

*H. Shears*

SESSION 1947  
HOUSE OF COMMONS

*Work Done 27/4*

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STANDING COMMITTEE

ON

# PUBLIC ACCOUNTS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

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FRIDAY, MAY 30 1947

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WITNESSES:

Hon. C. W. G. Gibson, Secretary of State and Custodian of Enemy Property;

Dr. E. H. Coleman, C.M.G., K.C., Deputy Custodian of Enemy Property,  
and Mr. K. W. Wright, Counsel.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY



## MINUTES OF PROCEEDINGS

FRIDAY, May 30, 1947.

The Standing Committee on Public Accounts met at 11.30 o'clock a.m., the Vice-Chairman, Mr. Gordon B. Isnor, presiding.

*Members present:* Messrs. Boucher, Burton, Case, Cote (*Verdun*), Cloutier, Dechene, Diefenbaker, Fleming, Gibson (*Comox-Alberni*), Gladstone, Golding, Homuth, Isnor, Jaenicke, Kirk, Picard, Pinard, Probe, Raymond (*Wright*), Rinfret, Smith (*Calgary West*), Stewart (*Winnipeg North*), Warren, Winkler.

*In attendance:* Hon. C. W. G. Gibson, Secretary of State and Custodian of Enemy Property, Dr. E. H. Coleman, C.M.G., K.C., Deputy Custodian of Enemy Property, and Mr. K. W. Wright, Counsel.

The Committee proceeded to an investigation of the administration of the property of illegal organizations.

Dr. Coleman was recalled.

The Vice-Chairman reported that an interim report respecting the administration of the Vancouver office of the Custodian was being drafted by the Steering Committee for submission to the Committee.

On motion of Mr. Homuth:

*Resolved*,—That the Steering Committee include in the proposed draft interim report a recommendation that the matter of losses sustained by Japanese evacuees as a result of the administration of their property by the Custodian be referred to a Royal Commission.

The Chairman, Mr. L. P. Picard, took the chair.

Mr. Smith explained that in the past he had acted on behalf of various interested parties and, by leave of the Committee, withdrew until the investigation into the administration of the property of illegal organizations is completed.

Dr. Coleman was heard and questioned.

Mr. Wright was called and questioned.

Mr. Wright filed a copy of his report to the Custodian respecting the property of The Workers' and Farmers' Publishing Association Limited, dated February 1, 1946.

At 1.05 o'clock p.m. the Committee adjourned until Tuesday, June 3, at 11.30 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,  
MAY 31, 1947.

The Standing Committee on Public Accounts met this day at 11.30 a.m. The Vice-Chairman, Mr. Gordon B. Isnor, presided.

The VICE-CHAIRMAN: Gentlemen, would you come to order.

You will recall that when the report of the steering committee was presented on May 8, it was suggested after having examined the officer in charge of the Vancouver office, Mr. Shears along with Doctor Coleman and others, that we should review the administration of property of illegal organizations.

Having completed the first item we now proceed to follow the recommendation of the steering committee by calling on Doctor Coleman. Before he begins, however, I wish to advise the committee that I got in touch with the secretary of state, Colonel Gibson, requesting that he be present today. He has advised me, in a letter just received, that he will be unable to be present at the early part of the meeting but he will be here later.

Mr. DIEFENBAKER: Mr. Chairman, before you pass on to the next phase there are a couple of matters which I wish to bring to your attention. The first phase, that is the phase dealing with the disposal of property of the Japanese, is not finally concluded because of the fact Mr. Murchison was to produce figures on the resale of the land or the properties of Canadians of Japanese origin. When that return is brought down by him and those questions answered I suggest that we should still have available to us the right to recall Mr. Murchison for the purpose of cross-examining him on that statement. Otherwise we would just have an ex-parte statement with respect to the matters which require clarification. They would be otherwise left unclarified.

Then there is another matter on which I would like to ask you a question. You recall that on the 14th of May the Right Hon. Mr. Mackenzie, the minister, stated in the House, that he was going to appear before the committee. "I intend, sir, to ask the standing committee on Public Accounts which is now investigating questions having to do with the administration of the custodian of alien enemy property, to subpoena George C. McCullagh, the editor of the *Toronto Globe and Mail*, to substantiate if he can," the facts set out in a certain editorial. I should like to ask, sir, whether or not the minister has asked you or the members of the steering committee for the opportunity of appearing before this committee and whether it is intended that he appear before the committee having regard to the statement. I would also like to ask whether, before this matter is terminated, it is intended to call Mr. McCullagh as the minister has stated.

Mr. GOLDING: The statement made in that editorial was retracted the next day.

Mr. DIEFENBAKER: I am not going to enter into that argument at all because, as I see it, the retraction was of no importance. There was a surplusage of words and I think three or four unnecessary words were withdrawn. The general purport of that editorial as I remember it, and I have not got it before, me was in effect not changed but, I am not entering into that argument.



I only mention it because my friend Mr. Golding brought it up. The questions I ask are: Is Mr. Murchison to be called after the figures on the sales of the properties by the Veterans' Land Act Department have been given? Has Mr. Mackenzie carried out his affirmed intention as expressed in the House?

Mr. FLEMING: Or threat?

Mr. DIEFENBAKER: I would not call it a threat, it was a statement of intention. I ask if he has expressed his desire or his intention to the steering committee or to you, sir, to have Mr. McCullagh brought before the committee?

The VICE-CHAIRMAN: In view of the fact that Mr. Diefenbaker has directed his remarks I think particularly to the chair, may I say in reply that it is my intention of course, to follow out the minutes and see that the report so prepared by Mr. Murchison is tabled for the benefit and information of the members of the committee. If, arising out of that report, the steering committee deems it necessary, or the members of this committee deem it necessary to recall Mr. Murchison it is quite within the authority of the committee. Dealing with the second question, as to the statement made by the Right Hon. Ian Mackenzie on the floor of the House, in respect to his remarks concerning an article contained in the *Globe and Mail* and his reference to Mr. McCullagh, we have taken no action to have Mr. McCullagh called before this committee. May I just express personally the thought, as I have done on previous occasions, that I can see no good purpose being brought about by the calling of Mr. Mackenzie or any other member before the committee to make statements of that kind when we have more important work to do.

Now, gentlemen, are you ready to proceed?

Mr. FLEMING: Just one point arising out of what Mr. Diefenbaker said that I think does require some clarification. I think that you used the expression this morning that we had concluded, or words to that effect, the first part of the work of the committee in reviewing the administration by the custodian of property of Japanese Canadians. I do not think that was what you intended to say, and it was brought out by Mr. Diefenbaker, because that matter is not concluded at all. The matter was discussed by the steering committee this week and it is clear that we still have some evidence to come in and the question will have to be considered as to whether it is appropriate to have a report at this stage before we go too far with other matters. The committee has a good deal more other work to do and it may be more convenient and practical to carry on with that work.

The VICE-CHAIRMAN: Shall we now hear from Doctor Coleman?  
Agreed.

**Dr. E. H. Coleman, K.C., recalled:**

The WITNESS: Mr. Chairman, in the report dated Jan. 15, 1947, there was a section dealing with the property of what were called illegal organizations. I have very little to put before the committee by way of oral testimony supplementary to that report. There is reference to a report of the advisory committee headed by His Honour, Judge McPhee. That reference is at page 67 of the so-called McPhee report which was placed on the table of the House of Commons on April 24, 1944.

The VICE-CHAIRMAN: Doctor Coleman, may I interrupt. The chairman of this committee who has been absent has now returned to Ottawa. Last evening I spoke to him in regard to taking over his duties as chairman and I said

I would be very pleased to have him do so at the next meeting. On thinking over the matter I feel in view of the fact that we are undertaking a new phase of the work this would be a proper time for him to assume his duties as chairman.

He is now present. I telephoned him this morning and advised him of my decision and he is here, I suppose to take over. In view of the change-over I wish to make a brief observation. I wish to thank the members as a whole for the very splendid cooperation which they have given to me as chairman. I particularly wish to thank the members of the steering committee. It has been an interesting and pleasant task to work with them and to work with you all. In fact it has been an education to me with respect to the material, evidence, and statements which have been placed before this committee and I think we have established somewhat of a record in dealing with such an important bill as bill 22, entitled "An Act to Continue the Devised Regulations respecting Trading with the Enemy". I refer to the brief time and to the full discussion which we have had in the committee and the short period which it took to pass it through the House.

I remember Mr. Golding complimenting certain members on the cooperation and help they had given. I would like to add my remarks to those of Mr. Golding with regard to the splendid work and assistance given to me by the legal members of this committee. In dealing with that bill I fully realized, as a layman, that I was unfamiliar with many phases dealing with the legal points. We have already had eleven meetings and we have covered the situation almost to a conclusion I think, insofar as the property of Japanese on the west coast is concerned. We are now entering another important phase of our work with regard to illegal organizations. I had hoped that a report might have been prepared, and I still feel it should be prepared, covering the first phase of this matter which your steering committee has under consideration at the present time. I do wish also to add my thanks to Doctor Coleman, Mr. Shears, and others who gave statements in such a very intelligent and broad manner. Gentlemen, I am now going to take the liberty of asking Mr. Picard to take over.

Mr. GOLDING: Mr. Chairman, before you leave the chair I would like to take this opportunity on behalf of all the members of the committee of expressing to you, sir, our appreciation for the manner in which you have conducted the business of this committee as chairman. I am sure you have tried to be fair to everybody in connection with the handling of the business that came before the committee and we appreciate your fairness in dealing with these matters and again I want to compliment many of the members who made what I considered to be splendid contributions to the work of this committee. I speak specifically with regard to our friend Don. Fleming, as far as the bill is concerned, but I can assure you we do appreciate the services which you have rendered to this committee in the absence of the regular chairman.

Mr. STEWART: I should like to ally myself with the remarks made by Mr. Golding. This is the third session that I have participated in a committee when you have been in the chair and you have always been very fair and very impartial in your dealings. We know, of course, that Mr. Picard will try to be as fair.

Mr. FLEMING: I would like very much to associate myself with the remarks that Mr. Golding has made. This committee has been a very pleasant committee to work in and I think you, Mr. Chairman, have set a tone here that has been appreciated by all members of the committee. I do not think, as far as the bill is concerned, that you need have said anything in a diffident tone about being a layman because you have conducted the business of the committee with what we all recognized as the utmost ability. I would like very much to be associated with the remarks concerning the fairness in which



you have conducted the committee. I think that meant much to the members of the committee who have had to undertake this very difficult task. I think it is worth noting that when you heard at the steering committee meeting on Tuesday afternoon that Mr. Picard was returning, and was going to assume the chairmanship of the committee, it was typical of your conscientiousness to indicate that you felt that in laying down the gavel of the committee you should gather up the threads of the work done by the committee and prepare a report. Then Mr. Picard, in taking over the chairmanship, would not have to assume responsibility for work that has been done to date in reviewing the administration by the custodian in handling the assets of persons of the Japanese race. I think Mr. Isnor, as vice-chairman, intends to continue with that work and again I say that it is a sign or a mark of the readiness with which he has given his service to the committee.

Mr. HOMUTH: Mr. Chairman, personally I would like to see you continue in the chair as far as the Japanese situation is concerned. In view of what Mr. Fleming has said, that you are preparing an interim report, I think this committee ought, while you are still in the chair, to make some recommendations with respect to the setting up a commission, a royal commission or whatever you wish to call it, to deal with those losses. I would therefore like to move that this committee recommend to the steering committee that motion be embodied in your interim report which you will submit as soon as possible to this committee. I will make that motion.

The VICE-CHAIRMAN: Gentlemen, you have heard the motion by Mr. Homuth and if I heard correctly Mr. Probe seconded it.

Mr. PROBE: Yes, I would second that.

The VICE-CHAIRMAN: It is seconded by Mr. Probe. The motion is that this be placed before the steering committee for consideration and if deemed advisable it should be included in the report.

May I say there was no intention of presenting a report without first placing before you a draft of that recommendation.

All in favour of the motion?

Carried.

May I just, before standing aside, thank the members and express my appreciation for their kind words respecting my endeavours to carry out the work.

Mr. Picard, chairman, took the chair.

The CHAIRMAN: Gentlemen, when I was notified that bill 22 was being referred to this committee, of which I had been voted chairman, I had to notify the Whip that I was in the United States undergoing treatments and regaining my health. I asked that a vice-chairman be selected and I said that I hoped to be able to return soon. On my return a few days ago I thought it would be proper for Mr. Isnor to carry on until there was a change of the subject matter before the committee. I have tried to read as much as I could of the evidence that has been given before the committee up to now. I see, by the unanimous approval of his work, that he has done a splendid job and I will have a hard time to keep up his tradition. However, with your cooperation and help I think the committee will be able to carry on its work.

Mr. FLEMING: May I just mention one point before Doctor Coleman goes further. I gather that Doctor Coleman was making a very brief report on the assumption that the contents of this report of January 15th had been read by the members of the committee. Now at an earlier meeting, Mr. Chairman, the question of having further copies of this report, of which I think there were only eight or nine at that time, was discussed. The copies of the report have

not been made generally available and for that reason I suggest that Doctor Coleman make a more extended statement, not assuming that the pages of this report dealing with the administration of property of illegal organizations have been read by the members of the committee. I think he ought to make a fuller statement than apparently he had expected to make.

The CHAIRMAN: I quite agree with that. The secretary of the committee tells me it has not been possible to have copies made for all members.

The WITNESS: I think probably I should say that the section dealing with the substantive part is not very long. Perhaps if I read that it would almost suffice. I had only begun by referring to the so-called McPhee report and I was about to state that by direction of the steering committee I have handed to the secretary of this committee fifty copies of that report in mimeographed form.

Mr. SMITH: Doctor, may I interrupt you for a moment. Mr. Chairman I am going to ask you to excuse me with respect to the discussion of this subject. The reason that I ask to be excused is that I acted on a commission which went through Canada on the matter. I acted in three cities in Alberta, Calgary, Lethbridge and Medicine Hat so I do not think that I should take any part of the proceedings. Will you excuse me?

The CHAIRMAN: Certainly. However, I might tell you Mr. Smith that I had the occasion to be the chairman of a subcommittee on which there was a gentleman who, for reasons like yours said that he wanted to withdraw. It was in connection with the war expenditures committee a year ago and we asked him to stay. He did stay and behaved very nicely and I am sure that the same situation would apply to you.

Mr. SMITH: That was very commendable of him, but if you will excuse me I would appreciate it.

The WITNESS: I will now put in the narrative. Shortly after the order in council was passed in June, 1940, declaring a number of societies and organizations to be illegal, the Custodian was asked if he would undertake the administration. The Department of Justice recommendation was made by the Minister of Justice appreciating that they did not have the machinery or facilities for administering the properties of these organizations scattered throughout Canada. It was not ordinarily within the scope of the custodian's department but at that particular time every agency and part of the government which was requested to undertake any job felt obliged to do so. The first difficulty was to obtain particulars, more especially of the real property owned by the various organizations which had been declared illegal. The officers and the chief officials of these organizations, having regard to the action taken in declaring them illegal, were perhaps not unnaturally apprehensive as to the result. Therefore it was exceedingly difficult to obtain information from any person or persons who would admit knowledge of the business affairs of the organization. What had happened apparently was that the police officers after the order had been passed had taken over the keys from whoever seemed to be the official in charge of a certain building at that time and no further members or officers of the illegal organizations came to the buildings. The task, therefore, of sorting out the information was an exceedingly laborious and extended one. It was not until on in 1940 that any comprehensive picture could be prepared. Mr. V. MacDonald, Dean of Dalhousie Law School who was called into our office, assisted in the tabulation of material as it was received and is preparing a preliminary report for the information of the custodian. As I said, it was not until the early autumn of 1940 that even this preliminary report could be completed. The file contained the name of each property or branch. These files, which I need hardly say are very voluminous, are open for examination by the committee or any representative of



the committee. I cannot bring them because they would fill the wider end of this room; but if any member of the committee wants to look at any particular file or branch we will gladly make it available.

After that preliminary report was made to the custodian we discovered that in relation to properties in some of the larger centres there were outstanding claims under mortgages; by the municipality for taxes and by other creditors. Many of these creditors realizing that the properties were under seizure were pressing for payment of their claims and the custodian had then to consider what course he might follow. In cases where it was possible to secure satisfactory tenants who would pay sufficient rent to cover the annual expenses he did not give any consideration to the question of sale. Unfortunately tenants prepared to pay adequate rent could not be secured at some of the major centres. Properties were located in some cases in districts of the city where there was little demand for that type of equipment. In a few cases there was reason to apprehend interference with the property; and there were accumulating taxes, charges by way of taxation, mortgages, fire insurance and other demands for payment of that description, so many of these were closed up, particularly during the Canadian winter of 1940. That was the great problem as to how they should be properly safeguarded, especially with respect to heating plant, and also with regard to securing fire insurance on unoccupied buildings of this type. During the summer of 1940 in quite a number of communities home guards were organized, and similar bodies of that nature, as members of the committee will recall; and in a number of cases they asked if they could not use these buildings as temporary headquarters. There were a few other small communities where there was no other hall available and Red Cross organizations, Boy Scouts and other patriotic societies applied for permission to enter and use them.

In the fall and winter of 1940 and 1941 the custodian found out that these charges were accumulating at a very rapid rate so he obtained reports from the agents as to the possibility of renting, and he did offer a number of properties for sale having had a report from the agents that they could not secure suitable tenants for them. In all cases I think without exception sales were made after extensive advertising and after making sure that a satisfactory tenant could not be obtained.

And now, in the report to which Mr. Fleming refers there is a list of the organizations declared illegal. I do not know whether I should read it, it is quite lengthy, on page 51 of the report.

P.C. 2363

dated June 4, 1940.

Exhibit "A"

The Auslands Organization of the National Sozialistische Deutsche Arbeiterpartei  
The Deutsche Arbeitsfront  
The Canadian Society for German Culture (Deutscher Bund fur Kanada)  
The National Unity Party  
Canadian Union of Fascists  
The Communist Party of Canada  
The Young Communist League of Canada  
The Canadian Labour Defence League  
The League for Peace and Democracy  
The Ukrainian Labour Farmer-Temple Association  
The Finnish Organization of Canada  
The Russian Workers and Farmers Club  
The Croatian Cultural Association

The Hungarian Workers Club  
The Polish People's Association  
The Canadian Ukrainian Youth Federation

P.C. 2527

dated June 12, 1940.

Exhibit "B"

Italian Fascio Abroad (Fasci Italiani All'Esteri)  
O.V.R.A. Opere Volontarie Repressione, Anti-Fascisto (National Organization for the Repression of Anti-Fascism)  
Dopolavoro (After Work Organization)  
Associazione Combattenti Italiana (Italian War Veterans' Association)  
O.G.I.E. Organizzazioni Giovanili Degli Italiani All'Esteri (Italian Youth Organization Abroad)  
The Italian United Moral Front (A combination of Italian and Italo-Canadian Societies in Montreal under control of the Canadian Fascio)

P.C. 2682

dated June 20, 1940,

Exhibit "C"

Technocracy Inc.

P.C. 2943

dated July 4, 1940.

Exhibit "D"

Jehovah's Witnesses

It was known that some of the organizations operated in restricted areas in one or two of the provinces and others were national in scope, it was also known that many of them were incorporated and it would be difficult to secure accurate information as to their holdings. An obvious prerequisite to administration was the ascertainment of the property holdings of these organizations and their financial situation generally.

The first step towards assuming effectual and actual control of these organizations was the appointment of eight trust companies and accounting firms to represent the custodian in the various provinces (one of them was appointed for two provinces i.e. Nova Scotia and Prince Edward Island).

Each of these firms was appointed controller and inspector (under regulations 17 and 7-8 of the Regulations *re* Trading with the Enemy) of the business of each or the organizations for its particular province.

Each controller and inspector was instructed to assume possession of all known property, to arrange for insurance coverage or physical protection of property where necessary, to investigate the property holdings and business affairs of the organizations.

At the same time arrangements were made with the Canadian Bankers' Association and the Post Office Department, whereby all relevant information in the possession of banks, and all mail directed to these organizations would be sent to the appropriate controller directly. A similar arrangement was made with the Commissioner of the Royal Canadian Mounted Police to investigate the affairs and holdings of these organizations in all localities in Canada, and to submit reports not only to this office, but to the controllers in the provinces in which they operated.



These arrangements were based on a policy of decentralization of details, and centralization of general control in the office of the custodian.

From these arrangements, came a steady stream of information and queries from banks, post offices, police and controllers which enable Mr. MacDonald to keep in touch with investigations and problems throughout Canada, to direct further investigations and to suggest principles for the solution of those problems and methods for greater cooperation between all these agencies of investigation.

An officer of the custodian's office was sent out as a field man to cooperate with the various controllers. Information was obtained of all illegal organization properties. On the return to Ottawa of this officer, the information was tabulated, and a proper inventory prepared."

And it goes on to detail the kind of business involved.

As I was about to say, sir, when the more important of these organizations were removed from the list of illegal organizations in December of 1943 the Governor in Council authorized the custodian to appoint an advisory committee to look into the complaints which were made, in particular by the Ukrainian Farmer-Temple association and other organizations. This advisory committee was headed by His Honour Judge McPhee—the other members being Mr. Campbell of Edmonton and Mr. Thomson of Windsor. And, as I said, the reports submitted by this committee were placed on the table of the House of Commons on the 24th of April, 1944. The government as a matter of policy instructed the custodian to absorb debit balances where those occurred and directed that the custodian pay the claims recommended for payment by the advisory committee headed by Judge McPhee. These aggregated approximately \$10,791.70. In connection with the Ukrainian Farmer-Labour Temple, for instance, it was directed that the custodian should pay to the municipalities one-half of the taxes for 1940. The organizations were declared illegal in June of 1940, and taxes for 1941, 1942 and 1943 on those properties on which tax payments were then in arrears and on which revenues had not been sufficient to pay them; and the payments, one, two, three, will be made from the funds held in trust by the custodian.

Subsequently, in October of 1944, the government again as a matter of policy decided to assist in the repurchase of certain Ukrainian halls which had previously been sold. The negotiations in respect of that were conducted by the minister on behalf of the government and not by any administrative member of the custodian's staff; and they related to the property of the Ukrainian Farmer-Labour Temple located at Lachine, Toronto, Hamilton, Euclid Avenue in Winnipeg, Saskatoon, Edmonton and Vancouver; and Calgary, Lethbridge and Medicine Hat.

Now, I have with me a little memorandum which is a summary of the files about most of these properties, which I am going to read. It is a digest of the files. I have the files available if the committee want them. In the meantime I can give you a few notes dealing with the principal properties.

The CHAIRMAN: I think it is quite desirable, because we cannot go into all the details at this stage.

The WITNESS: In regard to Lachine:

This was a two-storey building, constructed of cement blocks, and measuring 32' by 60'. While the assessed value in 1940 was given as \$4,000, the agents, Messrs. McDonald, Currie & Co. of Montreal, stated that the present-day value at that time (October 1940), would be approximately \$1,000.

The agents offered the property for rent but were unable to secure a satisfactory tenant, until an offer was received from the Salvation Army in April 1941. Certain tentative offers of purchase were made to the agents and accordingly they advertised the property for sale in the public

press in May 1941. Two offers were received, one from the Salvation Army for \$2,000 and an offer from a clergyman for \$1,100. The agents recommended the acceptance of the higher offer, \$2,000 cash. The property was sold, therefore, to the Salvation Army.

The annual taxes on this property were approximately \$170. As will be seen by the above, the only offer of rent, \$10 a month, would not be sufficient to cover the taxes, not to speak of fire insurance and other necessary carrying charges.

The CHAIRMAN: May I ask, Dr. Coleman, if these properties were advertised through the press?

The WITNESS: Through the press, yes.

Then, the next one is Hamilton:

A one-storey brick stucco building, 30' by 60'. At the time the building was taken over there was a mortgage and a claim by the mortgagee aggregating \$2,725. There were claims by other unsecured creditors of \$1,700 or \$1,800, so that the total liabilities exceeded \$4,000.

As early as August 1940, the solicitors for the mortgagee wrote the custodian concerning his client's claim under the mortgage and asked permission to take proceedings.

In October 1940 the property was leased for six months to Ukrainian War Veterans. When this lease expired the Ukrainian War Veterans expressed a desire to purchase and offered the sum of \$4,000, which was refused. The amount realized from the lease was insufficient to take care of the mortgage and other charges. Accordingly, the property was advertised in the last days of September and early in October, 1941, and the highest cash tender for the property and contents was from the Holy Ghost Ruthenian Greek Catholic Church, \$5,650 cash.

I may remark that a higher offer of \$6,000 was received from Ukrainian National Federation but this called for a small cash payment and the balance on mortgage.

Mr. FLEMING: That was sold then?

The WITNESS: It was sold.

Mr. FLEMING: Have you got the assessment?

The WITNESS: I have it on the file but I haven't got it on this statement.

Mr. ISNOR: Is this the property on which there was an additional liability of \$4,000?

The WITNESS: About \$4,000; a mortgage of \$2,725 and an unsecured creditor's claim, \$1,700.

The next is Toronto, at Bathurst street:—

"This was a building of brick and concrete fireproof construction, 45' by 125', assessed, land \$4,500, building \$32,000.

When the property was taken over in 1940, there was a first mortgage to the Imperial Bank of \$8,400, a second mortgage to Workers Benevolent Association of \$7,000, in respect to which it appears no claim was filed. Notice was given of notes and loans payable, amounting to \$11,638.15. The second and third instalments of taxes for 1940, amounting to \$874.65, had to be paid, and there were outstanding accounts amounting to \$100 or so.

On the 18th June, 1940, the general manager of the Imperial Bank of Canada, holders of the first mortgage, advised us of the bank's claim. On December 7th, the hall was leased by the custodian's agents to the Ukrainian National Federation, an unincorporated body, for a period



of six months, at a monthly rental of \$175. Before making the lease, the agents communicated with the Royal Canadian Mounted Police, who raised no objection to the leasing of the hall to this organization.

On the 25th of February, 1941, a delegation consisting of two members of parliament and a barrister called on the custodian's agent in Toronto objecting that the Ukrainian National Federation had undertaken to rent the property for six months, expiring 15th June, 1941, but had not been able to hold their meetings or have any social gatherings on the premises because up to that time they had not been able to secure a public hall licence. Accordingly, the custodian's agent took the matter up with the licensing authority of the Toronto police commission.

On May 21, 1941, the Ukrainian National Federation made an offer to purchase at \$25,000, but it was decided that no private negotiations would be entered into for the sale. Accordingly, the custodian directed that an advertisement should be issued in the three Toronto daily newspapers, the *Globe & Mail*, the *Star* and the *Telegram*, two insertions each at least a week apart, for the purchase of the property. In response to these advertisements, two tenders were submitted, the Ukrainian National Federation of Canada, Toronto branch, \$25,000, and an association, The Pride of Israel, \$21,000 cash. It was felt that these offers were not sufficient and accordingly the tenderers were asked to submit amended offers. The Pride of Israel Sick Benefit Society did not submit any amended offer but the Ukrainian National Federation submitted an amended offer of \$35,000, payable \$15,000 cash and the balance, \$20,000 to be secured on first mortgage with interest at 5 per cent. (The balance of this mortgage has now been paid.) The amended offer of the Ukrainian National Federation was accepted by the custodian on the 12th August, 1941.

Mr. ISNOR: Would you mind repeating the amount of the mortgage held by the Imperial Bank?

The WITNESS: That was \$8,400.

Mr. STEWART: Was the amount to be paid by the association, \$35,000, paid?

The WITNESS: Yes.

Mr. FLEMING: Do you know whether the mortgage has been paid off since?

The WITNESS: It was paid off. This memorandum which was prepared as a summary of the file says it was paid in 1944.

And, there were in Winnipeg two buildings. There was the Pritchard hall, which is known to anyone who has lived in Winnipeg, on Pritchard avenue. This hall could not be rented. No one wanted it. We endeavoured to ascertain if it could not be used by the military, the army, as an auxiliary to McGregor barracks. They examined it and said it was not adapted for their use. In respect to the Pritchard avenue hall there was a very large mortgage. The total assessed value of the Pritchard avenue hall was \$36,770, and the balance payable on the mortgage was \$37,122.82. This mortgage was held by the Workers' Benevolent Association. I do not want to make any statement of fact; but members of the Workers' Benevolent Association were in some degree similar to the Ukrainian Farmer-Labour Temple Association.

The CHAIRMAN: Were they the owners?

The WITNESS: They were not declared illegal. As I say, I do not want to make any statement of fact which I cannot prove; but they did operate a good deal together. I do not cast any reflection whatever, but they had this very large mortgage.

Mr. FLEMING: That was the same organization that held the mortgage on the Bathurst property?

The WITNESS: Yes. I pointed out, they did not make any claim in respect to Bathurst street, but it appeared on the register, on the title.

Mr. JAENICKE: When did they take that mortgage?

The WITNESS: Long before. They foreclosed the mortgage on the Pritchard avenue hall. I come now to the Euclid Avenue property in Winnipeg.

This hall had outstanding taxes of nearly \$500 for the year 1940, and was under mortgage to the Imperial Bank of Canada for nearly \$12,000. In cooperation with the mortgagee, the bank, efforts were made to rent the property for an amount sufficient to pay the carrying charges. When this could not be done, the bank endeavoured to obtain a quit claim from the custodian. The custodian declined to give a quit claim and offered the property for sale by tender. No offers were received in spite of extensive advertising, not only in the newspapers but by handbills.

Finally the bank, which held the mortgage, asked the custodian to advertise the property again, on the condition that the bank would pay the costs of advertising. In consequence of the later advertising the property was sold to the highest tenderer, the Ukrainian National Federation of Canada, Winnipeg branch, for \$13,300.

I have a note on Edmonton.

By Mr. Fleming:

Q. You have not the assessment on the Euclid avenue property?—A. I have not it in this information, no. I have this information on Edmonton.

This was a two storey frame building, size 30 x 100. It was assessed, with the lot, at \$6,490.

In July 1940, immediately after the property had been sequestered, the agents in Edmonton reported an offer by the Ukrainian Greek Orthodox church to purchase the property and contents at \$3,000, under a four year lease option arrangement. The agents reported at the same time that it would cost at least \$1,500 to put the building in reasonably habitable condition. They further reported that apparently part of the upper floor had been rented in rooms on a day to day basis, but that as soon as the U.L.F.T.A. was declared illegal this rooming arrangement came to an end. The agents pointed out that the building was a type which would rapidly deteriorate and, since they could not obtain tenants at a figure which would cover the upkeep, they recommended sale. In September they had three different offers, one for \$5,500, another for \$4,200, and the third for \$3,600.

When they advised the property, however, in December 1940, and early in 1941, only one tender was received, which was from Nick Todoruk, at \$5,200, 10 per cent in cash and the balance to be paid within thirty days after acceptance. It subsequently developed that Nick Todoruk was purchasing on behalf of Ukrainian National Home of Canada.

I have not with me in convenient form references to the two halls which were sold where the advisory committee thought there had been some degree of carelessness.

In only two of the Ukrainian Labour-Farmer Temple Association cases did the committee express the view that the custodian's agents had sold the properties for an unduly low price. These cases were in Saskatoon and Vancouver. The committee thought the the agents had not felt it their duty to point out to the custodian that the highest bid offered appeared unreasonably low in relation to the value of the property.



I have the files relating to Saskatoon and Vancouver in the minister's room. I would be glad to hand them to the secretary of the committee.

The CHAIRMAN: Do you not think it might be easier if some of your officers would prepare a short summary of them?

Mr. FLEMING: A precis of the contents of the files can be very helpful, dealing with the salient points.

The CHAIRMAN: It would save a lot of time for the members of the committee if that can be done.

*By Mr. Stewart:*

Q. Is that file No. 180? Can the witness tell us if that is file No. 180?—

A. I do not know.

Q. 805 Pender street, Vancouver?—A. Yes, that is it.

Q. I have a copy of it here if you would like to read it. Possibly Saskatoon is in there too.—A. The Vancouver property on Pender street was sold after advertising for \$6,000.

*By Mr. Isnor:*

Q. \$50,000?—A. \$6,000.

*By Mr. Fleming:*

Q. Which one is that?—A. Vancouver. This is just a financial statement. I donot think it will give me the particulars the members of the committee want. We have a copy of that. We will have a summary prepared on each of those. That property was sold by the trustee to the Ukrainian Greek Orthodox church, Holy Trinity, Vancouver, in May, 1941. The Saskatoon property was sold in July, 1941 for \$1,500 to the Ukrainian Greek Orthodox church of the Holy Ghost. I will have a precis of those two sales prepared. Dealing with properties which have been sold you will observe that in that report of the advisory committee they say:

We earnestly urge that the present owners should follow the course—

*By Mr. Fleming:*

Q. Will you give us the reference?—A. Page 69. I will go back a little bit.

In regard to the sales covering ten of the Ukrainian properties the advisory committee reported to the custodian:

It is our opinion that the present owners should agree to sell the property to the Ukrainian Labour-Farmer Temple Association at the price paid by them for it provided further, however, that the present owners having made permanent improvements to the property, these should be paid for by the Ukrainian Labour-Farmer Temple Association. We earnestly urge that the present owners should follow the course suggested, as a reasonable and fair solution of a situation which, otherwise, may accentuate difficulties in respecting harmony and good feeling among Canadians of Ukrainian origin. On the other hand we urge that the Ukrainian Labour Farmer-Temple Association in the negotiations which the present owners, should approach the problem in a broadminded spirit and should be careful to avoid recrimination and haggling over details.

Negotiations were instigated to comply with the recommendations of the advisory committee. These negotiations, however, were not successful with the result that the cabinet instructed the custodian to

have an officer interview the owners of the various properties for the purpose of repurchase thereof. This was accomplished at a cost of \$83,236.98.

It was recommended to the custodian.

1. That he should absorb debit balances where these occur in the accounts for maintenance. The amount so involved was \$30,562.61.

2. That he should pay the claims recommended for payment by the committee. The claims amounted to \$10,791.70.

3. That he should pay to the municipalities one-half the taxes for 1940 and all the taxes for 1941, 1942, and 1943 on those properties in which tax payments are in arrears. Taxes so paid amounted to \$13,033.79.

Summary of the above Figures

(Ukranian Labour-Farmer Temple Association only)

Damage claims paid .....	\$ 10,791.70
Taxes for latter part of 1940, and all of 1941, 1942, and 1943 .....	13,033.79
Cost re Purchase of Properties .....	83,236.98
Debit balances .....	30,562.61

Total..... \$137,625.08

As I have already intimated have the files available for examination by the committee or any representative. I have told all I can. We will gladly supply a detailed report on the Saskatoon and Vancouver cases, or any other particular file.

The CHAIRMAN: You will bring the assessment of the two properties on which Mr. Fleming wanted to have information.

Mr. STEWART: There are some questions I should like to ask the witness. Will he refer for a moment to page 71 of the report where it refers to a balance of \$152,640.96? I should like to have a breakdown of that amount.

The WITNESS: Page 71?

*By Mr. Stewart:*

Q. Yes.—A. May I look at it?

Q. I should like to have a breakdown of that amount.—A. The \$152,640.96?

Q. Yes, to whom the various detailed amounts were paid. Would it be possible to produce that?—A. I think so.

Q. I wish to refer specifically to one item on page 65 of the report. I shall read it so the committee will know what I am talking about. This organization is called The Workers' and Farmers' Publishing Association Limited. This is what the report has to say:

At the time this company was declared illegal, an inventory was prepared of all machinery and tools. The valutors employed by the agents for the custodian appraised these at \$9,811. The equipment so valued was advertised for sale by tender and sold for \$9,696.46. Later representations were made to the custodian, as a result of which the Hon. Paul Martin, in January, 1946, directed Mr. K. W. Wright to make an investigation, resulting in an additional compensation of \$20,000 being allowed.

This is a matter which I think we ought to investigate a little further. In the first place can the witness tell us who were the valutors employed?—A. Mr. Wright is here. He handled the whole thing, and he is prepared for your questioning. With the permission of the chairman I think Mr. Wright might take my place.



Mr. STEWART: First of all tell us where this property was situated.

Mr. K. W. WRIGHT: (Counsel for the Custodian): This printing plant was located in a building known as the Pritchard Avenue Hall in Winnipeg which was owned by the Ukrainian Labour-Farmer Temple Association.

Mr. STEWART: Who were the valuers employed?

Mr. WRIGHT: The Toronto Type Foundry was engaged by our agents, the Western Trust Company, to make a valuation in 1941.

Mr. STEWART: And who submitted the tender of \$9,696.46?

Mr. WRIGHT: The tenders that were received were not accepted, and later on as a result of private negotiations by the Western Trust Company two different offers were accepted on their recommendation by the custodian. One unit of the printing equipment was sold for \$3,000 on a time basis, and the remaining was sold for \$6,500. The difference of \$100 odd is made up of interest which accrued on the unpaid balance for the first unit which was bought on time.

Mr. STEWART: Can you tell us to whom they were sold?

Mr. WRIGHT: The \$6,500 unit was sold to Walter Lewicke of Winnipeg, and the duplex press was sold for \$3,000 to the Ukrainian National Publishing Company of Winnipeg.

Mr. STEWART: I assume this sale was authorized by the custodian?

Mr. WRIGHT: On the recommendation of the Western Trust Company, our agent, yes.

Mr. STEWART: Why was it that later another \$20,000 had to be allowed?

Mr. WRIGHT: That was a matter which I was called upon to investigate by reason of the fact that the minister was confronted with a further valuation by the same company, the Toronto Type Foundry Company, addressed to the Workers and Farmers Publishing Company. As examples I have selected five items. The valuation given to the custodian in 1941 for a particular unit known as the Acme Power Paper Cutter and motor on an as is where is basis was \$75, piecemeal \$100, and as a going concern \$150. The letter produced to the minister, the Hon. Mr. Martin, indicated to Navis, who was the secretary of this organization, that it should have been valued at \$850.

The CHAIRMAN: The same company made the two valuations?

Mr. WRIGHT: The same company, signed by different officers, as a matter of fact.

The CHAIRMAN: Then it is not only attorneys who differ in their opinions.

Mr. WRIGHT: Out of a long list of some 100 or more items I have selected 5. To Navis this one power paper cutter \$850, as I said, and to the custodian \$75, \$100 and \$150. A Miehle press, to Navis \$1,800; to the custodian four years earlier \$400 as is where is, piecemeal \$600 and as a going concern \$800. A cylinder motor, 1-A, to Navis \$2,000; to the custodian \$500, \$700 and \$900. A Hammond trim-saw, to Navis \$750; to the custodian \$60, \$125, \$175.

Mr. FLEMING: May I interrupt with one question. Was the second valuation made as of 1945 or as of the earlier date?

Mr. WRIGHT: That was the value at the time.

Mr. FLEMING: At what time, 1945?

Mr. WRIGHT: 1941.

Mr. STEWART: The first valuation?

Mr. FLEMING: I mean the second one.

Mr. WRIGHT: The second one was made in 1945 but it is a valuation as of 1941.

Mr. JAENICKE: The same company?

Mr. WRIGHT: The same company.

Mr. ISNOR: What about the fifth item?

Mr. WRIGHT: A printing press, to Navis \$7,500; to the custodian—and this is on an as is where is, piecemeal and going concern basis—\$3,500, \$3,500, \$3,500. The five items total \$12,900 to Navis but to the custodian \$4,635, \$5,025, \$5,525.

Mr. STEWART: What did the custodian pay the Toronto Type people for the first valuation?

Mr. WRIGHT: \$20.

Mr. STEWART: Did you have any correspondence with them afterwards about that amazing discrepancy?

Mr. WRIGHT: I did.

Mr. STEWART: What was their excuse?

Mr. WRIGHT: As a matter of fact, I had an investigation in Winnipeg that lasted several hours, and finally just before leaving for the east I obtained from them a letter which is incorporated in my 37-page report to the minister explaining as best they could the discrepancy, which did not satisfy me.

Mr. STEWART: Nor would it satisfy anybody else, I would imagine. There are one or two matters in connection with this I should like to ask you about. This was a publishing association which printed a paper, I believe?

Mr. WRIGHT: A weekly paper.

Mr. STEWART: And in the editor's office there would be a large number of books? There were a large number of books?

Mr. WRIGHT: Yes.

Mr. STEWART: What happened to those books?

Mr. WRIGHT: In my report I refer to it as the mystery of the missing books. What became of them no one knows.

Mr. STEWART: The Western Trust Company was responsible?

Mr. WRIGHT: To a degree. As a matter of fact, after they took over in the first instance the R.C.M.P. authorized another group to go in for a number of weeks.

Mr. STEWART: What do you mean by that?

Mr. WRIGHT: I believe they were Ukrainians, and for a few weeks they published some paper pursuant to the authority of the R.C.M.P.

Mr. STEWART: Did the R.C.M.P. have authority to over-ride the custodian?

Mr. WRIGHT: It was a matter of arrangement between departments.

Mr. STEWART: The story I have—and I do not say it is right or wrong—is that the R.C.M.P. seized a lot of this allegedly Marxist literature and destroyed the books. I have some of it on my own shelves and I think every reasonably intelligent person will have it. Do you know about that?

Mr. WRIGHT: There were a number of books destroyed. They were taken to a waste paper company. Unfortunately the Western Trust Company did not keep an inventory of the books that were taken to the waste paper company.

Mr. STEWART: On whose authority were those books destroyed?

Mr. WRIGHT: They were selected and thought to be subversive literature by agents of the Western Trust Company, and the custodian indicated they should destroy all subversive literature, and that was with the knowledge of the R.C.M.P.

Mr. STEWART: You have no idea of the titles?

Mr. WRIGHT: I have no idea. That is a matter which is a mystery today.



Mr. STEWART: The same thing happened in Germany only they had a different concept of subversive literature. They had a great book burning festival. It is rather regrettable the same thing should happen here under the guise of subversive literature.

Mr. WRIGHT: There was a claim for \$5,000 filed with the custodian for the missing books. As a matter of fact, I awarded \$1,000.

Mr. STEWART: So there must have been a large number of books destroyed?

Mr. WRIGHT: Yes, there were a number of books destroyed.

Mr. STEWART: And it is beyond any question that such did happen. They were destroyed?

Mr. WRIGHT: No question about that. I went to the waste paper company and they admitted having received two truckloads of books. They did not have a list. They were afterwards made into pulpwood.

Mr. STEWART: Your agents made an inventory of everything that was in those premises when they went in. Is that not correct?

Mr. WRIGHT: Not a very satisfactory inventory. As a matter of fact, they asked the Toronto Type Foundry Company to make this inventory of the equipment, and as was pointed out by the Printers Ink Machinery Company, whom I afterwards engaged to make an independent appraisal, there were many articles not included in the first valuation, and also indicated that it would not have been possible for this company to carry on the operations which they conducted without that equipment. They had an extensive circulation. They published a weekly paper and they also did a great deal of job printing, and all that sort of thing. The inventory which was prepared by the Toronto Type Foundry was not complete according to the evidence which came before me in my inquiry.

The CHAIRMAN: Do you mean when you were faced with two different valuations for the same thing you asked a second company to give you another valuation?

Mr. WRIGHT: Yes. The problem arose by reason of the presentation of a second valuation to the Hon. Mr. Martin. He called me and asked me if I had any knowledge of this illegal organization's work. I said I had no knowledge whatever. I had been in Vancouver for the last four or five years. I was instructed to go to Winnipeg and make an independent impartial inquiry which I did.

The CHAIRMAN: There was just one valuation made there at the time? There was no check made?

Mr. WRIGHT: One valuation made in 1941.

The CHAIRMAN: No check made on that valuation by another firm of valuers?

Mr. WRIGHT: No.

The CHAIRMAN: Was there any check made on any other properties sold as to valuation?

Mr. WRIGHT: In connection with—

The CHAIRMAN: Any of the other U.L.F.T.A. properties?

Mr. WRIGHT: I have no knowledge of that. This is the only illegal organization file about which I have any information.

The CHAIRMAN: Later on, you got a second, independent valuation?

Mr. WRIGHT: While I was in Winnipeg, I engaged the very best firm to get the information the custodian required. They submitted a complete report and my report is based on their independent valuation which was made at the time of my investigation.

The CHAIRMAN: Which company was this?

Mr. WRIGHT: This was the Printers Ink Machinery Company.

The CHAIRMAN: Would their report be more similar to the first valuation made by the Toronto Type or to the second valuation?

Mr. WRIGHT: I presented them with the list from the Toronto Type and, as a matter of fact, cut off the values which had been placed by the Toronto Type on the list which was furnished us. They had no information whatever of the values that had been given. Then, they came back later stating this was not complete, these people could not have carried on and, to our personal knowledge, they had many things beyond these. I then obtained from Mr. Navis a more complete list. He was in Winnipeg at the time and I obtained a more complete list and furnished that to Mr. Reynolds, who is head of the Printers Ink Machinery Company. As I say, my findings are based on this independent valuation which was made by the Printers Ink Machinery Company.

Mr. STEWART: Have you any idea whether there was any vandalism on the property, apart from the destruction of the books? Had anyone broken in, let us say, and perhaps pilfered any equipment or supplies?

Mr. COLEMAN: If I might have the permission of the chairman of the committee, I believe I can state that the Attorney General of Manitoba insisted we put a watchman there. There had been instances. I know you are very familiar with the location of the property.

Mr. STEWART: Yes, that is why I asked. I had not heard of any.

Mr. COLEMAN: The government was very apprehensive of it and I think the Attorney General was greatly concerned about the matter.

Mr. BURTON: Any vandalism which might have occurred would have occurred before Mr. Wright had his independent valuation made?

Mr. COLEMAN: The property had already been sold and removed when Mr. Wright did that.

Mr. STEWART: I should like to refer—I do not know whether Mr. Wright would be the proper witness—to the inventories which were prepared of those properties. I should like to know if a valuation was placed on the equipment at the same time the inventory was prepared or was it merely a factual inventory of the equipment and supplies which were in the property?

Mr. WRIGHT: You are speaking generally, now?

Mr. STEWART: Generally.

Mr. WRIGHT: As I say, this is the only file of which I have any knowledge.

Mr. ISNOR: Before Mr. Wright leaves, may I ask what the actual date of the report was to which he referred?

Mr. WRIGHT: My report is dated February 1, 1946.

Mr. ISNOR: What was the date of the first transaction?

Mr. WRIGHT: 1941.

Mr. ISNOR: What month?

Mr. WRIGHT: December 10, 1941.

The CHAIRMAN: Will you also tell me at what page we can find your report?

Mr. WRIGHT: It is not in there.

Mr. STEWART: You made a report, Mr. Wright?

Mr. WRIGHT: Yes.

Mr. STEWART: I wonder if we could have that report tabled, Mr. Chairman.

The CHAIRMAN: That is the report to which reference is made on page 65?



Mr. BURTON: Before Mr. Wright leaves, may I ask him a question? I believe he made a statement that tenders had been advertised and received, but had not been accepted. Then, again, an advertisement was published for tenders. What was the reason? Were the tenders first submitted too low?

Mr. WRIGHT: The tenders were not satisfactory to the custodian.

The CHAIRMAN: Because of the price or because of the people who submitted the tenders?

Mr. WRIGHT: On account of the price.

Mr. BURTON: There is one other point I wish to mention. I do not think you gave an answer to the chairman when he asked how close the independent valuation was to the second valuation made by the Toronto firm. I should like to know the exact figures.

Mr. WRIGHT: The total valuation made by the Printers Ink Machinery Company was \$29,773.55. This was the independent valuation which I obtained for the machinery alone. No account was taken of the office furniture or the books for the reason they had no knowledge of that. It was possible, in the course of hearing evidence of various witnesses, to determine what furniture was there. I found that they were not entitled to more than they had received for the office equipment.

The CHAIRMAN: So as to make it easier for us to compare would you kindly give us first price submitted by Toronto Type and the second one by Navis so we can compare them with the one submitted by Printer's Ink.

Mr. FLEMING: May I make a suggestion there. Mr. Wright gave us five examples, but would it not be better to have the whole list.

Mr. WRIGHT: They are all inscribed in the report.

Mr. FLEMING: But we are not going to have, presumably, the whole report typed in the record. There is only one copy to be tabled and would it not be better to have the complete list inscribed in the record.

The CHAIRMAN: I am personally of the opinion it would make the report a bit bulky but if we had at our disposal all the prices, and, if they were produced here, it would be all right.

Mr. ISNOR: It could be tabled.

Mr. FLEMING: I was not asking that the report itself be inscribed in the minutes but as the report is only being tabled and not inscribed, Mr. Wright might give us the full list of thirty-five articles.

Mr. WRIGHT: There are more than that.

Mr. FLEMING: How many are there?

Mr. WRIGHT: Upwards of 100 articles. I selected only five.

The CHAIRMAN: There are about sixteen pages.

Mr. WRIGHT: Would you like the comparison of the Toronto Type valuation and the Reynolds valuation and then the Printer's Ink and Machinery valuation?

Mr. FLEMING: Yes.

Mr. WRIGHT: The total valuation submitted by Toronto Type Foundry—as is, where is, \$4,271; piecemeal \$6,448.50; sold as going concern \$9,811.

Mr. BURTON: That is their valuation?

Mr. WRIGHT: Their valuation, yes.

Mr. FLEMING: That is for the whole 100 odd articles?

Mr. WRIGHT: That is for all of the equipment, that was \$9,811. And the assets were later sold and realized \$9,696. Mr. Reynold's valuation, as you know, is head of the Printer's Ink Machinery Company, amounted to \$27,273.55 for the equipment; some additional matrix equipment \$1,500; which would bring the total to \$28,773.55.

I think I said before that it was \$29,000.

The CHAIRMAN: Now the second one from the Toronto Type, and Navis, would you give that?

Mr. WRIGHT: They wrote a letter to Mr. Navis which is incorporated in my report. In a letter of September 7, 1945 addressed to Mr. Navis, there is a selection of 17 articles and then in two separate paragraphs two other machines are dealt with. On page 9 of the report they referred to 11 items and from those I have selected five, which I thought would be a sort of cross-section, giving you an idea of the discrepancies and the problem which confronted the minister when he was faced with this second valuation.

Mr. BURTON: Did the Toronto firm have any explanation?

Mr. WRIGHT: Yes, finally they did write a letter explaining and this appears on page 30 of my report. I have one little note here. "October 1941, a year after our contact with the representative of the custodian it was apparently decided to definitely sell the plant and we made an offer for same which was not accepted; a higher offer than ours having been made and accepted. The purchaser of the newspaper press, we understand, was an organization of Ukrainians who had moved from Saskatoon and I believe it was other Ukrainians who purchased the rest of the plant."

"The paragraph of our letter of September 7, 1945, to which you make reference did not convey just what was intended and rather than referring to values in 1940 this should have been that such item or items would have cost the purchaser the amounts as stated by us."

Mr. FLEMING: Mr. Chairman, it is one o'clock and I suppose we will be adjourning. May I mention this one matter so as to give Mr. Coleman an opportunity of preparing a report for the next meeting and save some time. The settlement to which Mr. Coleman has referred is a total of \$137,625.08 to the U.L.F.T.A., covering ten properties altogether. We have just now received a further statement in respect to the claim of the Workers and Farmers Publishing Association Limited. Are there any other settlements made to claimants?

Mr. COLEMAN: They are all given here.

Mr. FLEMING: In other words, there are just the ten properties of the U.L.F.T.A. and then one property of the Workers and Farmers Publishing Association.

Mr. COLEMAN: And the absorbing of the debit balances on taxes.

Mr. FLEMING: Leaving out that absorption, those ten properties and the Workers and Farmers Publishing Company represent all the cases in which payments were made at the public expense to any of these claimants.

Mr. COLEMAN: And the \$11,000 covered in the McPhee report.

The CHAIRMAN: Do you expect gentlemen to have any other questions to ask Mr. Wright?

Mr. FLEMING: Oh yes, I think we ought to carry on at the next meeting where we are leaving off today.

The CHAIRMAN: May I say, gentlemen, in my haste to resume the work of the committee I omitted to express to Mr. Isnor the thanks I should have expressed for handling the committee in such a capable manner while I was away. I have been told the committee could not sit on next Tuesday before 11.30 because no room is available except this one and it is being used from 10.30 to 11.20. If it is agreeable to the committee, we will meet on Tuesday at 11.30 a.m.



*STANDING COMMITTEE*

Mr. ISNOR: The steering committee considered very carefully the hours at which sittings might be held. Due to the fact there were so many other committees it was felt 11.30 might work out to our advantage.

The CHAIRMAN: Since it is agreeable, we will meet on Tuesday at 11.30 a.m.

The committee adjourned at 1.05 p.m. to meet again on Tuesday, June 3, 1947, at 11.30 a.m.