twisting up the question, but that is the

statement I made this morning, yes.

Q Do you want to give any explanation or qualify that matter in any way?

A Well, the fair market value irrespective of all the figures--

Q I am sorry, I was talking about present day value of buildings.

THE COMMISSIONER: Also referring particularly to the phrase as it is used there in your appraisal form.

THE WITNESS: The present day value of the buildings?

THE COMMISSIONER: Have you a form there to show the witness.

MR.McMASTER: Yes, my Lord.

Q I show you this.

A The total present day value of the buildings represents their replacement value less depreciation.

THE COMMISSIONER Q: That is what you told us this morning, Mr.Godfrey. Have you any reason to change that answer. That is the question being put to you? A: No, my Lord.

MR.McMASTER: Were you able to find the case of Mr. Virtue's -- S.Tanaka--Mr.Secretary?

THE COMMISSIONER: It would save a lot of time if Counsel would make these requests of the Secretary before we come into session.

MR.McMASTER: I gave the Secretary a list during the noon hour my Lord, but I think he wasn't able to find it.

THE COMMISSIONER: Have you got some others you are

wishing to deal with?

MR.McMASTER: Yes, I wish to deal with three cases in order, my Lord.

THE COMMISSIONER: Then I am going to recess now and you can arrange with the Secretary to get them so that we do not have these delays every time a document is asked for.

(Proceedings resumed after short recess)

Mr McMASTER Q: I refer to case 763, Exhibit 3. There are apparently two appraisals by you, one dealing with property in the southwest quarter of section 22 and the other dealing with property in the northwest quarter of Section 22. I would like you to refer to the northwest quarter of the property.

A This is Mr.Patterson's appraisal.

Q Your appraisal is with the northwest quarter. Mr.Patterson appraised the southwest quarter.

A Yes.

Q It appears that this man owned three pieces of property and you made appraisals on two of them. Is that right?

A Yes.

Q Referring to the appraisal on the portion 8.6 acres approximately, the northwest quarter Section 22, that shows the property to be two and a half miles from Haney fronting on a gravel road 150 feet from Baker Road. Baker Road is 17th Avenue, isn't it?

A Yes

Q The district is described as normally a good one and the predominant nationality and religion British, Protestant; good domestic well with electric pump. Then the house, the present day value is shown as $3,000.00; the outbuildings $100.00, $60.00 and $25.00, and a salvage value , or a total present day value of $3,185.00. The value of the buildings added to the farm is shown as $1500.00. With regard to the house you state it is"a new structure and built in first class condition.....pink stucco ....a cow could be kept" Now would you just explain to his Lordship on what basis you placed a value of $1500.00 on that house, or at least on those buildings?

THE COMMISSIONER: Is this the value added to the farm?

MR.McMASTER: It is value added to the farm, the present day value is $3,185.00, my Lord.

A The $1500.00 my Lord, plus the $297.63 as land value makes in my opinion what a purchaser could afford to pay for it.

MR.McMASTER Q: What do you mean by "what a purchaser could afford to pay for it"

A It pretty well amounts to what I would be willing to pay for that myself as I saw it at that time.

Q Are you speaking of it as an agricultural unit or from the standpoint of its use as a home?

A It was approached, from an agricultural point of view.

Q From your evidence this morning would I be correct

in saying that if it were approached from the standpoint of use as a home that the value of the buildings would be the full present day value as you show it there?

A Had I taken into consideration its residential value?

Q Yes? A: Pretty much. There are a bunch of these other buildings; the smaller ones could be washed out, but generally speaking the house and little stucco garage, as a home I think that a purchaser would have been prepared to pay for it, looking at it from residential value.

Q And those two amounts for $3100.00.

A Yes.

THE COMMISSIONER Q: Do you concede it could have been considered in terms of a home or a residential site because of the fact of its proximity to a settled community?

A No, not at the north end of 17th Avenue. It is just where one branches off right in the rough. It drops straight down in the Allouette River, a rough country. The house had a residential value but not the location in my opinion; no outlook, bush all around it practically, and the very roughest of stuff at the back of the property.

MR. McMASTER Q: Two and a half miles from Haney on a good road.

A Yes.

THE COMMISSIONER Q: I take it you do not consider it

had that residential value because of the fact it was out in the bush even although it was only two and a half miles from Haney.

A Yes.

Mr McMASTER Q: Do you take the view it had no residential value?

A It wasn't reflected in my farm appraisal.

Q But you were appraising from an agricultural point of view?

A Yes.

Q Supposing you had been appraising from a residential point of view would you say this property had no value from a residential point of view?

Q I would have given it a home value but not a residential value.

Q As I understood your evidence the home value you would have given would have been close to its present day value as described here.

A Yes.

Q I refer you to your appraisal in Case No.969, being Exhibit 2 in that case. This property was situate one mile from Hammond. It fronts on the power line road. That is the Dewdney Trunk Road?

A Yes, much the same.

Q It is a good municipal gravelled road; the district is a good one; good well and electric pump in the house; excellent supply of spring water; electricity in the house. You show the present day value of the house as $2500.00 and two small

buildings you value at $25.00 each, making the total present day value $2550.00.

A Yes.

Q You show the value added to the farm of $1000.00 in that case. You describe the home as a real first class finished home, electric light, full basement, hot and cold water, trim painted four rooms downstairs two upstairs. There are 5.4 acres of land all cleared and valued at $100.00 an acre. Would you explain why in that case that house and those two oubuildings only add $1,000.00 to the value of that land?

A That is in my opinion what the average purchaser would be prepared to pay for that unit as a farm.

Q Would you consider that those premises would have a home use value?

A Yes.

Q And if you had been appraising from the standpoint of home use value, would you have given to the house the full present day value?

A Pretty close.

Q I refer you to Case No.1360 which was one of your appraisals.

MR.HUNTER: My Lord, is my learned friend trying to solve certain cases or trying to bring out more of the method of Mr.Godfrey's appraising. I think it should be fairly clear by now.

THE COMMISSIONER: Is there any purpose in repeating this same kind of thing?

MR. McMASTERL Yes, my Lord. This property is different,

and I want to set this in contract to the last two.

THE COMMISSIONER: Very well.

MR.McMASTER Q: This property is situated two miles from Whonnock, 7 miles from Haney, fronts on No. 6 Road.good gravel road. With regard to the district it is described as too much bushland, really a recent development. The predominant hationality and religion Japanese, very few whites;good dug domestic well, adequate; electric light installed in dwellings well buult practically new house, concrete piers carrying cedar posts. The present day value of those buildings you say is $1050.00, and the value added to the farm is $1050.00. Were you appraising that from a farm point of view?

A Entirely. I wonder if I might look at the map to get in my mind where that property is?

Q Surely. A: I don't recall it exactly, but I know about where it is.

Q Do I understand you to say you appraised that property from a farm point of view?

THE COMMISSIONER: That is what he said.

MR.McMASTER Q: I draw your attention, witness, to the fact that that property consisted of 1.24 acres cleared and 8.43 acres uncleared.

A Yes.

Q Looking at it from your farm point of view, how do you explain the value of the buildings added to the farm is exactly the same as the present day value of the buildings?

A I suggest it is purely accidental, a coincidence.

Q You suggest that could happen.

A Yes.

Q Would you be good enough to look at page 3, and I would like to read from there: "Lying north ..... I cannot reduce the house to less than $1,000.00" What do you mean by that phrase ?

A That still puts it down to my opinion as to what an average purchaser would pay for it.

Q I draw your attention to the fact that you showed the present day value of the house at $1,000.00 and I understood that is replacement cost less depreciation?

A Yes.

Q What do you mean by "I cannot reduce the house to less than $1,000.00" Did that $1,000.00 represent the present day value of the house?

A In that case yes.

THE COMMISSIONER Q: What does that come down to? If it is considered as a farm and you valued it as a farm, it must have a house on it, and this house was adequate for a farm and not more than adequate. Is that what you mean. I find it a little difficult to follow your answers.

A I hadn't put it exactly that way, my Lord, or I hadn't intended to. That was my considered opinion, my conclusion that a purchaser could afford to pay that price for that property in spite of the fact there was just that small acreage of cleared land. There was a house on it, habitable, ready to move into apparently.

Q You are dealing with it as a farm residence and not a residence considered apart from a farm, is that it?

A I think so, my Lord.

Q You are the man who made the appraisal. I am just trying to interpret it.

A Yes sir.

MR. McMASTER Q: At page 3 when you say: "I cannot reduce it below $1,000.00" what is it you are referring to that you cannot reduce?

A As it is written out there "I cannot reduce the house to less than $1,000.00" That is my phraseology of recording my impression at that time.

Q Do you mean you can't reduce the present day value of the house?

A Well "I cannot reduce the house to less than $1,000.00" I am afraid I can't elaborate on that.

Q I draw your attention to the fact that in the last three cases I have referred to you we have houses described as poor, as being well built and first class houses.

A Yes.

Q In one case the house is on four acres of land all cleared and in crop--I am sorry there is only half an acre in logans. The rest it would appear from the appraisal to have been in grass ?

A Garden and grass that was. I recall it.

Q And in that case you showed the value of the buildings added to the farm $1500.00?

In another case, the second one referred to,

there was 5.43 acres planted in asparagus, strawberries and raspberries, good growth, and apparently on good land, and you only gave $1,000.00 value to that building.
And then in the third case where there is only 1.24 acres cleared you gave $1,050.00 to the building. Now, would you say that looking at it from an agricultural point of view that the last of those properties, with only a little more than one acre cleared would be better able to support a $4,000.00 house?

A No, that is not logical. It was my considered opinion at the time as to what a purchaser, a practical or normal purchaser, would pay for those properties.

Q And I take it you would agree that the two properties we first looked at in this series of three, one of them two and a half miles from Haney and the other one mile from Hammond, are much better located than the property two miles from Whonnock.

A The one at the top of Baker Road had a big gulley running through it, nearer to Haney, than the one at Whonnock. As far as the residential outlook is concerned it was not as good. The Whonnock one was 4 miles further away from the shopping centre of Haney. Other things being equal, as I remember, their school facilities and roads are about on a par.

Q I produce to you the appraisal in Case No.404, which is property situated out on Lulu Island.

A Yes.

Q And I draw your attention to the description of the buildings and the statement "Total present day value $150.00" and then where you say "Total value of buildings added to farm , as salvage $100;00" Would you explain how you arrive at $100.00 for the salvage value added to the farm?

A Looking at the typewritten copy, it almost puts a doubt in my mind if my longhand appraisal was typed correctly. It is just a doubt, because the whole buildings there--and I recall this property wery well--I simply gave $25.00 for a cabin. These are their figures in pencil, and not my figures. And I really have a doubt as to those figures because nothing jibes. It is simply $25.00 shown as the total, and with present day value $150.00 and salvage $100.00. If there was something here that read $150.00 there might be a breakdown of the whole thing.

Q But you describe the present day value as being salvage value.

A My remarks there are "I do not consider ..... replacement value" That is as I saw that bunch of junk at the time, and that is about as close as I can get to explain that mass of buildings on the Bridgeport Road.

Q Page 3 of your appraisal, Mr.Godfrey, you state "From information obtained on the ground..... as late as the Fall of 1941" Do you know where you got that information from?

A Yes, I recall the Bridgeport Road very well. I have seen the development of the Road for years. Col.Rorison is a big property owner at the west end of Bridgeport Road. He had quite a large acreage there at one time which I had personal knowledge of and as time went on he started to subdivide, and I recall very well calling at one or two of those places . Col.Rorison made reservations at that time as to who he would sell certain properties to for a specific purpose. The time I am talking about-- I can't exactly say the year--Col.Rorison was selling acre Lots in the Bridgeport District for $500.00 an acre.

Q How far away from that property was the Japanese property we are now discussing?

A Well within the two mile limit.

Q And how would you say this property would compare with the property in his subdivision?

A At that time the subdivision started from the Brighouse end, and that is getting from the densely settled coming out east towards the No.5 Road, the subdivision wasn't taking place in the east end of the Bridgeport Road as fast as at the west end.

Q How would this property compare with the property you say you had some knowledge of being sold at $500.00?

A Well, those would be without the depth this property had; that is, their road frontage and

their depth back would give them more of a residential possibility on the Bridgeport Road.

Q Did you enquire at the time of making that appraisal as to whether any specific examination of comparable value had been made on the Bridgeport Road?

A I don't recall I did. I believe if I had I would have said so in this appraisal.

Q How did you arrive at this value of $300.00 per acre?

A My general knowledge of the value of farm property on Lulu Island, and at that time for farm land I thought I was generous.

Q But you didn't check that with specific sales of comparable property ?

A Not that I recall.

MR.HUNTER: I don't think we should go into details of cases now that are going to be categorized.

THE COMMISSIONER: I had hoped it could be avoided or cut to an absolute minimum.

MR.McMASTER: That last one was a specific case chosen for hearing.

MR.HUNTER: Under the scheme of categorizing I think it is unfair to go into the details --

THE COMMISSIONER: Yes, and it is unfair from my point of view because I do not want to hear these things twice.

MR.MCMASTER: On the other hand as far as they relate to the method used by the appraiser I think I should be entitled to use them as examples.

THE COMMISSIONER: There is nothing to stop you in

dealing with the categories to show method. But I would like to be relieved of the burden of hearing things twice. I have enough on my back at the moment.

Q You heard Mr.Carncross give his evidence this morning?

A Yes.

Q And he referred to a list of 25 properties which the Advisory Committee of the D.V.L.A. had examined at the time of negotiating the sale with the Custodian of 769 parcels. Are you able to advise the Commissioner as to whether there is any document or any minute indicating which of the 769 those 25 parcels were?

A That the Committee actually--

Q That the committee went out and looked at.

A I doubt it my Lord.

THE COMMISSIONER Q: As far as you remember no minutes were kept is that correct?

A There was a minute kept of the negotiations with Judge Whiteside's Committee, but at the time we went out -- and I feel sure that I would have been the driver--when Mr.McLennan Mr.Carncross and myself went out to look at these properties, I don't think there would be any actual minute of that, my Lord. I don't recall having seen it.

Q What counsel is asking you is, is there a record as to the particular properties that you and your associates examined, Mr.Carncross spoke

of 25 properties. Is there any record showing which were the 25 properties.

A I doubt it my Lord.

MR.McMASTER Q: Do you recall who selected those 25 properties?

A No, I don't. I was thinking the same thing when Mr.Carncross gave his evidence this morning. I don't recall.

Q Were they suggested to you by the Custodian's committee?

A I don't recall that.

Q Do you recall whether your committee suggested to the Custodian's committee that they ought to use the same properties.

A That they should use the same properties.

Q That they should use the same properties as you were examining, these 25.

A I don't recall. I don't see why there should have been any suggestion on our part as to why they should check specific properties.

THE COMMISSIONER Q: Here is the point, Mr.Godfrey. There was a suggestion that the two committees were having difficulty getting together on prices?

A Yes.

Q And someone suggested that the advisory committee of the Custodian should appoint a special committee to check certain values and they selected 25 properties which were supposed to give a cross-section.

A: Yes.

Q Do you recall it having been suggested that your committee should also examine the same 25 properties and the results of the two committee's efforts should be compared?

A I don't think that happened, my Lord, because when I drove Mr.Carncross and Mr.McLennan around I think we looked over more than 25 properties. We were out more than once.

Q Mr.Carncross left the impression with me that your committee had examined a good part of this group of 25 selected by the Custodian's committee. You think he may be wrong in that, is that it?

A I don't recall that particular point, my Lord.

Q It is quite understandable, five years after the event. Something may stick in one man's mind and not in another's.

MR.McMASTER: That is all my Lord.

THE COMMISSIONER: Any re-examination, Mr.Hunter.

MR.HUNTER: I don't think so my Lord.

(Witness aside)

RALPH WILSON BROWN, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR.HUNTER:

Q Mr.Brown, what is your position with the V.L.A.

A Regional supervisor at Kelowna.

Q And what was your position with the Soldiers Settlement Board in 1942?

A Field supervisor.

Q I wonder if you would tell the Commissioner your

experience with farm lands and appraising in general. Start and give all your qualifications so that I shall not have to bring them out. Give a history of your experience in connection with land.

A I was brought up on a farm on the prairie and on a farm at Summerland. I was on that farm until I completed my high school education. I then went down to the Ontario Agricultural College and completed two years. My education was interrupted by the war. On my return from overseas in 1919, shortly after my return I started to work with the Soldiers Settlement Board as a field supervisor at Penticton. I might say that while I was at the Ontario Agricultural College I spent one summer at the Dominion Experimental Farm in Ottawa. I was in Penticton as field supervisor from 1919 until 1921. I was then transferred to Kelowna as a field supervisor from 1931 to the early Spring of 1943. My duties as field supervisor dating back to 1922 included the appraising of land for individual veterans, the appraisal and purchase of land for individual veterans of the first war. I also appraised reverted lands for the Soldiers Settlement and later on I appraised lands for the Board of Review, Farmers Creditors' Arrangement Act . For a considerable time Iappraised land for the Canadian Farm Loan Board in the Okanagan Valley . Since the spring

of 1943 I have not been appraising land.

Q Are you able to give any estimate of the number of appraisals you have made?

A I haven't any accurate count of the number but I would say it would be considerably over 500.

Q You recall the appraisal of Japanese lands in the Fraser Valley in 1942?

A I do.

Q When you were appraising these properties what were you endeavouring to ascertain?

A The fair market value of what those properties would sell on the open market,

Q And was it from any point of view.

A From an agricultural standpoint.

Q And what if the property had other considerations, such as housing or business?

A I didn't take that value into account.

Q Generally speaking, what type of properties were these properties you appraised?

A Farm properties.

Q And do you consider your appraisals to have been conservative or liberal?

A I think they were likely conservative. Our whole trend had been along that line.

MR.HUNTER: That is all, my Lord.

MR.McMASTER: My Lord, I anticipated that my learned friend Mr.Hunter would be calling other witnesses with regard to the special cases I dealt with this morning, and frankly I didn't expect to be cross-examining Mr.Brown this afternoon. I could deal for some minutes with the question

of his appraisals.

THE COMMISSIONER: We started fifteen minutes late. We lost all yesterday afternoon. I want to get through with this some time. Would it be any help to give you a short recess and go on to half past four?

MR.McMASTER: I have some material but I don't have it with me.

THE COMMISSIONR: I am going to have to ask counsel to be ready to go on with a little more than they anticipate can be reached.

MR.HUNTER: I gave my friend a list of the order in which these witnesses would be called.

MR.McMASTER: I asked my learned friend whether he would be calling supporting witnesses as he indicated he was--

THE COMMISSIONER: Go on as far as you can, Mr.Mc Master, but in future I am going to have to tighten up. This business of half days is not good enough.

MR.McMASTER: Very good, my Lord.

CROSS EXAMINATION BY MR.McMASTER:

Q Witness, I take it you have had no experience appraising land--at the time you began your appraisal work you had no experience appraising land in the Fraser Valley?

A No.

Q Very shortly after yo were called in to meet with Mr.Barnett, that was on or about May 1st, 1942 you commenced making appraisals, is that

correct?

A Yes.

Q Within a matter of how many days?

A I don't recall just the exact number, but within a few days after.

Q In what municipalities did you make appraisals?

A Mission, Matsqui, Langley, Surrey and Delta.

Q And how did you in that period of time arrive at any standard of values of cleared land and uncleared land in these respective municipalities?

A Well, on the team I was working with we had at least one expreienced appraiser, a man who had been appraising in the valley for quite a number of years, and his knowledge and experience was available to us.

Q Who was that?

A Mr.Ramsay.

Q Yes?

Q And he took us around to view a number of farms that had recently been sold at that time to acquaint us with the values in this part of the province.

Q Farms that had been recently sold by whom?

A Some of them were recently sold by the Soldiers Settlement.

Q Do you recall any of them being private sales with which the Soldiers Settlement had nothing to do?

A We came across a certain number of private sales during the work of our appraisals.

Q I am referring to the period before you began your appraising when Mr.Ramsay was taking you around.

A I don't recall there was any but the Soldiers Settlement farms at that time.

Q And did you rely very heavily on Mr.Ramsay's experience to arrive at your standard of values?

A Yes, to quite an extent, and any other information we were able to obtain when making the appraisals.

Q Did your standard of value in this area change from the first appraisal you made up to the last appraisal?

A It depended in which area we were working.

Q And where did you begin work?

A At Mission.

Q Did the standard of values which you applied to the first appraisal you made in Mission ~~Q~~ did you change that at all in your other appraisals in Mission?

A A lot depended on the land itself.

THE COMMISSIONER Q: Counsel is directing your attention to standards. In other words, did the principle upon which you were operating change or did you adhere to the same principle?

A Pretty much the same scale of values we started with.

MR.McMASTER Q: So that any information you got with respect to private sales other than these that Mr.Ramsay had told you about, didn't really affect very much the values you applied?

A As I recall it, they more or less substantiated the

values Mr.Ramsay had.

Q Did you make any memorandum or notes of private sales during the time you were making these appraisals?

A No, I have no record of them.

Q Were you instructed to?

A Yes, I think there was a memorandum came out to make a note of recent sales in the district. There was no place on the form. I possibly made a note at the time but didn't record it after the appraisal was made.

Q Do you still have your field notes?

A I am afraid I haven't.

Q Why did you make your appraisals only on an agricultural basis?

A Because we were appraising the agricultural lands of the Japanese.

Q And is it your impression that those lands would neceasarily sell as agricultural units?

A The majority; practically all I appraised, yes.

Q And you arrived at that conclusion that they were to be appraised from an agricultural point of view purely from that fact, did you?

A No, I think those were the instructions as I recall them.

Q Who instructed you to that effect?

A I think our instructions were we were to appraise the agricultural lands of the Japanese in the restricted area.

Q And it was from those instructions that you

inferred it was only to be from a farm point of view that you appraised?

A Yes. I haven't had any experience in appraising other than farm lands.

Mr.McMASTER: Can I see Exhibit 60 please.

Q I draw your attention to the letter which Mr. Barnett wrote to you on May 13,1942. Do you recall receiving that letter, a copy of which is Exhibit 60?

A I received a letter. I presume that is the copy.

Q Do you recall receiving that letter?

THE COMMISSIONER: You are now dealing with the question of considering other potentials, Mr.McMaster in arriving at value.

MR.McMASTER: I am dealing with the question of instructions given by Mr.Barnett by means of this letter as to the approach in appraising the property.

THE COMMISSIONER: But assuming that the witness failed to observe those instructions. He has said quite clearly that he did not take into account other potentials. I am not greatly concerned in whether he should be reprimanded for failing to carry out his instructions or not. It is the fact I am concerned with. What was his approach. In the face of that do you desire to pursue this line of cross-examination?

MR.McMASTER: Q: I will put it this way, witness. In view of Mr.Barnett's instructions that "In the event of our having.....should be practised" What conclusion did you draw from that portion of the letter M

MR.HUNTER: Which portion?

MR.McMASTER: The portion I just read, paragraph 2.

A I took it they wanted information in the office to know the location of these properties.

Q Didn't you take it there was any special purpose as to why they wanted that onformation?

A Well, if they were going to administer them, they would want to know the location.

Q And if they were going to take them over and dispose of them they would want to know that too, wouldn't they?

A There was no indication at that time as to the use that might have been made of those properties, and I could only assume that if they were taken over at any future date they would be taken over ; they would come on the market and our department would have to buy them in competition with anyone else.

Q Did you have that in mind at the time you were making these appraisals?

A No, I didn't. I didn't know what use was going to be made of them. I assumed if they were taken over they would be put up for public tender.

Q But did you have that assumption in your mind at the time you made these appraisals?

A It is hard to recall at this time just what I had in mind. I think that is about as clearly as I can state it.

Q Why would that be in your mind when making these appraisals Mr.Brown.

THE COMMISSIONER: You need not answer that question. Mr.Brown had a letter from which he would he would have been perfectly justified in reaching certain conclusions or form certain assumptions.

MR.McMASTER My Lord, the only further thing I want to do with the witness is to refer to two or three of his appraisals.

THE COMMISSIONER: And you haven't them now.

MR.McMASTER: I am sorry I haven't.

THE COMMISSIONER: Very well. We will resume tomorrow at 10 o'clock. And I do ask Counsel to be ready for a little more than they think can be brought on. We have lost a gooddeal of time this week, and I am hoping to conclude with the Government's general evidence by the time we wind up on the 15th.

We will adjourn to resume tomorrow morning at 10 o'clock.

(ADJOURNED TO 10 A.M. DECEMBER 8th)

I hereby certify the foregoing to be a true and accurate report of the said proceedings.

Deputy Official Stenographer

JAPANESE PROPERTY CLAIMS COMMISSION

(Before the Honourable Mr. Justice H.I.Bird, Commissioner)

Vancouver, B. C.,

December 10th, 1948.

GENERAL EVIDENCE

(Pages 961 - 1015).

PROCEEDINGS AT HEARING.

Roberts.	Rural lands.	961-963
Phillipson	Fishing Vessels	964 990
Grant	VLA deal.	991-1013.

The Commissioner.

Vancouver, B. C.,
December 10th, 1948. 10:00 A.M.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. BRAIDWOOD: My lord, I am calling Mr. Roberts who was mentioned yesterday in the Hara case. I ask Mr. Roberts to take the stand.

ERNEST JOHN ROBERTS, a witness called on behalf of the Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q Mr. Roberts, where do you reside?

A At Whonnock.

Q I understand you are a son-in-law of Fred Disdero; is that correct? A: Yes.

Q Are you acquainted with the purchase by Mr. Disdero of the Hara property at Whonnock?

A Yes.

Q Do you know how much was paid by Mr. Disdero for that property? A: Yes, I do.

Q Will you tell his Lordship?

A $1250.00.

Q Do you know the terms of that sale?

A Yes, there was one-third down and a third each year for two years.

Q How do you come to have personal knowledge?

A Being a son-in-law I was sort of in partnership with my father-in-law.

Q Did you make any of the payments yourself on that property? A: Yes, I did.

Q Now we are interested, Mr. Roberts, inhaving some

information as to whether or not the crop was purchased with the Hara property?

A Yes, definitely.

Q Will you give us your opinion of the value of that crop? A: Well, I estimated I took off about $400.00 worth net.

Q $400.00 net? A: Yes, sir.

Q What was in that crop chiefly?

A It consisted of about half or three-quarters of strawberries, and about an acre of asparagus, a small quantity of hay, but very little.

Q Are you people still on the property?

A No.

MR. BRAIDWOOD: That is all, my lord.

CROSS-EXAMINATION BY MR. McMASTER:

Q At the time that your father-in-law purchased this property, Mr. Roberts, were there other properties for sale around Whonnock?

A No, I don't know that there was any other sale around Whonnock right then.

Q You don't know of any others?

A No.

Q Did you look for any others?

A No, not around the Whonnock district.

Q Can you tell me how the Pacific Co-Operative Union got mixed up in this deal between the Japanese and your father-in-law?

A Yes, we were looking for property and finally we went to Mr. Shimek, the manager of the Pacific Co-Operative Union at Mission, and we

figured to run the Japanese place, so we were sent down to Whonnock to look at this place, and this chap, Mr. Hara, decided to sell; he didn't want to rent, and he wanted to sell. He put his price and terms on it and we purchased it.

Q You considered it a fairly good buy?

A Oh, average at the time.

THE COMMISSIONER: Q: Average, you say?

A Yes.

MR. McMASTER: Q: Did you market your crop through the Pacific Co-Operative Union?

A Yes.

Q You got the whole returns of that crop, did you?

A Yes.

Q Evidence has been given in these proceedings, Mr. Roberts, that the strawberry crop in the summer of 1942 did not turn out very well; it was very wet. A: It was a very wet season.

Q That affected the crop you got off your place?

A Yes, we shipped pretty near all jam berries. There were no crate berries that year.

MR. McMASTER: That is all.

THE COMMISSIONER: Thank you, Mr. Roberts.

(Witness aside)

MR. BRAIDWOOD: Now, my lord, there has been frequent reference to Mr. Phillipson, who did certain appraisals for the Japanese Fishing Vessels Disposal Committee.

THE COMMISSIONER: Yes.

MR. BRAIDWOOD: I propose at this time to introduce evidence from Mr. Phillipson.

OLIVER WILLIAM PHILLIPSON, a witness called on behalf of the Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q Mr. Phillipson, what is your occupation?

A I am a mechanical superintendent.

Q And as such what are your duties?

A Well, I have three plants to look after, fish plants; managing the plants, maintaining the plants, and getting production.

Q How long have you been engaged in the fishing industry in British Columbia?

A Since 1914.

Q Have you ever done fishing yourself?

A Several years. I fished from 1914 to 1921.

Q Are you familiar with the fishing fleets on the Pacific Coast area? A: I don't know of anybody more familiar. I am very much familiar.

Q What type of experience have you had with those fishing fleets in general?

A Well I had built the boats, installed the engines, and I have looked after the work; been foreman for the A.B.C. Packing Company in looking after the boats for several years, and am still looking after them, in fact.

Q In your present position have you any idea how many boats you have looked after?

A Now. We have eighty boats and that fish from my plant about one hundred or a hundred and fifty boats, besides seine boats.

Q You told us you built boats?

A I built two or three boats in the earlier days when I was a youngster.

Q Do you make frequent visits to shipyards and boat building shops?

A I have three builders now building boats for me. I have one with a contract for twenty boats, and we have 7 boats down here. We are building boats all the time.

Q I think you told us a few moments ago you have been here many years on the Coast.

A I started 1914.

Q Throughout that whole period, are you familiar with and have you been associated with boats?

A I have done nothing else but been with the fishing business.

Q You are aware that at the time of the Japanese evacuation there was a committee known as the Japanese Fishing Vessels Disposal Committee, is that correct? A: Yes.

Q I am informed that you did certain work of appraisal for that Committee?

A They came to our office and they wanted me to go up there and appraise boats for them.

Q Perhaps we might start this way. What was the first knowledge you had that you were to become interested in the appraisal work of

Japanese vessels? A: I was called up to the Marine Building by Johnson.

Q Commander Johnson. Who was Johnson?

A Commander Johnson was one of the Committee.

Q What was the discussion about?

A He told me he wanted somebody to appraise boats, and he wanted me to do it. I had had lots of experience in handling boats and we discussed at length how to do it, and after several plans we decided as to one plan which was carried through.

Q What was that plan? A: Well, we discussed for one thing whether we should look into the past or the future. He said he was instructed not to look into the future at all, only to carry on from the past, you see, and the thing was to take the place of the boat -- what it should have cost when it was built, and we knew what the engines cost, and there were other adjustments on the boat. We were supposed to put that altogether and take the age of the boat, and we had a chart which we went by and depreciated the boat to what we considered an economical life of about 15 years.

Q Where did you obtain the chart?

A We made it out ourselves. We made it out from our own system of bookkeeping, at the cannery, on its depreciation of boats.

Q Prior to this time had you been familiar with the Japanese boats specifically?

A I had several Japanese working for me, building boats for me. I was in charge of our operations in the north for our company.

Q What would be your knowledge at this time of the original cost of those boats?

A We were contracting for boats all the time. We knew what they cost. We had our prices. I had access to all the books.

Q In the course of your company's business?

A Yes, sir.

Q Following the interview with Commander Johnson, what was the next step that you took?

A Well, we went out and there was another man with me, Captain Spring. We took the boats together, you see, and we went out and we had the history of the boats from the Committee; that is, the age of the boat, the owner, and the numbers of the boats. We got that into our notes and estimated what each boat should have cost when it was built, because I had been building boats for about 8 or 10 years. Then we had the prices on the engines from the engine company; they were mostly Vivian, and we put that down, and we put down what it should have cost, above that. They were all fairly cheaply built boats.

Q Where did you find the boats?

A It would be all over the lagoon where they started.

Q Have you any idea how many there were?

A About 600 or 700.

Q What was their general condition as you found them? A: The general condition was not bad, all those that were there; that is for a boat that had been lying up for awhile.

Q What type were they, generally speaking?

A They were mostly fairly old. They were cheaply built boats and there was not much money in the fishing game then and it was just a boat and engine. There were some good ones among them, of course.

Q How were they equipped?

A Very small -- they were just starting to go into the heavy equipment.

Q Did you and Captain Spring make a physical examination of the boats?

A Yes, we did. We just gave them a rough look. We didn't have time to go into any detail, to look at the planking or anything like that. We gave them a look and if they were a little better than the average, we gave them a little extra on depreciation.

Q How many boats did you and Captain Spring appraise? A: Oh, I would not say. It must have been a thousand. I cannot remember. It is quite a long time ago.

Q Did you make some notes of those appraisals?

A On every boat we did a note; we turned it into the Department.

Q They went into the Japanese Fishing Vessels Disposal Committee?

A That is right.

Q So the report to the Japanese Fishing Vessels Disposal Committee contained a valuation of the boat, did it?

A In our note I put down what I thought the boats would cost, what the engine was, and we worked on our system of values. There was a system. We could not harry through a very exhaustive research into the values.

Q Would you say the monetary valuation which appears in your report would be representative?

A It would just represent the depreciated value from the original value of the boat -- which it s should have done.

Q Am I correct in this? Tell me if I am, please; that the valuation which appears on your sheet and the report turned into the Committee represented the original cost less depreciation?

A Approximately the original cost less depreciation. The set-up was the fifteen year economical boat life.

Q Did you see any Japanese at this time?

A Yes, they were around, quite a lot of them.

Q Did you have anything to do with the selling off the boats?

A Not with the selling. We bought boats from the Japanese. I was there when we bought them, with the manager at the time, but a lot of the boats were in our name, anyway. A lot of those boats were partially company boats, anyway.

Q Did you make any investigation of any liens or charges? A: We had that all in the books; anything we had against the boats.

THE COMMISSIONER: Q: You are now referring to the Company's books?

A Yes, they were bought through us, you see.

MR. BRAIDWOOD: Q: Mr. Phillipson, in your appraisal figure did you include any amount for equipment which might be on the boat?

A We put down if there was a drum. There was really no equipment on the boat outside of the drum. Most of the boats didn't even have that at the time. We allowed $150.00 extra, and then depreciated it on that. There was very little equipment on the boats. Most of them were just boat and engines.

Q You said that most of the boats were old?

A Yes, they were mostly a lot of old boats, amongst them; a good half.

Q How about the engines on those boats?

A They were nearly all Easthopes and Vivians, and a lot of odd engines, you know, about six or seven horsepower, a lot of them.

Q What would you say about the condition of the engines, generally? A: The condition would be approximate to its age. They were no better than they would be -- they were all salt water -- they were good for twelve or fourteen years.

Q Have you any idea how the Japanese maintained their boats? A: They were careful with their boats but they did not do a great deal of repairs on the boats. They could not afford to, but they kept them well-- to keep them away from damage, and we often had a boat that looked very good, as far as looks were concerned, but there had been no work done on it probably for a long time. Generally the maintenance of the boats was fair, I would say.

Q Did you examine the boats anywhere else than in the Lagoon? A: Oh yes, we went through the boats at Mercer's Yard in Westminster. A lot of them had been submerged and burned, and had been under repairs there, and we went to Prince Rupert. We went through the same system. I went to Ocean Falls to see some rowboats there. We used the same system there.

Q What contact did you have with the boats after you filed your report with the Committee?

A No contact whatever with those boats. As soon as I possibly could I got out from under because I had my own job to attend to at the time.

Q I take it you were employed by the Committee to do this work? A: They took me over against my wishes because my own work was going behind at the time I was doing this.

MR. BRAIDWOOD: That is all, my lord.

CROSS-EXAMINATION BY MR. McMASTER:

Q From your experience, Mr. Phillipson, would you say that the cost of building boats had increased by 1942 over 1939?

A There was a slight increase, I imagine, at that time. It was getting a little better boat. I would not say the costs were increasing but the boats were getting better.

Q I suggest the price of lumber had increased by approximately thirty-five percent?

A I would not know. Our boat lumber, it seemed to be pretty well the same price, $90.00 to $100.00. We bought our boat lumber up north, and it was staying at $90.00 to $100.00 a thousand.

Q In 1942? A Yes.

Q You remember that ceilings were in control?

A They had been coming on --

Q Would you say that 25% over 1939 would be approximately correct?

A I would not like to say that.

Q I suggest to you that wages in boat building had gone up 33-1/3 percent?

A The wages with us -- I would not say about the yards, but our own wages had not gone up a great deal. We were using new labour altogether.

Q In boat building if using Union labour certainly wages went up very considerably in 1942?

A Possibly, but we bought boats in 1943 --

THE COMMISSIONER: I want your knowledge. I don't want you to accept what counsel says unless you

a are perfectly satisfied that the position put to you is correct? A: We bought boats in 1943. I only buy boats. We don't build them.

MR. McMASTER: Q: You were not having boats built in 1943? A: We were, but on a contract basis.

Q So you don't know what you paid for labour and material but what you paid for the boat?

A In 1943 -- do you want that information? -- we were paying for a much better boat about $150.00 more in 1942 than in 1939; for a better boat.

Q Are you meaning for the same boat built in 1939?

A No, a better boat. I got a better boat for $650.00 than I did for $500.00 in '39.

Q Where did you have your boat built?

A At Ed Wall's in Prince Rupert at this time, and they were then.

Q Is it not true the prices of engines had gone up considerably between '39 and '42?

A Very little. I don't carry this stuff in my head.

Q I don't suppose you have checked your records on that? A: No, I would not like to make a statement on these things without looking at the books. There has not been much increase.

Q How can you say -- A: I know there was not because I know our prices had not gone up. They did not go up until 1945.

Q What did you mean, that you were instructed not to

look into the building?

A Well, that if they took the valuations on future wages -- the way I figured; I talked to Johnson, saying, "If you want me to value those boats on future, I will have to raise the price because we have a war and prices will go up.

Q You anticipated prices would increase?

A Yes, absolutely. We had that in mind.

Q That was quite obvious at the time?

A Yes, they would go up but I didn't know how much or how little, so I could not use that as the basis for valuation.

THE COMMISSIONER: Q: While you are on that, as I understand you, there had not been a marked increase in the price of fishing boats or engines as of 1942?

A I don't think there had been a great deal.

Q When you say you were instructed not to look to the future, I would like to know what you mean by that? A: I figured since the Japs are going out of the business -- we were using Japanese solely in the industry in making boats, and so on, and I figured as soon as they left, we would be faced with a labour problem and unskilled labour would enter into it and prices would ordinarily go up.

Q And you were instructed not to take those factors into consideration?

A We discussed it and figured it was better not to take them into account.

MR. McMASTER: Q: Mr. Phillipson, do you consider that a fishing boat that had been reasonably cared for in the process of use is completely depreciated in fifteen years?

A I have changed my mind alot in the last two years because you build in 1946 -- I think we should have gone the other way -- it goes up every year now, the same as houses. In twenty years they should be worth twice as much as when they were built.

Q Now, will you answer the question? Do you consider a fishing vessel, that has been reasonably well maintained, in the course of use is worth nothing at the end of fifteen years?

A I figured it with the maintenance of the type of boat we were valuing at that time. I am not talking about the boats they are building now which are of better material and labour --

Q They are different to houses --

THE COMMISSIONER: Let us have the witness' answer.

THE WITNESS: Taking the basis for those boats, that was fifteen years. The engine was practically gone on the boat; the repair bills will pretty well eat up the value. It is an expensive operation.

MR. McMASTER: Q: Is it not the usual practice to change the engine?

A Then you may as well change the boat, too. It is far cheaper.

Q Do you say it is the usual practice of fishermen

to get rid of their boats on this Coast that are older than fifteen years?

A I will sell you any amount of boats fifteen years old for practically nothing. I sold twelve last year for practically nothing. For our operation they are not -- to a man who has the time and he can use them himself, they might be some good but not otherwise.

Q Supposing that a hull is fifteen years old and has been reasonably well cared for. Would you say that hull had no value?

A Well, you explain to me how you are going to use it.

Q Let us take a gillnetter, for instance.

A A gillnetter, the type that was built in those years, I would say no. The gillnetter that is built today, I would say yes.

Q You are telling us it is quite different; that boats now are better built.

A Well, we put more money into them. There is so much money in the fishing game now we can afford to build a very, very good boat. At that time we could not. We were under depression prices, depression conditions. We could not afford to put the money into the boat at that time.

Q You have estimated the cost of these boats, but, first of all, in estimating them you relied on the information supplied to you ?

A We had all that information from the Japanese.

Q But in estimating the cost as you did, you used

the average cost as you recalled it?

A I used the average cost; what it cost us to build the boat. We had been building them for ten years, and looking back it was not any dearer.

Q You say between 1932 and 1942 there was not much difference? A: No, there was very little fluctuation in those days. If you want any information, we were building boats of that type there for about $300.00 about 1933 and 1934.

Q What do you mean by that type? There was any variety of boats.

A I mean boats of that type, cheaper built boats.

Q You mean by boats -- A: I am talking of gillnetter boats.

Q When you get to packers and seiners, what do you say about those? A: Some of the boats there, the trollers and cod boats, were very, very old. They were not bad boats, but were very, very old, and I could not do anything with them. As far as the chart was concerned, the life would run out.

Q They were not worth anything?

A They were pretty well run out and the engines were of a type I did not care for.

Q Did you estimate that the engines were the same age as the hulls? A: In some cases. We saw them. That information was contained in the Japanese notes.

Q Now, is it not true that there were restrictions on the use of boat lumber for building new boats

in 1942? A: I don't think so. In 1942 we never built a boat.

Q And you don't know whether or not you could have built one if you wanted to?

A We never built one. In 1943 we built one. I don't know what the other companies did; that is our company.

Q Now I think Mr. Gould gave evidence that while actually engaged in appraising boats for the Custodian other than enemy boats in the summer of 1942, he did see those boats in the Fraser River there, in the course of his appraising enemy boats, and he gave evidence, as I recall it, that those boats had been pretty well stripped in the Fraser River. Is that your experience?

A I didn't see any enemy boats. I just saw the Jap boats.

Q Well, the Japanese enemy alien boats. Now, the boats you saw, were they pretty well stripped of gear and equipment when you saw them?

THE COMMISSIONER: What are you referring to?

MR. McMASTER: To the boats that he appraised.

THE COMMISSIONER: That this man appraised?

MR. McMASTER: Yes.

A I imagine there was some stuff off them, off some of them. I don't know what was done with it, but it was taken off.

Q Did you notice that the batteries were mostly out of them? A: There were batteries out of them.

Q And some of the magnetos were out?

A Possibly.

Q And did you notice whether any parts were missing from the engines? A: We didn't go into that. When we placed the valuation, that was supposed to be replaced. If it was not on, it was supposed to be on.

Q When did you appraise those boats?

A In the spring of '42.

Q Do you recall exactly what month?

A It must have been March and April. To appraise boats on the scale of looking into every part of the boat would have taken us all summer; to go into the actual --

Q How much time did you spend?

A A month or six weeks, I think it was, altogether.

Q I think you said you did not examine the planking of the boats, and so on?

A No, we just took the boat's age. We figured that the depreciation would take care of that. If the boat was kept up well, we allowed a certain amount on it.

Q And then took a general look at the boat?

A Just took a look at the boat to examine it.

Q How are you able to say that they had not done much repair on the boats?

A We knew what the Japs did. We had been employing Japanese all the time. We knew exactly. I didn't have to see these boats. I knew about our boats.

Q You were working on your own ideas as to how

the Japanese looked after the boats?

A Not my idea but my experience. My statement is based on that, our own experience. I knew what they would be.

Q Not from examination of the boat?

A No, I knew what they would be like from our own boats.

Q How many Japanese fishermen worked for you in 1941? A: In connection with the fishing boats?

Q That had boats of their own?

A There would be about seventy boats.

Q Did the Company have an interest in all of those boats? A: In most of them.

Q A fairly substantial interest, as a rule?

A Yes.

Q How many fishermen did you have fishing for you who owned their own boats?

A I would not like to say that. I would not say now. I was not manager at the time. I was only handling the boats.

Q Don't you have any rough idea?

A I imagine there would be twenty or thirty boats. I am giving you rough figures. I am not giving -- some thirty percent of them might have owned their own boats.

THE COMMISSIONER: Q: Thirty percent?

A Twenty-five percent. I would not like to say. If you want me to give a statement, I will look it up.

MR. McMASTER: Q: It is twenty-five percent of the seventy? A: Likethat. It is the same ratio now.

MR. BRAIDWOOD: I don't know if my learned friend is misconstruing the answer. It was not 25% of the seventy. The witness said that it was about 25 to 30 percent who owned their own boats.

THE COMMISSIONER: Q: Just what is the situation? You spoke of having seventy vessels manned by Japanese, as I understand it.

A I don't care to make a statement on that because it is so long ago. I would not be giving a truthful statement.

Q I appreciate that and we don't expect you to be accurate.

A I would say it was the same ratio as today; about 25% of the boats would be held by the Japanese; that is of the 70 boats that we are fishing.

Q When you say 25%, does that mean 25% of the seventy?

A I would say there is about 12 or 15 own their own boats.

Q Out of the seventy? A: Yes. And then there were some of them rented boats in the summer. A fisherman never gets through buying a boat because he no sooner buys one than he is into another one.

MR. McMASTER: Q: Mr. Phillipson, would I be correct in assuming, that using this theoretical means

of valuing a boat; that is just taking the cost less depreciation, that the price at which that boat would sell, if you did not have it flooded with a lot of boats on the market in 1942, would be a higher value?

A I would say it would be a little higher, yes; that is the valuation -- the actual selling price. It would depend on the boat. It would be higher, a little higher.

MR. BRAIDWOOD: Q: My learned friend was asking you about whether or not the Japanese boats had been stripped when you saw them, Mr. Phillipson. From your experience of Japanese boats, would you say it was customary for the Japanese to carry much equipment on their boats or not?

A At that time they didn't carry a great deal of equipment. There might have had a battery, and a generator, but outside of that there was no great amount of equipment. They were just starting to put their drums on, a few. I would say 15 or 20 percent of them had drums on at that time. They were just starting to put them on, but there was not a great deal of equipment on those boats. There would be batteries. I don't know what else they would have on -- batteries and magnetoes.

THE COMMISSIONER: Q: There is one question I would like to ask you in regard to your statement that your examination was not a meticulous examination of each vessel?

A Yes.

Q You did buy some of those Japanese vessels; your own company did buy some of those Japanese vessels?

A We bought back the equity that the Japanese had in the vessels; in our own boats, and we bought a few of the other.

Q Approximately how many vessels did you acquire title to either by taking up the equity or by buying them outright?

A I would not like to say. I could get you that information.

Q Roughly. A: Most of these vessels were in our own name, but when the Japanese buys them, they buy on a conditional sales agreement, and you said the title shifted. In that case it would not have shifted. The title was ours. The equity would be taken out.

Q Roughly how many of those vessels did you acquire?

A I imagine that the Japanese that were buying boats was around forty boats.

Q Once they came into your sole ownership did you have occasion to make any further examination of the vessels than you had done previously?

A We had to put them into shape. We put them into the shipyard and putthem into shape.

Q How did you find with respect to those vessels that your original appraisal stood up? Had your appraisal been accurate or otherwise than accurate? A: If the boats had not been out for the winter, I would not have had that much work on them. Fire had

gone through some of them.

Q But you have referred to the appraisal that you have made, and you tell me that you bought forty of those vessels that came into your company's sold possession and custody. Once you got those vessels, how did you find the original appraisal stood up? A: We sold a lot of them for what we paid for them, sold them back to the fishermen and Indians. We sold them for what we valued them at when we took them in, and others we kept and rented.

Q Once you had the greater opportunity to examine them, did you find your original appraisal had been an accurate one?

A Because, yes, we owned the boats. All those boats were built by us. We were not kidding ourselves on it.

THE COMMISSIONER: Do counsel wish to pursue the subject I have discussed?

MR. McMASTER: Q: Did you appraise those forty boats you took back? A: Let me see now. Yes, we appraised them, but then we dealt with the Japanese individually. We built the boats. Most of those boats, we built. We built ours. I built them, or had them built. We boughtthe engines when new. We paid the Japanese the fair market valuation at the t time.

Q You bought out that equity?

A That is what it amounted to in a lot of cases.

Q Are you sure -- what company are you with?

A The A.B. C. Packing Company.

Q That is the Anglo-British?

A Yes, the Anglo-British.

Q Are you sure you only bought forty boats?

A I think it was about forty. I can give you the exact number. I have it on our books. We didn't want anymore than that. We couldn't use them, anyway. Yes, we only bought two outside boats, that didn't belong to us.

THE COMMISSIONER: Q: Outside of the vessels that you had some equity in?

A That is, fishing boats.

THE COMMISSIONER: Thank you.

(Witness aside)

MR. BRADWOOD: I am in a somewhat embarrassing position in view of your Lordship's injunction earlier in the week. I may say we had anticipated that the Veterans Land Act people would go practically the balance of the week. That was somewhat shortened by my learned friend's generosity. However, we had some witnesses arranged for the first of next week. Last night when it was found we were through with the Veterans Land Act, it was somewhat difficult to obtain the witnesses who appeared here today. In addition to that my learned friend, Mr. Hunter, was not feeling very well last night and was not well this morning, but he intended to come before the Court this afternoon. There was one witness specifically arranged for, a

Mr. Grant, from the Veterans Land Act.

THE COMMISSIONER: You have no other witnesses to go on with?

MR. BRAIDWOOD: No, I must apologize to the Court for inconveniencing the Court.

THE COMMISSIONER: This has been going on for quite some time as far as I am concerned. We will adjourn now until 2 o'clock.

(PROCEEDINGS ADJOURNED UNTIL 2:00 P.M.)

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I hereby certify the foregoing to be a true and accurate report of the said proceedings.

Deputy Official Stenographer

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Vancouver, B. C.

December 10th, 1948 2.00 P.M.

THE COMMISSIONER: Mr. Hunter, who is your first witness?

MR. HUNTER: Mr. Grant. My lord, I am producing a carbon copy of a letter which my learned friend asked for yesterday, from Mr. Barnet to Mr. Wormsworth. I don't know whether my learned friend wishes further identification of it or not. The letter, I can assure him, was written by Mr. Barnet.

MR. McMASTER: I am satisfied with my friend's undertaking.

MR. HUNTER: I put that in as Exhibit 94.

(LETTER MARKED, GENERAL EXHIBIT No. 94)

MR. HUNTER: Some days ago my friend asked certain questions in relation to a subdivision in Haney, and at athat time we were to get further information as to the method of apportioning the costs, or an explanation of prices at which this property had been sold to veterans.

THE COMMISSIONER: Yes, I recall it.

MR. HUNTER: Mr. Grant is being called for that purpose.

RONALD DOUGLAS GRANT, a witness called on behalf of the Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. HUNTER:

MR. HUNTER: The subdivision referred to is the one at page number 388 of the Public Accounts minutes

at the top of the page.

Q Mr. Grant, what is your position with the Veterans Land Act?

A I am regional supervisor of the New Westminster Regional office.

Q I see, and have you any agricultural degrees?

A I have.

Q What are they?

A B.S.A., University of Saskatchewan, and an agrologist of B. C., and a junior member of the Appraisal Institute of Canada, and an associate member of the American Society of Agricultural Engineers.

Q And are you familiar with this Haney subdivisinn that has been referred to?

A I am.

Q Now are these subdivisions under your authority, or do you develop these according to your own plan, or how are they worked out? I would just like to find out how wthese subdivisions are worked out.

A During the years prior to veterans' settlement a large number of lots were purchased for veterans' settlement and it was the duty of the Regional Supervisor to make the best land use of all the lots in his area not subdivided then for the maximum number of veterans' settlement, taking into consideration the location and the requirements of the area.

Q Now have you some figures on this Haney Subdivision? I believe it was the Morikawa property which my friend was referring to, and the suggestion was made at that time that this property was sold to the veteran at a price beyond its original purchase price?

A We regard the Haney Subdivision, which was one piece of many, where we had to group a number of properties together for subdivision purposes.

In the Haney Subdivision, we took the account numbers of 1 P (Pip) B.C., 70 P/B.C., 71 P/B.C., 92 P, and 104; amalagamated them into one project property which was given the project account number 1173 P.

THE COMMISSIONER: Q; What is the significance of the "pip"? A. That is a project number for our accounting purposes. I have no idea of the other numbers whatsoever. All the properties were put into the project account at a total cost to the directors.

After the project account is set up, it is necessary to subdivide the property, and to allocate values as reasonably and as economically as possible to the particular portions of the property, and in this case there were lots 1 to 9 on the south side of the Dewdney Trank Road, cornering on Fifth Avenue, and Lots 1 to 26 , as were Lots 1 to 30, on the subdivision on Fifth Avenue.

The full cost of development is charged

against the project and also allocated to the lots on an equitable basis. When the project under consideration was allocated, it was allocated by Mr. Burner, our Chief Inspector, the signing authority for the district superintendent, and it was his considered opinion at that time that the allocation of values which he completed on the subdivision were fair and equitable for all veterans, and the department.

THE COMMISSIONER: Q: What relation did that bear to the price which the Veterans' Land Act had paid the Custodian for the property?

A We amalgamated the five properties into the one project account and that price was divided, all the lots.

THE COMMISSIONER: I see.

MR. HUNTER: Q: Now it appears that the bit of land on which the Morikawa house was, was sold to the veterans at a price in excess of the amount that was originally paid for the Morikawa property? Would you explain to his lordship why that would be done?

A At the time of allocation of values it is necessary to allocate the value equitably, considering the land use to which other land would be put. It was known at that time that we would be building subdivision homes at a cost of somewhere in the neighborhood of $5,000 on the adjoining properties, and the man allocating the values to the existing permanent improvement

considered that with certain moneys being spent on them they would be all more or less equal in value, and he felt that the incoming veterans should pay that much for them so that the other veterans would have no kick as to the price that they were paying for their property.

Q Well, if you buy a house at a 1942 price, and you sell that to the veteran at that price, it would cause dissatisfaction to the veteran next door, who had to buy property?

A Yes. It was on a project property, where the cost should have been allocated equally on the property. If it were just the selling of a single property then if we had sold it -- if we had sold 92-P as one unit to one veteran, then it would have been sold to him at the cost to the director because that would have been the project amount, but since it was subdivided the values had to be allocated fairly throughout the subdivision.

Q Has the sale price any relation to fair market value? A. It isn't taken into consideration. It is a fair value that a veteran should be expected to pay for the unit, but it is not anticipated that it would be the fair market value.

Q Did you ever sell to the veteran at less than you paid? A. There are a number of cases where we have grouped ~~x~~ former Japanese

properties together for subdivision purposes, and when we proceeded to allocate values, in order to allocate them on a fair basis to all veterans concerned we had to, in some cases, write the cost of the house down a thousand dollars or two thousand dollars, and in other cases write the buildings off entirely and exercise authority for demolition.

Q Is there any relationship between the sale price and replacement cost? That is, the sale price to the veteran?

A No, there is no relationship as far as the allocation of values is concerned. It is a fair allocation of values, on a number of properties.

Q I see. Now in the specific cases in question, have you a blueprint or a survey --

A I have.

Q -- of the pieces of property?

A It is in the briefcase. (Producing).

Q Now you will have to describe it in words, so that the reporter can take it down.

A This corner is approximately 400 feet (indicating).

THE COMMISSIONER: Q: You are indicating the corner of the Dewdney Trunk Road and Fifth Avenue as approximately 400 feet from where?

A From the corner of this subdivision (Indicating). The subdivision runs over like this (indicating) and runs down and joins the Dewdney Trunk Road here, (indicating).

MR. HUNTER: Q: Now those two surveys contain the number of properties that were grouped in Haney, is that correct?

A In project account B.C. 1173-P, the adjoining property.

Q And this was the Morikawa property here (indicating).

A B.C. 92-P.

THE COMMISSIONER: Q: Now you are indicating a lot at the corner of Fifth Avenue and the Dewdney Trunk Road ? A. At the corner of Fifth Avenue and the Dewdney Trunk Road, and the property, my lord, is from this road allowance (indicating) or Fifth Avenue was the original former B.C. 92-P. We subdivided this particular property into nine lots, used the other four properties here (indicating) and subdivided them into thirty lots.

MR. HUNTER: Q: And the purchase price from the Custodian for that particular property was how much?

THE COMMISSIONER: Q: That is, for Lots shown as 1 to 9? A. One to nine.

Q On the Dewdney Trunk Road?

A It is $3,000 and some dollars, but I am afraid I can't give you the exact figures.

MR. HUNTER: Q: And the house was on what lot?

A Lot 9.

Q That is the one on the Dewdney Trunk Road?

A At the corner of Dewdney Trunk Road and Fifth Avenue.

Q You sold that to the veteran for how much?

A The land, and the existing P.l. $3,000. The land $6150.00. We charged the veteran approximately $55.00 for water services, and $93.00 for road services. Those are only approximates. I haven't the detailed figures, but it is about $140.00 for services.

THE COMMISSIONER: Q: Those were roads which it was necessary to lay out? A. We had to develop roads on the subdivision. Our roads were developed in through here (indicating), in through the entrance on Fifth Avenue. The crescent was made and the road was opened to the end of Lot 28 to the south and far enough to build a house on lot 5 at the north. The remainder of the road from here (indicating), that entrance on the Dewdney Trunk Road, still remains unopened, and we will be developing it sometime in the near future, and it will cost us approximately $600.00 per lot to finish the development and the roads, water and drainage. So that these lots here (indicating), will have to be sold for over $600.00 in order to recover the directors' investment.

THE COMMISSIONER: Q: Those are the lots shown on the east side of the larger plan?

A The lots shown on the east side of the larger plan.

MR. HUNTER: Q; I judged from that smaller plan that the buildings on the other lots, 1 to 8, is it --?

Q -- were built by the V.L.A.

A 1 to 7 were built by V.L.A. Lot 8 has just been sold, and another house will be built there.

Q And the price charged for the house on Lot 9 is to achieve equity among the veterans, is that correct?

A That is correct.

Q To avoid one veteran getting something much cheaper than other veterans, is that it?

A To have it as equitable as humanly possible.

THE COMMISSIONER:Q:That is between the individual veterans? A. Yes, and protecting the government's interrest at the same time.

Q Am I right in this conclusion that your department totalled the outlay made to the Custodian for the Japanese properties that are shown on this smaller plan?

A There is just one property shown on the smaller plan.

Q Just the one? A. One property here (indicating) and four properties in this one (indicating) making five in all. These were all grouped together to make one subdivision, so there would be one project account to look after all the buildings, the roads and the water, to cut down the administration.

Q Am I right in this, that the total cost to the Veterans' Land Act administration was then apportioned between the several lots, as sub-

divided? A. As subdivided.

Q Then, in charging it up to the individual veterans, once the project is complete all of the veterans then will not be charged more than the total outlay by the Veterans' Land Act Administration in connection with it?

A That is correct.

THE COMMISSIONER: Are you through, Mr. Hunter?

MR. HUNTER: That is all, my lord.

THE COMMISSIONER: Yes, Mr. McMaster.

CROSS EXAMINATION BY MR. McMASTER:

Q Witness, the result of that process that you have just described is that the land would be sold cheaper, is that not correct? If, in other words they add to the total amount, or if you increase the amount that is allowed for the house by way of adjustment, or for the buildings --

A The total cost that the land and buildings are sold for -- sold for the total cost to the director.

Q In making your division I understood you to say you put a greater value on the houses than what the Custodian paid for them -- on the buildings.

A The value was allocated at a larger amount than was shown as replacement value on the appraisal report, but not a larger amount than the cost to the director on all the property. There was no money making scheme whatsoever. It was

merely the case of the five properties being apportioned equally, among all the veterans.

Q Might I put it this way to you, witness; the total replacement value of the buildings on the land in this case in the appraisals of the Custodian -- the total value of the present day value which has been described as the replacement cost, less depreciation of the buildings on this subdivision, was $4500.00 ?

A That is according to the records, yes.

Q And the total amount that the appraisers said was added to the farm land was $3450.00?

A That is correct,I believe, according to our records.

Q And you purchased the properties for 2% less than their appraisals?

A I am not sure of that. We purchased the five properties at a total overall cost as indicated , as the cost of the subdivision.

Q The actual scheme, or the basis of the transaction with the Custodian, was 2% less than the appraisals that had been made. Now in other words, all the Custodian paid for those buildings was 2% less than $3450.00 -- what the D.V.L.A. paid for them was 2% less than $3450.00? A. We purchased the overall properties at a certain figure, and it wasn't split down into just what we actually paid for the buildings, or what we actually paid for the lands. We bought properties at fair

market value.

Q Well, I am drawing to your attention, in any event, that the appraisals said that the value of those buildings was $3450.00. Now, when you came to apportion the land, apparently you dealt with those buidlings as being worth $4800.00; according to appendix 1, in volume 15.

A It was the considered opinion of the chief inspector to allocate the values with the values that he placed on the lots and buildings as being fair and equitable for all veterans.

Q That may be so. I mean, I am not having any criticism of what method the D.V.L.A. used to distribute it. A. That is the method that was used, and the figures show as to what the appraisal report indicated the buildings could be worth.

Q In point of fact, in any event, you dealt with those buildings as being worth $4800.00 , when you came to sell the properties to veterans?

A That adds up to the amount, according to our records, yes.

Q Yes, and in other words there was a difference of some $1400.00 there that would be gained on the buildings? My suggestion to you is that $1400.00 would reduce the amount the veterans would have to pay for the land, which was sold at cost? A. It couldn't do anything else.

Q So, in other words, while one veteran would be

paying more for the house that he acquired, the other veteran would be getting it cheaper than the D.V.L.A. actually paid for the land?

A The veteran who obtained the properties with the original house on also had that benefit . The cost of land was allocated to his lot, as it is indicated. He also benefits from the roads in the value to his land if you want to put it that way.

Q He saved a little on his land, but paid $1400.00 more for his buildings ? We will take two veterans who bought lots. One paid a little less for the land than it cost the D.V.L.A., but the two of them paid $1400.00 more for the buildings than they cost the D.V.L.A.?

A It would be rather difficult to say they paid a lot less for their land and more for their buildings, in that we cannot determine what the particular acre would cost the D.V.L.A., the particular acre the house was one.

Q You had appraisals made and certain values were assigned to them? A. If we had nine or ten cleared acres at a price per acre, what would be the value of that particular acre? It might have been reduced clnsiderably by the allocation of value.

Q I would like to refer to appendix 1, in Exhibit 15. Does this figure total cost price, represent the total cost of these properties to the Veterans' Land Act? A. From a review of

the statistics, that would indicate it, yes, $6709.00.

THE COMMISSIONER: Exhigit 15, did you say?

MR. McMASTER: I am sorry, my lord, it is appendix No. 1.

THE COMMISSIONER: At page 388?

MR. McMATER: Page 388, that's correct.

THE COMMISSIONER: You said Exhibit 15.

MR. McMASTER: Yes, I am sorry. I meant volume 15, my lord.

Q Then you recovered $75.00 on the sale of the building or buildings , from those lots?

A That is correct.

Q So that reduced your cost tothat, then?

A That is right.

Q Now this $6634.00 was the total cost to the D.V.L.A., is that right?

A According to our records it should be correct.

Q And this property that you sold, the twenty lots you sold, is that the amount you sold them for that appears there, $6,106.59?

A I haven't added up the individual values, to be able to say yes or no to that. If that is according to the record, it is correct.

Q That is the evidence that Mr. Murchison gave, in any event. And the balance of those lots were available for sale at the time he gave his evidence?

A That is correct.

MR. McMASTER: My lord, I would like to refer to the farm appraisal reports in those cases. They are

not all cases in which we have claims.

Q You will notice in appendix 1, at page 388, they give the J.L. number and the amounts. J.L. 248, the total appraisal was $3,156.25. J.L. 72 ,the total appraisal was $676.60. J.L. 73, the total appraisal was $1482.00. J.L. 74, the total appraisal was $ 701.40. J.L.122, the total appraisal was $ 818.00.

THE COMMISSIONER: Are these figures which you have given me the figures at page 388, with 2% off?

MR. McMASTER: Roughly 2% off, my lord. I think it was 1.9 that they were purchased at. My lord, I would like to file, I think, as an exhibit, because it may be helpful, an extract from these appraisals showing the present day value . Under the heading "B" is the value added to the land, and then a heading "Other improvements", which show a pump in one case and $50.00 for fruit trees , or a pump in another case.

THE COMMISSIONER: What is all this leading to?

MR. McMASTER: My lord, it is le ding to my submission that in dealing with these properties on resale that the Veterans' Land Act considered that they added their full value to the land.

MR. HUNTER: Perhaps my learned friend would explain what he means by "full value". He has been referring to it for days, and it is meaningless, unless he defines it.

MR. McMASTER: Replacement cost.

THE COMMISSIONER: He is referring to the figures given on the front page of each of these appraisals.

MR. McMASTER: Yes, the present day value.

THE COMMISSIONER: We had better use the term that is used in the appraisal form.

MR. McMASTER: Very well, my lord.

THE COMMISSIONER: Otherwise it will lead to confusion.

MR. McMaster: Yes, the present day value, I think it says there.

(EXTRACT MARKED GENERAL EXHIBIT No. 95)

MR. McMASTER: Actually, my lord, it shows a value even more than the present day value, when you allow for the buildings to be sold off the land. In Appendix No. 1, it shows $4800.00 as being the value of the existing permanent improvement, and the present day value for appraisals, allowing for the $75.00 for the buildings sold, is $4635.00.

THE COMMISSIONER: I think you had better deal with this exhibit with the witness, Mr. McMaster, because the figures as you have set them out here, while I have no doubt they support your contention, there may be an explanation for it.

MR. McMASTER: Q; Now, witness, referring again to Appendix 1, at page 388. You h ave stated that the purchase price as shown there is the total cost to the Veterans' Land Act for these lands with the buildings that the Japanese had left there, is that correct?

A That is correct.

Q And I show you a copy of Exhibit 95, which breaks down the appraisals on those various pieces of land?

A That is correct.

Q And in those appraisals had the appraisers showed the present day value of the buildings, which they stated to be cost, less depreciation, which totals $4510.00, then they show the value added to the land in their appraisals, which they said totalled $3450.00, and that figure is the figure which appears in their total appraisals. It appears in the right-hand side, and the Veterans' Land Act purchased these lands at approximately 2% less than the total appraised value. So, in other words, as shown in appendix No. 1, the Veterans' Land Act purchased them for $6709.00?

A That is correct.

Q Now, the Veterans' Land Act apparently proceeded to subdivide these lands and in appendix No. 1, it shows that the existing improvements valued at $4800.00 were included in two of the lots which had been sold at the time that Mr. Murcheson gave his evidence?

A That is correct.

Q Am I correct in saying that the value which was placed on the existing buildings on these premises on sales to veterans was $4800.00?

A According to the records, that is correct, yes.

Q And it would appear that the Veterans' Land Act

acquired those buildings for about 2% less than $3450.00, is that correct?

A That again is a point, as to whether or not we can buy the land, and not buy the buildings, or possibly we want to bjy the buildings for this figure and not take the land. When you buy property, you can't say, "I paid $3,000 for my house and $100.00 for my land", because no one knows.

Q Let me put it this way; in buying the lands for 2% less than the total appraisal on those properties at that time, the Soldiers' Settlement Board appraisers, or D.V.L.A., as far as that goes, gave a value to the buildings on those lands of $3450.00?

A They stated that in their appraisal reports, yes.

Q And it was on the basis of those appraisal reports that the Veterans' Land Act purchased the land?

A Correct.

Q And then subsequently the Veterans' Land Act put a value of $4800.00 on those same buildings?

A We allocated values on the whole project property, and the value that Mr. Burner placed on the buildings was more than the amount indicated on Exhibit 95. It was a fair and equitable value for all veterans concerned, taking into consideration we were going to build some nineteen or twenty houses adjoining these properties, and the veterans that were coming in to the houses that were already on the property would have enjoyed

the benefit of 1942 purchase price, and the other veterans paying the cost as of the time of building, and in order t o make it as equitable as possible it was Mr. Burner's considered opinion that those buildings should logically be sold to the veterans at the cost he placed on them.

Q Let me get this clear. It shows existing permanent improvements valued at $4800.00 included on the two lots sold. I take it the two veterans who bought those two lots between them paid $4800.00 for those buildings?

A There was lot 9 on the one parcel and lot 26 on the other parcel with the buildings; and those are the figures.

Q Does the same situation apply with regard to all these other subdivisions that appear at page 388 to 391 where it shows there were existing improvements included in some of the lots sold?

A I can't answer your question as stated in the public accounts book. We have subdivided some 175, or rather withdrawn from sale some 175 former Japanese properties and allocated values as equally as possible for them, and I haven't personally reviewed those. I didn't do that.

Q Let me put it this way; do the principles that you have outlined for your method of placing a value on these buildings, apply to all the other subdivisions that you did?

A In the subdivisions that I have carried out we

didn't anticipate building project houses. It was a matter of sale to veterans of the original properties, at an equitable figure.

At Mission, for example, we amalgamated eleven properties, subdivided them into twenty-four lots, and in some cases, in order to have equality among the veterans, the house value shown by the appraiser was cut as much as $1300.00. In other cases the value wasn't considered there at all at the time of our allocation and we didn't charge the veterans for it. Some places, the buildings were at the stage where they should have been demolished, and some should have been torn down. They were utterly worthless at that time.

THE COMMISSIONER: Q: As I understand you, witness, the same procedure was adopted in regard to all subdivision schemes?

A Yes. We added together the cost of all the properties we put into the project, and then there were costs of development that were added in and the whole thing was allocated as equally as possible by us, for veterans' settlement.

THE COMMISSIONER: That meets the point you raised, Mr. McMaster?

MR. McMASTER: Yes, I think soo my lord.

[redacted]:Q:You mentioned in your qualifications that you were a junior member of the Appraisal Institute of Canada. Is it correct that there are six types of members in that Institute?

A There are.

Q And the only type that pass any examination with regard to appraising work are the accredited members, is that correct?

A That is correct. That is, passing a written examination

Q Yes, passing a written examination. Do any of the others pass oral examinations?

A Their qualifications have to be considered by the Appraisal Institute, before they are accepted.

Q But there is no oral examination?

A Just their qualifications.

THE COMMISSIONER: Q; There is one question I would like to ask you. Referring to the figure of $4800.00 which was mentioned by Mr. McMaster in his cross-examination, that is the figure under "take notice", at page 388, what relation, if any, does that figure, $4800.00 bear to the present day value; that is, the aggregate present day value of these several properties?

A In allocating the values, the man that allocated them considered that the value be placed on them for allocation purposes was fair and equitable at that time. There is no direct relationship.

Q Between the aggregate present day value and the $4800.00 figure?

A Some of our properties when we put a different value on are used for deterioriation purposes, or bad tenants. We couldn't possibly charge

the veteran for the cost of allocating the property. That wouldn't be fair and equitable.

Q Is it mere coincidence, that the aggregate present day value shown on Exhibit 95, of $4635.00, comes close to the figure of $4800.00, being the valuation, excepting improvements, shown at page 388?

A In allocating them, and being fair with them, it just happened to be a coincidence that it was that close; but each sub-division is taken on its own merits. Some of them we have to go away down in order to get equality.

THE COMMISSIONER: I think I understand you now. Any further questions, Mr. McMaster?

MR. McMASTER: Q: Witness, do you happen to know whether or not, or let me put it this way; did you have anything to do with the valuations that were placed on these properties?

A Not on this property, no.

Q On any of the sub-division properties? That is, on the improvements?

A On the properties I have been responsible for since July of last year, yes. I have to concur in each one, but any of those covered by the Public Accounts book, I had nothing to do with it. It was merely the general policy that has been carried on throughout. I wasn't in the organization, at that time.

Q Did you make any reference at all to the appraisals made by the Soldiers Settlement Board appraisers?

A In our allocation-appraisal reports, yes. Our measurement of the value is placed on them at that

time, and is still indicated, and when we carry a value forward, we carry it forward on an equitable amount. We don't reappraise the property.

Q Have you regard to what the appraisal shows as the present day value, when you do that?

A If, on the allocation of the sub-division, it is equitable to leave it at that, yes.

THE COMMISSIONER: Thank you. Any re-examination, Mr. Hunter?

MR. HUNTER: No, my lord.

THE COMMISSIONER: Thank you, Mr. Grant.

(witness aside)

THE COMMISSIONER: Have you anything else you want to go on with today, Mr. Hunter?

MR. HUNTER: I haven't any further witnesses. I won't have any until Monday, I am afraid.

THE COMMISSIONER: Very well.

MR. HUNTER: My lord, my learned friend asked for some information relating to sales in 1942 in the case of Kujiro Kusano. He asked me to ascertain whether there had been an appraisal by the Custodian, prior to the sale.

THE COMMISSIONER: This is one of the claims referred to in Exhibit 71, is it?

MR. HUNTER: Yes, my lord; and in that case there was no re-appraisal, because it was a sale that was made, actually in effect, by the Japanese. That is, the Japanese, through Mr. Menzies, agreed to sell this property in question for $4,200.00, and the deed had to be given by the Custodian,

because the Japanese was evacuated , and the transaction dragged out.

They were having a great argument over the sale of chattels that he was trying to get the purchaser to buy at a rather high figure, and he wouldn't give his authority to complete the transaction until the chattel deal was ironed out. It dragged on until June, 1943, but the deed was given by the Custodian, simply to carry out the deal made by the owner, through Mr. Menzies.

THE COMMISSIONER: Is there anything else you desire?

MR. McMASTER: That is it.

MR. HUNTER: With regard to the man called Komori, about which information was asked, there were two sales there. The north 66 feet was sold for $1,396.60, under Agreement for Sale. The other portion, above the north 66 feet, was sold for $1,650.00, the amount indicated on Exhibit 71. The total sale price was approximately $3,000.00

MR. McMASTER: Can Exhibit 71 be amended in that respect, my lord?

THE COMMISSIONER: I beg your pardon?

MR. McMASTER: Can Exhibit 71 be amended? It shows the total as $1,700.00 and something.

THE COMMISSIONER: That is satisfactory to me. Is there any objection, Mr. Hunter?

MR. HUNTER: No, my lord.

THE COMMISSIONER: If Exhibit 71 does not accurately show the picture, it should be changed. Counsel can work that out between them.

MR. HUNTER: The sales were at different times. The date shown there on Exhibit 71, the 13th of June, 1944, was the proper date for the $1,650.00 sale. In other words, it was sold two years after appraisal. The other bit, $1360.90, the north 66 feet was sold under an Agreement for Sale. Apparently the agreement was made by the Japanese.

THE COMMISSIONER: Very well. We will adjourn, now, to resume at 10.00 o'clock Monday morning.

(PROCEEDINGS ADJOURNED UNTIL DECEMBER 13TH, 1948, 10.00 A.M.)

I hereby certify the foregoing to be a true and accurate transcript of the within proceedings.

J. P. Harrodine

Deputy Official Court Stenographer.