

NATIONAL JAPANESE CANADIAN CITIZENS ASSOCIATION

SUBMISSION TO THE ROYAL COMMISSION ON JAPANESE CANADIAN PROPERTY

Kunio Hidaka
Economic & Legislative Consultant
61 Avenue Road Toronto

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TO THE HON. H. I. BIRD, COMMISSIONER:

IN THE MATTER OF JAPANESE CANADIAN PROPERTY

The decision of the Government to appoint the present Royal Commission to investigate claims for losses sustained in the evacuation of Japanese Canadians is heartily endorsed. During the removal period, in general, full co-operation was accorded public authorities in their difficult assignment of finding new areas of settlement for evacuated persons. It is amply understood that in an undertaking of such deep-rooted human significance and magnitude a large number of basic adjustments would have to be made, and inevitably, in the ensuing period of panic and confusion, some hardships would result to persons affected.

Economic loss in various fields of endeavour was also inevitable, and these were faced with the conviction that compensation would be made at an appropriate time. The appointment of the Royal Commission is satisfactory proof that this conviction was not misplaced and is being fulfilled; and one's faith that, while errors in government policy may be made, a government committed to democratic procedures also provides a method whereby errors can be rectified.

TO THE HON. MR. H. I. BIRD, COMMISSIONER:

IN THE MATTER OF JAPANESE-CANADIAN PROPERTY

This submission to the Commissioner appointed under the terms of Order in Council P.C. 1810 of July 18, 1947, amended by Order in Council P.C. 3737 of September 17 of the same year, is entered on behalf of the National Japanese Canadian Citizens Association and its component chapter organizations. The national organization was constituted at a conference of representatives from various Japanese Canadian organizations throughout Canada on September 2nd, 1947. The organization has member chapters in the provinces of British Columbia, Alberta, Manitoba, Ontario and Quebec, and local chapters in Toronto, Chatham, Leamington, St. Thomas, London, Vernon, Lillooet, Kamloops, Greenwood, Revelstoke and other centres. The primary aim of the organization is to enable persons of Japanese ancestry to work together as a unified whole and to better their political, social, moral and economic welfare through collective action. In submitting this brief, the national organization is acting in accordance with its pledge to direct its unstinted efforts toward the development of a truly democratic social order

wherein fundamental civil rights and liberties are accorded all citizens.

This brief does not discuss individual claims; its purpose is to give a measure of assistance to the Royal Commission in the settlement of claims by providing general background information on three topics: the first is the economic development of the Japanese people during the forty and fifty years they were in Canada; second, the conditions and circumstances under which the Japanese were removed from their homes in 1942; and the third topic concerns various economic factors suggested for the consideration of the Commissioner in his deliberations on a "fair market value" as stated in the terms of reference. Parallel with these topics, the brief is divided into three parts.

PART I: A BRIEF OUTLINE OF THE ECONOMIC HISTORY
OF THE JAPANESE IN CANADA

EARLY IMMIGRATION OF JAPANESE

The Japanese in Canada, from the time of the first recorded Japanese, Manzo Nagano, a sailor who remained ashore from his ship in 1877, has been a history of strug-

gle for self-sufficiency and economic security. It is stated that Nagano borrowed a boat and with an Italian partner became a salmon fisherman on the Fraser River in the earliest days of the industry. In 1880 he left this occupation to become a longshoreman but, unable to settle down, sailed shortly thereafter for Shanghai and other points in the Orient. However, he returned to New Westminster in 1884 and there found seven or eight other Japanese already in the fishing industry. Nagano moved on to the United States where once more he became a fisherman. One day two years later in 1886, when driven northward in a storm, he took shelter at a place close to New Westminster where he found another group of Japanese fishermen. After returning to Seattle he went into business but after three or four years returned to Japan. In 1892 he returned to Canada and opened a small store in Victoria.

The story of Manzo Nagano has its sequel in the life of a good many Canadian pioneers, including other persons of Japanese ancestry. They entered the industries of the frontier provinces in the early days and took an active part in the economic development. Some of them ^{at first} took up transient types of occupations ~~at first~~ ^{what may be termed} ~~an individual survey of economic opportunities,~~ but event-

ually they selected one satisfactory to themselves and remained at it over the years. In time their economic position improved by hard work and the gradual accumulation of worldly goods, and in latter years, their ceaseless toil had prospects of steady return which would have provided them with a reasonable measure of economic security.

The early Japanese faced repeated attempts to restrict their activity and to exclude them from their means of livelihood by legislative action. The first such restrictive measure was introduced in 1891 when the head tax which applied to Chinese immigrants was raised from fifty to two hundred dollars and an attempt was made to have it apply to the Japanese in order to curtail immigration. In response to objections, however, this amendment was withdrawn. After 1895 other restrictive measures were imposed. The population in 1896 was about one thousand persons, ^{of whom} most ~~of them~~ were fishermen. In the following years the Japanese came in increasing numbers to meet additional demand for workers in the rapidly expanding fishing, lumbering, coal mining industries, and railroad construction. By 1901 there were 4,738 Japanese, 97 per cent of whom were in British Columbia.

During the four year period from 1905 to 1908, close to 11,000 Japanese immigrants entered Canada. This phenomenal number, particularly in the latter years, was caused by two conditions mainly: first, the new United States regulations prohibiting Japanese immigration to Hawaii; and second, the chartering of ships in Hawaii by "supply companies" to transport Japanese contract labourers to Canada.

After prolonged agitation which culminated in race riots, finally in 1906, by voluntary agreement between Japan and Canada, immigration was regulated to four categories as follows:

- (a) prior residents of Canada and their wives and children;
- (b) persons engaged by Japanese residents for bona fide personal and domestic service;
- (c) contract emigrants, where terms of contract, work to be done, name and standing of employer were satisfactorily specified and approved by the Canadian Government; and

- (d) agricultural workers brought in by Japanese agricultural landholders, on the basis of ten immigrants for each one hundred acres owned by Japanese in Canada.

Unlike the earlier immigration which was roughly in the proportion of one woman to ten men, during the 1907-20 period, except for the two years toward the end of the war, females outnumbered the male Japanese immigrants. In the next period, from 1920 to 1928, the male proportion declined further until the entry of women was restricted in 1928. During the decade 1921-31, 1,263 adult Japanese males entered to 2,114 adult females; and by 1931, for the total Japanese population in Canada, there were seven females to ten males. It is observed that the migration from Japan, which was started on a seasonal basis by unattached males from homes of farmers, fishermen and labourers, was changed with the influx of women to the establishing of homes and permanent settlement, and a greater effort on the part of the immigrants toward ownership of productive economic resources.

After the construction of the Canadian Pacific Railway in 1885, during the period to 1914, more than two billion dollars in British capital were invested in Canada for

the development of industry. The Pacific frontier shared in this vast capital development program with expansion of the intensely speculative primary product industries of lumbering, fishing and mining. The relative strength and weakness of the Japanese Canadian economic position has been a reflection of the ensuing economic expansions. For their own part, the absence of capital and skills compelled most Japanese to take employment at first as wage workers in these basic, seasonal and highly fluctuating industries.

Later, following the pattern of the Chinese who had moved to small trading ventures and intensive agriculture, the Japanese who had at first endured a low standard of living in unskilled occupations in order to secure funds to purchase land and other productive resources, moved into undertakings on their own account which promised greater economic self-sufficiency. Gradually they withdrew from industries subject to wide seasonal fluctuations, to White competition and legislative pressures, and entered agriculture and small businesses where organization on the part of White persons was not aggressive, or if they remained in such seasonal industries, they worked for Japanese operators in the main. In agriculture, the Japanese were able to build a protective cushion of self-sufficiency in depression, and in the small business field they had a measure of security in a direct linkage with the price system of consumer goods which fluctuate more moderately than prices of primary products.

In the period of unemployment after the war of 1914-18, following to some degree from the improved economic position of some Japanese Canadians, agitation for further discrimination was renewed. One result of this development was another reduction in the number of Japanese immigrants into Canada, which made the annual quota an insignificant number. In the six years from 1922 to 1928, an average number of 147 males and an average total of 447 persons entered the country each year. In 1928 the quota was again reduced to a total of 150 persons, however, from 1928 to 1934, an average of only 128 persons entered Canada annually from Japan. For all practical purposes, immigration from 1934 to 1941 was negligible.

As a result of these effectively reduced quotas of Japanese immigrants after the early 1920's, by 1941 and 1942, a vast majority of adult Japanese had lived in Canada for at least twenty years and economically had successfully graduated from the transitional stage and were well established in their respective communities.

~~British Columbia, because it was the first point of landing, was selected for settlement by immigrants from across the Pacific. They had little money to go elsewhere and whatever material resources they later acquired were needed to establish themselves in homes and to better their economic position. Above all, the economic development of the province required a large number of male workers who would venture into the hinterland to develop the primary product industries. To the Japanese immigrant, British Columbia was particularly attractive - they found a ready means of livelihood in the vast capital development program which enjoyed uninterrupted progress from the turn of the century to the first World War.~~

POPULATION AND LOCATION OF JAPANESE

The Census of 1941 shows that slightly more than 80 per cent of the 23,000 Japanese in British Columbia lived in the two Statistical Divisions in the south-west corner of the province. Within these two Divisions, No's. Four and Five, were the eight thousand Japanese living in the City of Vancouver and the eleven thousand others in the Fraser Valley and on the east and west coasts of Vancouver Island. In total

there were approximately nineteen to twenty thousand Japanese in south-western British Columbia. In keeping with the general population distribution, more than three-quarters of the Japanese were within a fifty to seventy-five radius of Vancouver. Approximately 1,500 Japanese lived in Statistical Divisions Seven and Nine in the fishing and lumbering centres along the mainland between Vancouver and Prince Rupert. Aside from the few persons removed from the protected areas of Interior British Columbia, persons resident in the foregoing Statistical Divisions comprise the total number of persons whose property losses are the subject of investigation by the present Royal Commission. A Department of Labour Report of 1944 states that 20,881 Japanese persons were removed from the protected area.

OCCUPATIONAL DISTRIBUTION OF JAPANESE

The occupational distribution of the Japanese was as follows:

- (a) Fishing along the coastal waters of British Columbia and Vancouver Island, at the mouth of rivers, with related occupations of cannery work and boat-building.
- (b) Logging and sawmill work along the British Columbia coast.
- (c) Growing small fruits and vegetables in the Fraser Valley.

- (d) Miscellaneous small businesses and occupations in Vancouver, New Westminster, Victoria and in other districts where they were located, such as restaurants, dry-cleaning and tailoring, grocery and fruit stores, gardening, and domestic service.

During the two decades, 1921 to 1941, when the number of Japanese in fishing and lumbering declined, the number in agriculture and manufacturing increased. In 1941, the percentage of gainfully employed Japanese, fourteen years and over, in various occupations in British Columbia was as follows:

TABLE I PERCENTAGE OF JAPANESE 14 YEARS AND OVER IN OCCUPATIONS IN BRITISH COLUMBIA, 1941

Trade or Industry	Per Cent of Total in Industry	Per Cent of Employed Japanese
fishing	15.0 per cent	16.3 per cent
lumbering	5.1	8.3
labourers	5.1	14.7
agriculture	3.9	18.8
manufacture	2.5	13.4
trade	2.4	8.4
service	1.8	12.9
transportation & communication	.9	2.9
clerical	.7	2.1
miscellaneous		2.2
		100.0 p.c.
in all industry	2.8 (3.9 in 1931)	

Source: Report on Japanese Affairs, Department of Labour, August 1944, p. 3.

NATIONALITY AND AGE DISTRIBUTION

The Census of 1941 gave nationality and age distribution of Japanese in Canada as follows:

TABLE II NATIONALITY OF CANADIAN RESIDENTS OF JAPANESE ANCESTRY 1941

Canadian born	14,119	
Naturalized Canadians	3,159	} 9,083
Japanese nationals	5,924	
U.S. citizens	<u>22</u>	
Total	23,224	

Source: Census of Canada, 1941

TABLE III SEX AND AGE DISTRIBUTION OF CANADIAN RESIDENTS OF JAPANESE ANCESTRY 1941

	Male	Female
Children (to 19 yrs.)	39 p.c.	50 p.c.
Youths (20-34 yrs.)	23	24
Middle Age (35-59 yrs.)	31	25
Old (60 yrs. over)	<u>7</u>	<u>1</u>
	100 p.c.	100 p.c.

Source: Census of Canada, 1941

With effective restriction of Japanese immigration after the first World War, it may be assumed that the 23-24 per cent of the 20-34 year category in the above table are Canadian-born. This age-group of some six thousand persons was reaching maturity and through their influence a change of outlook was gradually overtaking Japanese communities on the West Coast. The Census of 1941 shows a significant increase in the number of persons in the five-year interval age-group from 20 to 24 years with 2,391 persons. These statistics showing the maturing of the Canadian-born Japanese population assume greater significance in economic matters because following from this condition, family income was increasing through more workers per household. With Canadian-born children reaching working age in larger and larger numbers in the years immediately prior to 1941, and since that year to an even greater extent, income per family had been increasing considerably. A family in this situation, with additional working members, would find that expenditures for non-durable consumer goods such as food, rent, fuel and clothing would remain approximately stationary, but increased income would permit a surplus which could be spent to raise the standard of living by purchasing durable consumer goods such as home

furnishings, radios, electrical appliances, automobiles, and other personal property, and by purchasing better housing, by urban dwellers, and for farm improvements, better housing and equipment by rural inhabitants, and better boats and gear, and housing by fishermen. Adding to benefits derived from improved general economic conditions in the latter 1930's and early 1940's, there was rapid improvement in the economic standing of a large number of Japanese Canadian families directly as a result of an increase in the number of workers per family.

COMMERCIAL DEVELOPMENT OF JAPANESE

As previously stated, the Japanese were gradually changing in status from wage workers to independent operators during the two decade period prior to 1941. They were leaving lumbering and mining, they were legislated out of fishing, they were finding refuge in agriculture and the retailing and service trades where they were enjoying some measure of material progress. In 1931, 907 trade licences were issued to persons of Japanese ancestry in what later became protected areas. In Vancouver one trade license was issued for each ten Japanese, when, on the average, one licence was issued for each twenty-one persons in the city; this, however, would not necessarily indicate a large volume of business

but, on the contrary, a number of businesses which on the whole were small in size. A survey in 1934 of the location of Japanese merchants in Vancouver showed that they were most heavily distributed in areas with predominantly Japanese population, but were also found in all areas of the city where retail trading was permitted. An occupational survey of the same year showed that of some 2,500 gainfully employed ^{Japanese in Vancouver} persons, 46 per cent were in commercial enterprises such as retailing, wholesaling, importing and exporting, personal services, and the professions.

The distribution of trade licences to persons of Japanese ancestry in Vancouver for the year 1931 was as follows:

TABLE IV LICENCES GRANTED TO PERSONS OF JAPANESE ANCESTRY
IN SELECTED TRADES IN VANCOUVER 1931

Trade	Number
dressmakers	39
fish dealers	24
baths	24
cleaners and pressers	81
barbers	67

Table IV Licences granted to persons of Japanese Ancestry
in Selected Trades in Vancouver 1931--continued

Trade	Number
lodging houses	123
grocers	104
tobacconists	200
miscellaneous	<u>196</u>
	858

Source: Young and Reid, The Japanese Canadians, The University of Toronto Press, 1938, p.74.

Further information on the nature and magnitude of commercial activity is given in the following table:

TABLE V TRADE ACTIVITIES OF SELECTED JAPANESE CANADIAN
ENTERPRISES IN VANCOUVER 1934

Kind of Trade	Investment	Gross Revenue
Wheat, lumber, fish export	\$ 500,000	\$ 500,000
Salt fish mfg. and export	150,000	95,000
Salt salmon mfg. and export	100,000	125,000
" " " " "	120,000	83,000
" " " " "	72,000	58,000
" " " " "	450,000	700,000
Wheat, lumber, fish export	300,000	340,000
Fresh fish, salt fish export	25,000	152,000
Lumber camp and export	25,000	68,000
Importer	20,000	57,000

Table V Trade Activities of Selected Japanese Canadian Enterprises in Vancouver 1934--continued

Kind of Trade	Investment	Gross Revenue
Tobacco wholesale	\$ 35,000	\$ 275,000
Provision supplying wholesale	15,000	40,000
Paper box mfg.	35,000	11,000
Beverage mfg.	100,000	88,000
Candy mfg. and retail	5,000	20,000
" " " "	10,000	18,000
Grocery and provision supply	60,000	630,000
" " " "	130,000	155,000
" " " "	74,000	48,000
" " " "	30,000	70,000
" " " "	12,000	28,000
" " " "	6,000	18,000
" " " "	12,000	52,000
Provision supply	35,000	80,000
" " "	5,000	20,000
" " "	4,000	28,000
Fish market and provision supply	25,000	18,000
" " " " "	6,000	80,000
" " " " "	8,000	51,000
" " " " "	10,000	180,000
Drug store	25,000	42,000
" " "	5,000	23,000
" " "	15,000	10,000
" " "	55,000	100,000
Women's wear	50,000	200,000
Silk store	250,000	450,000
" " "	54,000	57,000
" " "	20,000	40,000
Dry goods store	85,000	110,000
" " " "	16,000	16,000
" " " "	20,000	72,000
Shoe shop	12,000	19,000
" " "	15,000	20,000
Hardware store	10,000	33,000
Second hand store	4,000	28,000
" " " "	5,000	20,000
Coal and woodyard	30,000	150,000

Table V Trade Activities of Selected Japanese Canadian Enterprises in Vancouver 1934--continued

Kind of Trade	Investment	Gross Revenue
Watch repair	\$ 12,000	\$ 10,000
" "	8,000	10,000
Auto supply	12,000	13,000
" "	42,000	63,000
Shipping broker	8,000	67,000
Newspaper and printing	100,000	50,000
" " "	15,000	24,000
Stationery	20,000	25,000
Chinese restaurant	36,000	19,000
Radio shop	10,000	40,000
Rooming house	15,000	12,000
" "	9,000	11,000
" "	12,000	12,000

Source: Young and Reid, *ibid* pp. 75-76

PRIMARY INDUSTRIES WITH JAPANESE

FISHING: Japanese have been fishing in the coastal waters of British Columbia and have participated in the development of the industry since its infancy. Japanese were located in the fishing centre of Steveston in 1885 and by 1899 the immediate area had a population of about two thousand male Japanese who were in some phase of the industry. These people migrated to coastal points on the mainland during the fishing season and, in time, established settlements as far north as the Nass and Skeena Rivers; later they settled in

the fishing villages of the West Coast of Vancouver Island. Despite agitation and repeated legislative measures to eliminate Japanese Canadians from the industry, 15 per cent of total licences for all fishermen in British Columbia and 16 per cent of gainfully employed Japanese were in the industry.

Allied with fishing were the boat-building and canning and processing industries which employed a considerable number of Japanese. It is stated that the Japanese in British Columbia were the first people to develop the herring fishing industry and to build salteries which together became undertakings of considerable importance. Boat-building yards were established wherever fishermen were located and represented an investment of some size in supplies, plant and equipment. Along with boats of various types and gear, the total investment in the industry was considerable.

LUMBERING AND WOOD PRODUCTS: Lumbering and fishing were at first closely allied in the economy of the Japanese in British Columbia. Fishing was a seasonal occupation, and although many of the first immigrants went to Japan during the off-season, others better established in this country found their way into different branches of the lumber industry.

The more important communities where Japanese were employed in lumbering were Vancouver, New Westminster, Fraser Mills, Mission City, Woodfibre, Ocean Falls, Port Alice, Alberni, Royston, Fanny Bay and Courtney.

The Japanese in the lumber industry can be divided into two groups: first, wage-workers, who were the large majority, in Vancouver and in lumber towns and camps, who for purposes of this investigation would have claims for personal belongings and, in some instances, a dwelling; and the second group, a small number of logging and saw-mill operators whose operations in latter years had expanded with the general prosperity of the industry.

"It is indicative of the enterprise of the Japanese immigrants that out of a population so small, and out of the segment of it associated with the lumber industry, there should have emerged so many operators in the field, and this, in spite of opposition and and discrimination on the part of many Whites."

The above comment is from Young and Reid in their book "The Japanese Canadians". In 1933 there were fourteen logging operators, data on twelve given by the previous authors are as follows:

TABLE VI INVESTMENT AND ANNUAL PRODUCTION OF JAPANESE LOGGING COMPANIES IN BRITISH COLUMBIA 1933

Name of Company	Capital Investment	Annual Production
Fanny Bay Logging Company	\$ 200,000	\$ 135,500
Deep Bay Logging Company	200,000	135,500
Cartwright Bay Logging Company	40,000	67,500
Highland Logging Company	20,000	35,000
Foolmore " "	10,000	54,000
Stolts " "	4,000	13,000
Taniguchi " "	15,000	40,000
Takahashi " "	500,000	570,000
Maeda " "	6,000	20,000
Uyenaka " "	25,000	60,000
Channel " "	20,000	31,500
Mission " "	8,000	23,000
Total	\$1,048,000	\$1,185,000

The statistics of the foregoing table is illustrative of the extent to which Japanese Canadian operators were established in the logging industry in 1933. During the 1933-42 period the industry enjoyed unprecedented prosperity and all operators expanded operations.

AGRICULTURE: Of the primary product industries, during the two decade period prior to 1941, fishing and lumbering lost their predominant position to agriculture. With their children reaching school and working age and they themselves

*In proportion to
fishing + logging
agriculture
takes up too
much space
can be
shortened*

advancing in years, lumber workers tended to leave the camps in the more remote areas to take up the non-migratory occupations of farming in settled areas which provided school and other cultural facilities for their children. In some instances the main wage-earner would continue his work in lumbering on a seasonal basis while other members of the family operated the farm. Almost without exception, Japanese farmers took up uncleared land where not all other persons would go, on small dirt roads lacking proper drainage, and off the main highways. First they cut down the trees to clear a spot large enough for their living quarters and a small garden, they built their house, then set about clearing more land and building up their farms. Original cost in most instances was low, and assessed value of the land, because of the condition of the road when settlement was first opened, and because there was little demand for wild land, was also low. With the digging of drains and building of irrigation systems, clearing of more land and adding of auxiliary buildings, the farms were gradually improved. Roads were gravelled, light, power and telephone services were later brought in and paid for by the farmers. Rural mail was provided and farm life generally began to acquire many conveniences.

New crops were planted and land productivity was increased from year to year; some farmers diversified their crops, others developed new methods and improved the variety of plants and shrubs. Co-operative marketing and buying services were organized to bring higher prices for produce sold and lower prices for essential materials to be purchased to bring a

higher ^{net} yield to the grower. Co-operative organizations were extended to processing and canning which, by offering a non-perishable product, saved the grower from the day to day fluctuations of the fresh fruit market. By these methods, growers, acting in concert, were able to improve their cash income.

While rapid advance was being made in farm development both in expanded acreage, improved crops and produce, and better marketing facilities, most rural municipalities adopted a policy of giving every encouragement to farm improvement. As a general rule, assessed value of farms was low in the first instance, largely because the land was non-producing, was not increased in any way commensurate with the increased productivity and increased value of the farm from improvements; some municipalities went so far as to have a lower tax rate on improved land than on wild land in order to encourage development.

The relative relationship between Oriental and White growers in the berry growing industry in 1934 was as follows:

For example, in the Municipality of Maple Ridge, in 1942, the general tax rate on improved land was 16 mills, while on wild land the rate was 30 mills.

TABLE VII ORIENTAL AND WHITE GROWERS IN THE BERRY GROWING INDUSTRY 1934

	Per Cent of Total No.	Per Cent of Total Acreage
Oriental Growers	22 p.c.	45.4 p.c.
White Growers	78 p.c.	54.6 p.c.

Source: Young, Reid and Carrothers, *ibid* p. 237

Further information on the Orientals in the berry growing industry from 1920 to 1934 is given in the table below:

TABLE VIII ORIENTALS IN THE SMALL FRUITS (BERRY) INDUSTRY IN BRITISH COLUMBIA 1920-1934

Year	No. of Oriental Growers	Per Cent of Total Growers	No. of Acres	Per Cent of Total Acreage
1920	234	20	970	29
1922	335	14	1,560	25
1924	366	15	1,465	23
1926	344	15	1,410	27
1928	581	22	1,955	34
1930	441	22	1,757	36
1932	463	22	1,902	37
1934	571	22	2,794	45

Source: British Columbia Department of Agriculture, Horticulture Branch from Young, Reid, Carrothers, *ibid* p. 270

The following table gives the acreage and percentages of various types of small fruits grown in the Fraser Valley in 1934.

TABLE IX ORIENTALS IN THE SMALL FRUITS (BERRY) INDUSTRY
IN THE FRASER VALLEY 1934

Kind of Berry	Acreage			Percentage by Orientals Of Total Berry Acreage	Orientals Of Kind of Berry
	Total	White	Oriental		
Strawberries	2,103	392	1,711	38.6	80
Raspberries	1,037	556	481	10.8	47
Blackberries	134	47	87	1.9	65
Loganberries	333	221	112	2.5	34
Red Currant	29	22	6	0.14	20
Black Currant	166	120	46	1.04	27
Gooseberries	93	47	45	1.02	50
Rhubarb	533	235	297	6.7	56

Total Oriental Acreage 2,787 acres
Grand total acreage 4,429 acres
Per Cent by Oriental Growers 63 per cent

Source: B.C. Department of Agriculture, Horticulture Branch,
from Young, Reid and Carrothers, *ibid* p.270

While persons classed as Orientals in the tables above were almost entirely Japanese growers, the same does not apply to the statistics on the green house industry. In the ten year period prior to 1941, however, considerable expansion was undertaken by Japanese green house growers.

Some measure of the general trend of increased Japanese operations can be gained from the statistics of the industry to 1935.

TABLE X ORIENTAL AND WHITE GROWERS IN THE BRITISH COLUMBIA GREEN HOUSE INDUSTRY 1923 and 1935

	Percentage by No's.		Percentage by Area	
	White	Oriental	White	Oriental
1923	90.8	9.2	71.3	28.7
1935	66.4	33.6	48.9	51.1

Source: Young, Reid and Carrothers, *ibid* p. 237

In the period, 1923 to 1935, White growers increased their glass area by 40 per cent against an increase by Oriental growers of 77 per cent. Although full statistical data for the period 1935 to 1942 are not available, from general observation Japanese expansion in the green house industry was greater then than in the previous period. The same condition applied to agriculture generally, when as indicated, a larger number of children were reaching school and working age. The special nature of the population distribution acted as a strong influence and at times was a

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The above statistical tables giving information on economic development in all phases of commerce, industry and agriculture are no more than illustrative of the early period to 1934. The depression conditions of that time improved gradually at first and with the years approaching the war improved with accelerating force until 1941 and 1942 when prospects for further economic expansion were not questioned.

decisive factor in many Japanese families deciding to go into agriculture. Following from this overall expansion of agricultural holdings on the part of persons well-established in the industry and the relative newcomers in berry growing, green houses operations, poultry raising and the few in dairying, economic losses by persons in this industry were substantial.

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PART II: GOVERNMENT POLICY IN REGARD TO PROPERTY

A Department of Labour Report on Japanese Affairs of August, 1944 (page 5), states that the removal program was originally intended for enemy aliens only but was later extended to include all persons of Japanese ancestry. Government policy, as first announced in January, 1942, stated that male enemy aliens between ages of 18 and 45 years would be ordered out of the protected area to road camps and Canadians by birth would be expected to enlist in the Construction Corps to be organized. The re-registration ordered on December 16, 1941, by Order in Council 9760, was both for purposes of civil security and "in order to deprive persons hostile to the Japanese, of a constant and effective ground for complaint." The Special Committee on Orientals in British Columbia had previously recommended the suppression

of public statements arousing antagonism against the Japanese in British Columbia as an integral part of civil security and national defence. The report of the committee also stated that popular fears would be greatly allayed by an official statement that adequate precautions had been taken and would be continued against any dangerous elements in British Columbia. The Japanese were the victims of discrimination and the seriousness of the situation lay in a possible attack on the Japanese, the report claimed.

On February 5, 1942, a Government Notice issued by the Minister of Justice ordered all male enemy aliens of ages 18 to 45 years to leave the protected area, designated previously by order of the Minister of National Defence on January 29, 1942, prior to April 1, 1942. No enemy alien while in the protected area was to have in his possession a camera, radio transmitter, radio short wave receiving set, firearm, ammunition or explosive.

Regardless of the statement of policy and program by the Government, organized pressures from some sections of the general population resulted in a drastic change of official policy and under Order in Council P.C. 1486 of February 24, 1942, all persons of Japanese ancestry were ordered to leave the protected area. On February 26th,

articles on the prohibited list for enemy aliens were extended to citizens, and on the same date Government Notice ordered as follows:

- (a) Curfew from sunset to sunrise;
- (b) Addition of automobiles to the prohibited list, and extension of all articles to citizens as well;
- (c) Every person of the Japanese race was ordered to leave the protected area forthwith.

At the outbreak of war with Japan some forty Japanese nationals were detained under the Defence of Canada Regulations on what appeared to be a basis of representative geographical selection. Within eleven months most of these persons were cleared and released, and some were even repatriated to Japan. With assets frozen by the Custodian of Enemy Property, families of interned men suffered hardship for a considerable period until ameliorating arrangements were made.

A ban was placed on the Japanese language press immediately ^{The Pacific} ~~was~~ ^{begun}; for a number of months, consequently, no means of public communication was available in the Japanese language. This obstacle to rapid and free communication was a factor in increasing the fears, anxieties, panic and confusion of the Japanese during the removal period.

The absence of authentic information caused the Japanese in many parts of the province to subsist in the intervening months on rumour and hearsay, and the general pessimistic outlook made them expect the worst which was often fantastic when viewed in the calm and security of retrospect.

On December 16, 1941, Order in Council P.C. 9761 ordered that:

1. No person of Japanese race was to use or operate a vessel on the West Coast without a Royal Canadian Mounted Police Permit;
2. Any vessel operated by such person without authority may be seized and detained by certain specified public officials.

Following from this policy of prohibiting the operation of vessels came the impounding and disposal of all vessels at substantial economic loss to the owners.

ROAD CAMPS AND FOREST MOVEMENT

As previously stated the protected area was designated on January 29, 1942, and on February 5, 1942, Japanese nationals of 18 to 45 years were ordered to leave the area by April 1. On February 24 the exclusion order was revised and extended to order out all persons of Japanese ancestry forthwith. In the interval, under Order in Council P.C. 1271 of February 17, 1942, a Construction Corps was authorized for Canadian born persons; however, this aspect of the program was not carried out. Following the exclusion order for Japanese

nationals on February 5, two weeks later work camps were authorized on February 19, 1942 -- a week prior to the total exclusion order -- under Order in Council P.C. 1348.

Except for the property of interned persons which came under Regulations Respecting Trading with the Enemy, 1939, no public agency was available at this stage for the protection of Japanese property, other than fishing vessels. When men were ordered to leave for road camps no provision was ready to care for their property. It was not until March 4, 1942, when the Custodian of Enemy Alien Property was given jurisdiction under Order in Council P.C. 1665. This official, however, for the first several months provided no physical facilities and confined his activities to receiving reports on property from Japanese persons as they were transported from the protected area. No advice was forthcoming as to public facilities and no central storage depots were provided. Because statements had been made that baggage was restricted to 150 pounds per adult and 75 pounds per child, although in actual practice more was permitted, ^{most of the} ~~considerable~~ property and belongings were left behind in homes. It had also been stated that freight and any amount in excess of the allowance would be a charge to the owner.

For a large number of persons from areas outside the City of Vancouver, the removal had two stages: the first was from their homes to Hastings Park Clearing Station, and the second from the Park to Interior British Columbia. Particularly significant are the removal orders of the first stage when persons were ordered from the outlying areas of British Columbia and because of the precipitate nature of the evacuation, in the absence of public facilities they lost a large portion of their household goods and the equipment for their occupation. For example, a former resident of Hyde Creek could do nothing with his household and real property because he was given only two hours notice to vacate. Persons in Cumberland were given a week's notice to move to Hastings Park, and were told that one suitcase and one clothesbag were the only baggage allowed. A person with a rooming house was ordered to a road camp on March 29, 1942; when he refused to leave before settling his business matters, he was interned. A person from Nanaimo reports that he was ordered to Vancouver on twelve hours notice, but because this was physically impossible, he was given two days. During the interval when he was packing his belongings, a soldier followed his every movement. The only baggage he was allowed amounted to two suitcases and one clothesbag.

On March 27, 1942, a New Westminster family was given twenty-four hours notice to leave the protected area. The father and eldest son of the family were already at a road camp, consequently they experienced considerable difficulty in packing. When they reached Kaslo they were put in a room twelve feet square which they shared with another family. The room had a total of twelve occupants. Furthermore, they were denied financial assistance for four months and were forced to use their meagre savings until literally destitute, when they were given relief.

After reaching Kaslo a Steveston person sent for his household chattels. When he opened the crates he found that all valuable articles had been stolen. His family at first shared a small room with two other families where they had no space to store their belongings. This family was later moved to another building where the only cooking facilities for eleven families was one small stove. Overcrowded conditions and poor facilities have been contributing factor in high loss.

A person from Georgetown near Prince Rupert states that he was evacuated on very short notice and was allowed 170 pounds baggage made up entirely of items such as blankets and things for personal use which he placed in one suitcase

and one clothesbag. He asked to be permitted to take his trunk with him but this was refused. After he reached Hastings Park on April 4, 1942, he asked that his trunk and remaining baggage be shipped to him. Months later in Slocan he received the trunk and three boxes but when the boxes were opened it was discovered that they were empty and the contents had been stolen.

A person from Qualicum Beach reports that on March 17, 1942, at nine o'clock in the morning he was ordered to take his family out of the area on the train leaving at eleven thirty o'clock. Because this was impossible he pleaded for an extension of twenty-four hours, which was permitted. He was able to take only his bedding with him. During the twenty-four hour period he disposed of his household goods by selling, and otherwise, as best he could at very great loss.

Another person from Qualicum Beach describes the conditions under which he surrendered his automobile in March of 1942. He was ordered on March 11 to deliver his automobile to a representative of the Custodian with the understanding that he would be re-imbursed for all expenses connected therewith. About noon the next day he joined a convoy of Japanese automobiles from Dumberland enroute to Victoria.

It reached Victoria about five o'clock that afternoon whereupon registration took until ten o'clock that night. All gasoline and oil was bought by the owner and no reimbursement was made. Further complications arose because of the curfew. He had to take a taxi to the hotel, and also had to meet all expenses. The following day when he went to buy his railway ticket it was refused at first, but eventually managed to get it after much delay.

Cases such as the above were typical, and similar conditions were experienced by the Japanese in their movement from their homes and later again when they reached the interior towns. The economic loss arising from such conditions has affected all the Japanese. Men ordered to road camps, both before and after the Custodian was placed in charge of Japanese property on March 4, 1942, had no facilities for storing their belongings. The minimum amount of baggage, which they were allowed, consisted only of bare essentials for physical survival, such as blankets, heavy work clothing, boots, etc.; their other belongings had to be left with their families or stored with friends. Persons interned were able to take even fewer things with them: usually the clothes they wore, a towel and a toothbrush;

forced upon it a civilian undertaking of such magnitude and complexity that they were not able to find personnel capable of realizing all the program entailed. It failed to formulate policies and procedures adequate to cope with the problems as they arose; as a consequence, there was unnecessary suffering and hardship on the part of the people and the loss of economic resources on a large scale.

There had been no previous preparation by the Custodian to include the administration of Japanese property within his organization. The first instructions given the Custodian under Orders in Council P.C. 1665 of March 4 and P.C. 2483 of March 27, 1942, was to undertake protective measures which were limited to management and control. The first sign that the removal had assumed permanent aspects came with Order in Council P.C. 5523, on June 29, 1942, whereunder "protection only" was abandoned and powers of disposition by "sale, lease, or otherwise" of agricultural land was authorized, and again by P.C. 469 of January 19, 1943, when such powers were extended to all Japanese property within protected areas.

Further evidence of the temporary nature of the evacuation program is given in the provisions of P.C. 3213 of April 21, 1943, whereupon the recommendation of the Minister of Justice, the British Columbia Security Commission was

empowered to enter agreements with the Government of any province relative to temporary placement of persons of Japanese race for the duration of the war, and with the understanding that such persons were to be removed upon the termination of the state of war.

Even as recent as July, 1944, during the course of the debate on a section of the War Services Electors Bill, which deprived certain Japanese Canadians of the franchise for the war period, the Prime Minister in the House of Commons stated that the franchise was denied because the Japanese Canadians were moved as a temporary measure and were to be returned at the end of the war.

From these official statements, the removal would have to be viewed as an undertaking similar to the evacuation of civilians from other war zones and it would not be unreasonable to expect that evacuated persons would be permitted to return to their homes as soon as permitted by military exigency. For this reason, persons spent the short time available storing their personal property, often without crating, in their attics, basements, rooms, barns, etc., and in some instance did no more than lock the windows and doors as they left. Where quarters were

*Part of the loss of the
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left with them*

rented, persons without storage space often had to resort to quick sales or to leaving their goods in community halls, temples, churches, and schools. Because proper public facilities were not provided, and because they had to resort to makeshift arrangements for storing possessions, the change in policy from temporary removal to permanent resettlement has made a very high percentage of loss inevitable.

EVACUATION PROGRAM GAVE OPPORTUNITY FOR ECONOMIC PROFITEERING

Where occupations had both White and Japanese persons, unfortunately a division on racial lines was promoted as a matter of historical tradition and each group eyed the other as competitor. This was the case in fishing, small fruit growing, and in the small retail trades. It was clearly evident to White groups that a competitive advantage could be gained by making use of war hysteria to eliminate the Japanese entirely from certain occupations. They would benefit from *higher prices* reduced supply *caused by* the removal of the Japanese from the industry and *the* steadily increasing demand for products and services from improved economic condition, *which* *allowing* together would effect higher prices.

The result of

During the summer 1942 and 1943, certain White persons who had taken over Japanese berry farms for the season on

short leases or purchase organized the Berry Growers Protective Association and applied to the Government for a subsidy at a time when berry prices were the highest since the first World War. This is an example of the attitude of some sections of the general population at that time; not content with reaping the benefit from the toil of Japanese berry farmers they wanted to live off the general taxpayer as well. In other fields, reports are current that many articles were pilfered from fishing vessels while impounded. Skiffs and life-boats were stolen, net houses were broken into and nets, gear and equipment stolen or damaged. ~~X~~ Automobiles left at designated points were stripped of tools and even inner tubes and tires were replaced *by* those of poorer quality.

Under these circumstances, when goods were sold at public auction, buyer knowing that Japanese goods would be sold at low prices without reserve would refrain from normal competitive bidding. In addition, with such large sales, being in total the entire possessions of ~~2,000~~ ^{3,000} people, and without instructions from owners as to minimum prices, and with fees paid on a percentage basis, auctioneers would be ^{more} inclined to go after a high volume of sales than a fair price for individual items.

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The Custodian's policy to liquidate the holdings of persons of Japanese ancestry without reserve by public auction methods eliminated any possibility of the conditions required for a fair market value being applied. By no interpretation could the seller be classed as a willing seller; moreover, the sales being part of government policy of liquidation were, in effect, compulsory and were to be carried out regardless of price. The only willing person under the circumstances was the buyer who saw that all material conditions were fully weighted in his favour and he was in a position to take full advantage of them. Under the circumstances normal competitive bidding would be discouraged, and sales would be completed at abnormally low prices. The sale price by the Custodian could not, therefore, be regarded as the fair market price.

~~The Custodian's policy to liquidate without reserve by public auction methods the holdings of persons of Japanese ancestry eliminated any possibility of enforcing the conditions of a willing seller, a willing buyer, with neither under any compulsion to~~

It is apparent that under the foregoing conditions, Government policy in management and disposal of property did not give adequate and sufficient protection to the owner's interests. The primary function of a custodian is to conserve the assets of the owner, ^{in this case} and it may be stated that this first function due to circumstances was not successfully fulfilled. Aside from property sold directly by owners prior to the establishing of the Custodian's office, much property which should have been the responsibility of the Custodian was not adequately protected. In regard to house held goods and moveable property left in the homes before and after the Custodian assumed responsibility, insufficient protection was the cause of large quantities of valuable possessions being lost. In the sale of automobiles, unnecessary depreciation resulted from mishandling and lack of proper care. In addition, sale by auction under conditions of forced liquidation resulted in low-bidding and low prices. Boats and gear, in addition to suffering from dishonest practices, also received similar treatment in sales. Real property, businesses and equipment suffered a similar fate for the same reasons.

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Some of the most serious examples of property loss and destruction are recorded in the reports of the auditors of the Custodian. Having been brought to the attention of the House of Commons by Donald Fleming, Member of Parliament for Eglinton on April 14, 1947, They are now a matter of public record. The Proceedings of the Public Accounts Committee, May 8 to June 26, 1947 furnish further information on economic loss.

Auditors for the Custodian, P. S. Ross and Sons, in their report of October 20, 1943, state:

"We understand that many requests have been received from evacuees to have shipped to them at their present address certain articles which, in some cases, have necessitated the unpacking of a carton or other container in order to locate the particular thing or things requested. We were also informed that storage places have on a number of occasions been broken into and containers ransacked, and as a result the belongings of one evacuee mixed with those of another, thus destroying means of identification of ownership with the office records....."

Mr. Mathieu, assistant deputy custodian states in his report of January 15, 1947. (page 39):

"It is also true that a certain type of citizen considered the abandoned homes of evacuees an opportunity to engage in theft and vandalism which were in evidence in many cases before our fieldmen or agents had an opportunity of taking charge.

"Even in the better class districts this was in evidence and perhaps an outstanding example may be given in connection with the property owned by the former Japanese consul in the Shaughnessy district of Vancouver. This house was under the control of the protective powers until the capitulation of Japan.

"At the time the property was handed over to us in December, 1945, Mr. K. W. Wright, counsel to the custodian, and Mr. F. G. Shears, director of our Vancouver office, inspected these premises with Mr. Baeschlin, representing the Swiss government. Every piece of plumbing had been removed, light fixtures and switches had been disconnected and taken away and even leaded glass doors and windows had been taken from their frames and were missing. This had occurred in one of the best districts of Vancouver and according to representatives of both the Spanish and Swiss authorities, the house had been broken into time after time even although it was boarded up after each depredation.

"Our own experience in regard to buildings which had been used for storage was somewhat similar to that of the Japanese consul's house. Breakings-in were frequent, entrance being made in some cases by the use of fire escapes, through windows which were boarded up or covered with a grill or through basement doors.

"It may be of interest to record that a building on East Hastings Street, registered in the name of a Japanese association and which certain Japanese had filled with chattels, was left by them in the care of Messrs. Norris and McLennan. Upon request for the shipment, through the Security Commission, of some of the contents of this building, we requested Mr. McLennan to accompany one of our staff to the building for the purpose of selecting the goods required for shipment. Finding it impossible to open the front door, access was made through a rear entrance when it was discovered that thieves had entered by the front door and had then barred it from the inside with planks. The place had been ransacked, lids of boxes torn off and the entire contents scattered over the floor. ..."

The above quotation^s are given at length to show that the material losses of the Japanese were considerable, and under the terms of reference of the Royal Commission the total in claims will be sizeable.

It was partly as a result of the above information to Members of Parliament that the whole matter was referred to the Public Accounts Committee which undertook a thorough investigation of the terms under which Fraser Valley farm lands were sold to the Veterans Land Administration, Agricultural lands were evaluated following Order in Council P.C. 5523 of June 29, 1942, at \$911,156, and sold for \$893,390 in the face of assessed values which totalled \$1,250,000. As a general practice in this area, assessed value is a determination selected for taxation purposes, in some cases below original cost and certainly far below market value. Although this was a general policy in most municipalities the Veterans Land appraisals were 2 per cent above, and assessed value was as much as 40 per cent above sale price.

Proceedings of the Public Accounts Committee, May 12, 1947, at page 114, show that the spot valuations of the Advisory Committee to the Custodian of May, 1943, compared

with assessed value and Soldier Settlement valuations for seventeen properties, as follows:

Soldier Settlement valuation	\$28,232
Assessed value	\$31,119
Advisory Committee valuation	\$43,100

Advisory Committee valuations for the seventeen properties in this instance were 39 per cent above assessed value and 53 per cent above Soldier Settlement valuation. This will indicate that Soldier Settlement valuations were far too low.

On page 115 of the Proceedings, a list of forty-three properties withdrawn from the Veterans Land Administration offer until matters of title were cleared, and subsequently advertised and sold by the Custodian, is given as follows:

Veterans Land Administration appraisal	\$39,591
Veterans Land Administration offer	\$38,876
Custodian appraisal	\$73,312
Custodian sale price	\$82,183.50

It should be noted that the Custodian appraisal was 90 per cent and sale price was 112 per cent above the offer made by the Veterans Land Administration. This would

Even in the case cited above, there is no indication that the \$82,000 total figure, the selling price of the Custodian, was the fair market price. It is re-emphasized that the surrounding ~~circumstances to which~~ these cases ~~along with all others, were subject~~ would encourage low-bidding. Compulsory sales over the protest of owners would allow buyers to withhold high offers and yet acquire the desired property.

Sales of this type are unprecedented; there was no recourse to arbitration, nor appeal to the courts as provided under the War Measures Act in cases of expropriation by the Crown. Furthermore, conveyances were completed although the owner still held the original, though cancelled, certificate of title.

indicate further that the Veterans Land Administration transaction was not opened on the basis of free trading and fair market price. Therefore, prices received from the sale of these farm lands should be examined with this condition in mind.

Furthermore, when the final offer from the Veterans Land Administration was lower than appraised value, all amounts were uniformly scaled down without attention to individual cases. In view of this administrative action it cannot be stated that either the Advisory Committee to the Custodian, or the Custodian, had proceeded in the sale with a view to getting the owners a fair market price when entertaining offers from the Veterans Land Administration. Accruing losses to Japanese owners would, therefore, be substantial and legitimate claims before the Commissioner will be for sizeable amounts.

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PART III: VALUATION OF REAL AND PERSONAL PROPERTY FOR THE ESTABLISHMENT OF JAPANESE CLAIMS UNDER ORDERS-IN-COUNCIL 1810 and 3737

EVALUATION OF PROPERTY

Under Order in Council P.C. 3737, dated September 17,

1947, the amount of claim is stated to be the difference between the "fair market value" of the property at time of sale or disappearance and the amount received by the claimant. It is important to note that it is the amount received by the claimant, not by the Custodian, which is to be considered. This would appear to enable claimants to recover losses resulting from fees and charges deducted by the Custodian before remitting the proceeds of sales. The amount received by the claimant can no doubt be determined definitely in each case, so that the major problem in establishing claims involves the determination of "fair market value" at time of sale or disappearance.

The expression "fair market value" has a definite meaning in valuation cases which is generally taken as being "the amount in money which a willing buyer would pay to a willing seller, both having reasonable knowledge of the facts and neither being under any compulsion to trade". This definition clearly eliminates the proceeds of a forced sale as establishing fair market value, and indeed there are numerous court cases which have established this principle.

There are a number of different criteria of value, some applicable in some cases and not in others, which must be considered, and given their appropriate weight in arriving at a judgment of what is the fair market value in a particular case. These criteria include: original cost, reproduction cost, capitalization, potential or prospective earning capacity, with the numerous elements of value embraced in each of these broad concepts. Since the value is measured in dollars, the changes and trends in the general level of prices must also be considered.

The determination of value is an economic question wherein informed and competent judgment must be exercised. It is fundamental that all relevant factors must be considered and given due weight in arriving at the decision. In recent years, court decisions on valuation cases have tended to give increasing weight to prospective earning power. In this connection, the trend of earnings at the time of the valuation is obviously important. If the trend is downward, the effect of past earnings is weakened unless indications are present that the downward trend may be arrested or reversed; and on the other hand, when the trend is upward and

there are indications that this trend will continue, future prospects justify a much higher valuation than that based on capitalized past earnings.

In estimating prospective earnings, consideration must be given to possibilities arising from alternative uses of the property under valuation. This was clearly stated in a celebrated case in the United States many years ago:

"...what is the property worth in the market, viewed not merely with reference to the uses to which it is at the time applied but with reference to the uses to which it is plainly adapted; that is to say, what it is worth from its availability for valuable uses..."
(U. S. Supreme Court in *Boon Co. vs Patterson*,
98 U.S. 403, 408; 25 L. Ed. 206)

Thus the presentation of evidence on "fair market value" is much more than a legal problem. It is much more than the result of a strict engineering or accounting compilation. It is an economic project of broad scope, which involves the marshalling of all relevant facts plus the expression of informed opinion thereon.

What this means for the present purpose may be summarized thus:

1. The Royal Commission should entertain as evidence of value a study of all the relevant facts and expert opinion there on,

2. The presentation of the evidence on fair market value should include all possible approaches, including a study of prospective earnings from alternative uses of the property.

VALUATION METHODS

To this end, a number of different approaches and specific factors to be considered are outlined for different classes of property. The outline, of course, is not intended to be all-inclusive or definitive, but merely illustrative.

(a) Urban Real Estate - Land

1. sales realization from adjacent parcels sold freely around the same time
2. assessed value of specific parcel adjusted by average relation of assessed value to sale price for comparable parcels in same or comparable locality
3. earning value assuming parcel to be developed to highest usefulness possible in its location
4. if the land is occupied by old buildings than present earnings are not a good criterion of probable future earnings when the old buildings are replaced with modern structures, perhaps designed for more appropriate uses from the point of view of the land location.
5. trend of market value of adjacent land as a reflection of environment factors on probable future earnings

(b) Urban Real Estate - Buildings

1. assessed value of buildings adjusted by average relation of assessed value to sale price of comparable buildings in same or comparable locality

2. original cost and reproduction cost of building including all overheads
3. earning value based on past experience and prospects
4. evaluation of other pertinent factors such as exceptionally favourable leases, working capital employed in administration of building, nearby developments which enhance the value, etc.

(c) Farms

1. general level of farm values from recent sales records of comparable farms in same locality
2. original cost and reproduction cost of buildings and other fixed improvements.
3. since a farm is both a productive unit and a home, a number of special factors must be given careful consideration in each individual case: e.g.,
 - a. kind of crops that can be grown on the soil advantageously
 - b. extent to which fertility of the soil has been depleted or built up
 - c. character of road system serving the farm
 - d. accessibility of markets for each possible crop
 - e. annual rainfall or source and cost of irrigation water
 - f. nature and abundance of water for stock and domestic use
 - g. adequacy of natural and artificial drainage
 - h. character and adequacy of fences

- i. accessibility or approach of rural electric lines
- j. aesthetic setting of the farm home
- k. annual tax rate
- l. social character of the neighbourhood
- m. educational facilities available
- n. alternative uses to which all or part of the farm could be put
- o. possibility of future revenue producing developments of importance, such as site of waterfront development, highway, power-line, tourist resort, etc.

(d) Business Enterprise

1. original cost and replacement cost of physical assets (buildings, machinery, equipment and land)
2. historical and reproduction preliminary-expense value: This includes the fair capital allowance for the necessary expenses incurred in the organization and promotion of the enterprise.
3. going-concern value: This is the element of value in an assembled and established plant doing business and earning money, over one not thus advanced. The value element is the present worth of the near-future earnings of the going plant during the period required to duplicate the enterprise and get it into operation.
(There are a number of U. S. Supreme Court decisions in favour of this theory, for example, Los Angeles Gas & Electric Corp. vs Railroad Commission of California et al., 53 U. S. Sup. Ct. Rep. 637)
4. goodwill value: This is something different from going-concern value. It was succinctly stated by Lord Eldon in 1810 as the probability that the

old customers will resort to the old place". The unit of measurement of goodwill value is one-year's purchase of the excess of the profits of the business over reasonable interest on the fair value of the property. The number of years by which the unit value is multiplied in individual cases depends on the kind of business involved.

5. other intangibles: These may include favourable leases, contracts, options, trade secrets, trade names, patent rights, copyrights, etc. where they are present. They should definitely be considered in arriving at the estimated fair market value.

(e) Fishing Vessels and Gear

About the same list of possible elements of value exist as noted above for other business enterprises. In addition, a factor of great importance in 1942-43 was the practical impossibility of replacing these physical assets under the existing conditions of very short supply.

(f) Automobiles, Radios, Cameras, Firearms

1. replacement cost
2. W.P.T.B. price ceilings

(g) Household Chattels and Other Personal Property

1. replacement cost
2. intrinsic and sentimental value not replaceable

The elements to be given the most weight in particular circumstances, of course, cannot be set forth schematically. The above outline is intended simply to illustrate some of the valuation methods applicable in different classes of property.

CONCLUSION

This brief has discussed the material conditions which affected Japanese Canadian property, now, the subject of claims before the Commissioner. In its three parts the brief has shown that the following conditions apply:

(a) The Japanese migration to Canada began long before the turn of the last century and the new immigrants quickly became established in the important primary product industries of the British Columbia Coastal area. Because of repeated legislative measures to bar them from certain occupations and because of persistent white agitation, in an effort to become economically self-sufficient they entered agriculture, fishing, lumbering, and commercial and service ventures on their own account. In these undertakings by unrelenting toil and frugal living they enjoyed a reasonable measure of success and during the fifty year period had built up substantial economic resources.

Although the earliest Japanese immigrants were almost entirely adult males who were brought into the country to meet the large demand for worker to develop the natural resources of the vast hinterland, women arrived shortly thereafter and a balanced population distribution was the result. Homes were established and the often migratory worker accumulated material resources and undertook a more sedentary

type of livelihood. With few exceptions he settled in the area contiguous to the coastal region. In 1941, of the 23,000 Japanese in Canada, approximately 21,000 persons were resident in this coastal area. The removal orders in 1942, therefore, affected more than 80 per cent of the Japanese in Canada.

Because of the time sequence then immigration, by 1941 and 1942 the first generation Japanese was entering old age and his Canadian-born children were reaching maturity in large numbers. Family income in the years immediately prior to removal increased rapidly from two factors: first, larger number of workers per family, and second, generally improved economic conditions. Surplus income resulting therefrom was spent on durable consumer goods such as home furnishings, radios, electrical appliances, automobiles and other chattels, and capital goods such as improved housing, farm equipment, boats and gear.

(b) The removal of persons of Japanese ancestry was forced upon a dilatory Government and a confused and anxious people by certain irresponsible and well organized pressure groups. The Government, after thorough study of the whole matter by its Standing Committee on Oriental Affairs, has contemplated a program only for the removal of every aliens

of ages 18 to 45 year. As a consequence it was not prepared to look after the total real and personal property of 21,000 residents. When it was initiated, the removal was not understood ^{to be a} permanent movement; ^{for this reason} neither the Japanese people nor the Government ^{realized that} ~~were disposed to~~ ^{were necessary} taking ~~all~~ ^{extensive} precautions for the protection and preservation of real and personal property. Furthermore, the very short and inadequate notice given many persons was a contributing factor to high percentage of loss.

With no storage facilities in the vicinity of their homes, and with restrictions on baggage, a large percentage of personal property was stored under makeshift arrangements. Possessions could not be taken to Hastings Park Clearing Station, to interior towns, sugar beet farms, road camps, not to internment camps, but had to be left behind to an indefinite future, much of this material was stolen or lost.

The removal of the Japanese was in some measure promoted for reasons of economic profit. Competitors of the Japanese in various occupations seized upon the war situation as an opportune time to eliminate them from the industry and to reap the benefits. A certain class of citizen treated the possessions of the Japanese as free property to be picked up at random or destroyed at will. When the remaining property

was sold at public auction, conditions of free trading did not apply. Because it was known that liquidation would be effected without reserve bidding was not competitive. Furthermore, auctioneers, working on a commission basis, and acting without instruction on minimum price, would go after a high volume of sales rather than a satisfactory price for individual items.

Reports of the auditors for the Custodian and the report of the assistant deputy custodian state that theft and vandalism of Japanese Canadian property were not an uncommon occurrence in the city of Vancouver. It may be assumed that real and personal property in the outlying areas and in the Fraser Valley with less police protection would be subject to even greater destruction and theft. The Proceedings of the Public Accounts Committee contain information which show that the Fraser Valley farm lands transaction between the Custodian and the Veterans Land Administration was not on a basis of "fair market value" but, on the part of the Veterans Administration, an attempt to get a good thing for as little as possible and, on the part of the Custodian, a desire to be divested of a heavy responsibility with little thought to price.

(c) Under Order in Council P.C. 3737, dated September 17, 1947, the amount of claim is stated to be the difference between the "fair market value" of the property at time of sale or disappearance and the amount received by the claimant. It is important to note that it is the amount that is received by the claimant, not by the Custodian, which is to be considered.

"Fair market value" is generally taken as being "the amount in money which a willing buyer would pay to a willing seller, both having reasonable knowledge of the facts and neither being under any compulsion to trade."

The determination of value is an economic question wherein informed and competent judgment must be exercised. All relevant factors, including prospective earning power, must be considered and different approaches must be used for various classes of property. It is more than a legal problem, more than a strict engineering or accounting compilation; it is an economic project of broad scope which involves the marshalling of all relevant facts plus the expression of informed opinion thereon.

Respectfully submitted,

Roger Obata, President

George Tanaka, Executive Secretary
Japanese Canadian Citizens Association
84 Gerrard Street East, Toronto

Kunio Hidaka, Consultant
61 Avenue Road, Toronto.