

Please return to Mr. F.G. Shears, Director,
Office of the Custodian,
SESSION 1947 506 Royal Bank Building.

HOUSE OF COMMONS

STANDING COMMITTEE

ON

PUBLIC ACCOUNTS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

FRIDAY, MAY 9, 1947

WITNESSES:

Dr. E. H. Coleman, C.M.G., K.C., Deputy Custodian of Enemy Property;
Mr. F. G. Shears, Director Vancouver Office, 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

1947

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 497,

FRIDAY, May 9, 1947.

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

Members present: Messrs. Burton, Case, Cleaver, Côté (*Verdun*), Cloutier, Cruickshank, Fleming, Fraser, Gladstone, Golding, Green, Isnor, Jaenicke, Marshall, Probe, Raymond (*Wright*), Rinfret, Smith (*Calgary West*), Stuart (*Charlotte*), Thatcher, Warren, Winkler.

In attendance: Dr. E. H. Coleman, C.M.G., K.C., Deputy Custodian of Enemy Property; Mr. F. G. Shears, Director Vancouver Office; Mr. K. W. Wright, Counsel.

The Committee resumed examination of Mr. Shears respecting the administration of the Vancouver Office of the Custodian.

Mr. Jaenicke tabled certain documents relating to inventory of chattels left on property of, and owned by, one named Nauchi Karatsu. The witness, Mr. Shears, was questioned thereon and, after some discussion, he agreed to supply the Committee, at the earliest possible moment, with a full report on the said matter.

The witness also agreed to supply the Committee with certain information relating to the sale of certain evacuees' lands requested by Mr. Cruickshank and Mr. Fleming.

At 1.05 o'clock p.m., the Committee adjourned to meet again at 11 o'clock a.m., Monday, May 12, 1947.

ANTOINE CHASSÉ,
Acting Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 9, 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, shall we come to order. We have the necessary number to form a quorum and unless there is other business to be brought before the meeting we will continue to hear Mr. Shears.

Frank G. Shears, Director of the Office of the Custodian, Vancouver, recalled:

The WITNESS: Mr. Chairman, I think I would like to make one brief statement in clarification of something which was mentioned yesterday. In regard to the sale of the properties in the Fraser Valley area a question was asked as to what was the average price. I think the figure given was about \$1,130. I do not think that is quite a fair picture of that deal because I have an individual list here and there was a property that sold for \$10,768, another for \$7,200, another for \$5,500, and three others at \$4,500, \$3,000 and \$2,000. There were also a number of properties that brought very small amounts such as \$125, \$200, \$400, so that in saying the average was \$1,130, it really does not give a picture. I just wish to indicate that in that group of properties there were varying types and the prices varied considerably. I would like to mention that for the purpose of the record.

The VICE-CHAIRMAN: All right, Mr. Cote?

By Mr. Cote:

Q. Yesterday, Mr. Shears referred to some advisory committees that had been set up for the purpose of assisting the custodian's office in Vancouver in carrying out the duties and policies of the custodian. How many committees did you say, Mr. Shears, were set up for this purpose?—A. There were two advisory committees. One committee concerned itself with what we call the greater Vancouver properties and the other concerned itself with the properties outside that area. The greater Vancouver area committee was presided over by Mr. Justice Sidney Smith, and the other one was presided over by Judge Whiteside.

Q. Were they both in the city of Vancouver?—A. No, the greater Vancouver advisory committee sat in Vancouver, usually in Mr. Justice Sidney Smith's office. The other committee, except for a few initial meetings in Vancouver, always sat at New Westminster and usually sat in the Judge's office. Mayor Mott of New Westminster was also one of the advisory committee members.

Q. How many members were in each of these committees?—A. I will just give you the exact set-up. Two independent committees were established. One was known as the advisory committee for the greater Vancouver properties and the following members were appointed to the committee on March 8, 1943: Honourable Mr. Justice Sidney Smith, the chairman, of the Appellate Court of British Columbia; Alderman Charles Jones, and Mr. Kishizo Kimura. Mr. Kimura resigned on July 20, 1943. The other committee was known as the

advisory committee on rural properties. The following members were appointed on March 15, 1943: His Honour Judge David Whiteside of New Westminster was the chairman. The others were Messrs D. E. MacKenzie and J. J. McLellan and Mr. Hal Menzies.

Mr. MacKenzie is now deceased and Judge Whiteside quite recently died. Mayor W. Mott of New Westminster was appointed to take the place of Mr. McLellan who attended only one or two meetings and then resigned. Mr. Hal Menzies was a real estate gentleman who had lived in that vicinity for many years. The Japanese, Mr. Yasutaro Yamaga, who was the representative on this committee resigned on May 26, 1943.

Q. By whom were the members of these two committees appointed?—A. I beg pardon?

Q. By whom were the members of those two committees appointed?—A. The committees were appointed directly by the Secretary of State Department.

Q. You have mentioned, Mr. Shears, that the two Japanese representatives had resigned of their own accord at the beginning of the activities of the two committees. Would you have the date of their resignations in each case?—A. Mr. Kimura resigned on July 20, 1943 and Mr. Yamaga resigned on May 26, 1943.

Mr. BURTON: Did they give any reason for resigning or what were the reasons?

The WITNESS: I recollect that a letter from one of them said that he felt his services or the services which he could render had been completed and there would be no particular reason for his remaining on the board. That letter was from Mr. Yamaga and I think Mr. Kimura just merely sent in his resignation stating that he preferred not to be on the committee and of course both of those Japanese persons had been evacuated and were living quite a distance from Vancouver and New Westminster.

Mr. COTE: Had they been engaged individually in the business of the committee?

The WITNESS: For the first few meetings they did and they agreed in principle that the policy the custodian was following on management and also on liquidation was satisfactory. They were not in attendance at any meeting when specific offers were being dealt with.

Mr. JAENICKE: Could they have been there?

The WITNESS: They had resigned.

Mr. JAENICKE: Was there some correspondence leading up to their resignations?

The WITNESS: I only recollect the letters in which they resigned.

By Mr. Cote:

Q. Would you have in writing any expression of satisfaction on their part with the policy followed by the custodian?—A. As I have already mentioned, I feel sure that the letter that came in from Mr. Yamaga indicated satisfaction with the principle. I could not go further than that without producing the letter.

Q. Was there any attempt made, Mr. Shears, to have these two Japanese representatives replaced on the two boards?—A. No, when their resignations were received both those committees considered the matter and made no recommendation that they should be replaced and the remaining members of the board carried on.

Q. Have you, or has anyone else, received any request from the evacuees or the Japanese to have these two members replaced following their resignations?—A. Definitely no.

Q. Now did you start liquidating the assets of the evacuees before the evacuation was completed?—A. No, not at all. The only properties that were sold previous to the evacuation were the properties which were sold by the Japanese themselves. The policy of liquidation, as a matter of fact, did not come into effect until the 19th of July, 1943. That was the date when the tenders first closed for the properties which were advertised. That is of course apart from the sale which was made to the director of the Veterans' Land Act.

Q. I heard you say yesterday, Mr. Shears, that one of the complaints that you received from the evacuees was that they were absent when their property was sold. Did you receive a great number of protests of that kind?—A. Yes, we did. As I intimated yesterday there were two types of complaints. A considerable number of the complaints simply said, "We do not wish to have our property sold," or "We do not wish that it shall be liquidated." Then there were a number of Japanese who wrote to the office and said, "Not only do we not wish our property to be sold, but having been sold we do not think that the amounts realized have been adequate." In some cases they mention in their letters that they thought the price should have been such and such. Just broadly speaking, there were those two types of letters and they have all been acknowledged by the department stating that their letters remain on the record and we indicated that we were carrying out a policy which had been outlined by the government.

Q. Were they individually notified when tenders were called, for instance, for the sale of real properties and when their chattels were to be sold or when any of their other assets were to be sold?—A. No, not at all.

Q. Could they have had any way of following the procedure of the custodian in the disposition of their own personal assets?—A. No, I would not say they could. They were not living in the area and of course they were all aware of the policy of evacuation. The Japanese had the option of having anything that they wished shipped to them. That was not real property of course but it applied as far as household chattels and so on were concerned. Those things were available on request. They were also aware that the policy of liquidation of chattels was coming into effect. The policy was widely known in the camps in which they were living, and they knew their goods were to be sold under the government's policy.

Q. What did you mean Mr. Shears when you stated they could have some of their assets shipped to them?—A. If, by any chance, they wanted all their furniture or everything they owned they could have had it shipped but we did not have any requests for shipment. I think one of the reasons for that would be that a lot of it would never have justified the cost of shipment. Up until those household effects were sold by auction the custodian was willing and ready at any time to ship the goods to the Japanese. I know that in some cases we have shipped certain quantities.

Mr. CRUICKSHANK: At whose expense?

The WITNESS: At the expense of the Japanese.

By Mr. Cote:

Q. Where were the goods shipped?—A. To the place where they were residing. In regard to the Japanese that were living in what they called the interior housing settlements, they were provided with all that was considered necessary to provide a home and subsistence. If they wanted anything further we shipped it in co-operation with the Department of Labour. If they requested shipment they were advised that they would have to take care of the charges but that the goods were available for shipment at any time.

Q. Did you have a substantial number of requests for shipment?—A. No, just a limited number.

Q. Now after any assets had been disposed of were the Japanese individually notified as to the proceeds of those sales?—A. They have all been notified. I would not care to say that they were notified immediately. The accounting of all those items was considerable but they were all definitely notified, and in fact long since, every Japanese has had a statement of his account. If he has not had a statement it is an omission. The statements were made in many cases continually, starting from his first balance and continuing on up to his present balance. I would say that if any Japanese requested information he was given immediate consideration but if he did not request it he would only get it in the normal course and there would be some little delay. However, there was no purposeful delay in not revealing to him what his credit was if his goods had been sold.

The VICE-CHAIRMAN: Mr. Cote, I do not know how much more you have to take up but I am keeping in mind the ruling which I made yesterday.

Mr. COTE: I am very sorry, but I am about through.

The VICE-CHAIRMAN: I do not want to interrupt but I am just trying to live up to what I said.

By Mr. Cote:

Q. I will be very brief. I was going to ask, Mr. Shears, about what he said in regard to the complete record of the Japanese. I am wondering how you would learn of the new places in which they were living?—A. I did not get the import of that.

Q. I say that on the 19th of July when you first closed off the tenders, you could not at the time have communicated with each and all of the evacuees because you were not at that time aware of their addresses.—A. We did not communicate with any of them.

Q. But later on you did?—A. We were aware of the addresses of these Japanese at all times by inquiries which we were able to make through the Department of Labour and our files were kept definitely up to date with respect to the location of these Japanese. Our department had no concern with that matter but we had all the information that we wanted at any time with respect to where any Japanese was living.

Q. I understand you opened individual accounts for each of these evacuees from the moment that you had something on deposit?—A. Yes, we opened individual accounts for every Japanese who had any money to his credit.

The VICE-CHAIRMAN: You are next Mr. Jaenicke.

By Mr. Jaenicke:

Q. I was just going to follow up some of the matters brought out by Mr. Cote. I have here an example of some of the goods and chattels handled. I am predicating my remarks by saying we heard Mr. Shears yesterday on the difficulty that his office had in keeping track of the goods and chattels and that there was a lot of theft and vandalism and things of that nature. However, I think the committee should have some information on this particular case and I should like, after I am through, to have Mr. Shears comment on it. I have here a copy of an inventory of a Japanese by the name of Maochi Karatsu, registration number 12051, and file number 8666. This inventory is an inventory of all his goods and chattels which was compiled by this Japanese in the presence of a Mr. W. E. Anderson of your office. I believe he is in the farm department of your office.—A. What date is that, may I ask?

Q. October 28, 1942. My information is this Japanese was still at that time at his home and that is where this inventory was made. All the goods and chattels were valued in the presence of and apparently with the consent of Mr. Anderson and I think the valuation is reasonable. Chairs are valued at \$1 apiece,

some at 50 cents apiece, and they are very small valuations. A box contained a quantity of fishing tackle valued at \$160 including one good condition high-tension magnet, the cost of which was \$80. There was a one-quart water kent coil which cost \$15; one dozen bearings \$15; ten sprockets, \$12; twelve paint brushes, \$30. Another large item is a tool-box containing fishing gear for commercial purposes. Two hundred fathoms of stainless trolling wire, (cost \$30); one hundred new fish-hooks for pilehard bait, (cost \$7.50); two hundred spoon hooks, (cost \$70). The total valuation of the articles contained in that box was \$107.50. The other valuations on the inventory are just small, ranging anywhere from 15 cents to about \$5.00. The total valuation on this inventory is \$723.45. Apparently on March 15 this Japanese, Mr. Karatsu, wrote to the office requesting that certain articles be sent to him. I may say certain articles were sent to him according to the inventory, including three steel bedsprings which were sent, but which, by the way, were valued at \$2. Also a chesterfield chair which had no valuation on this inventory was sent. Apparently he requested some further articles to be sent to him and on March 15, 1947 he received a letter from the office of Mr. Shears, signed by Mr. W. E. Anderson reading in part as follows:

In reply to your letter of March 15 in which you ask that certain chattels be sent to you, we have to advise that we are unable to ship these articles as some have been sold at auction and others are missing. The books were badly mildewed and damaged and were discarded as being of no value. We are enclosing an itemized statement of the articles sold at auction and the balance not shown on this sheet were either stolen, or damaged and declared of no value.

Referring to your enquiry as to expenses against your boats; these expenses are proportionate charges covering supervision, insurance and survey expenses actually paid out. No office expenses or commission on the sales have been charged.

Your account has now been credited with the sum of \$43.50 representing \$21.75 on each boat covering a transportation claim from Steveston to Tofino. These amounts have been credited as it is understood that you delivered one boat and paid the expenses on the other one on the trip down and return to Tofino. We would appreciate your confirmation that this is correct.

A statement of your account is enclosed and these funds are available to you on request.

Yours truly,

I may say I mention nothing about the boats but I simply refer to the goods and chattels of which I gave you a description and an explanation of the inventory. Now here is the statement of the goods and chattels which were sold by auction at Mission, B.C., on March 7, 1945. The total is given as \$10.40. On an inventory that was originally \$723. There was an expense of \$4.04 against it leaving a balance of \$6.36 for this inventory. Now as I say, Mr. Shears has explained there has been a lot of theft and vandalism going on but I should like to put these documents on the record if the committee wishes so that in the end we may make some recommendation to the House or to the government that cases like this may be looked into and that justice be done to some of these Japanese whose property has been disposed of in such a way. I should like to hear Mr. Shear's comments.

Mr. GLADSTONE: Was your statement in error in one respect, as you gave it, Mr. Jaenicke? That is did the realization of \$10 against the original value of \$700 include boats.

Mr. JAENICKE: No, it does not include boats. If the committee likes I would put the statement on the record.

Mr. CRUICKSHANK: Was this appraisal done in the presence of Mr. Anderson?

Mr. JAENICKE: Yes.

Mr. CRUICKSHANK: I just want the point perfectly clear. It should be definite that Mr. Anderson was an official employee of the custodian's branch and he was present when the original estimate was made.

The VICE-CHAIRMAN: May I suggest, Mr. Cruickshank, that you ask that question of Mr. Shears.

Mr. CRUICKSHANK: Mr. Jaenicke has just made the statement and this happens to be in my riding and I have been accused of a lot of things in connection with the Japanese so I would like to know.

Mr. JAENICKE: I am not accusing you of anything.

Mr. CRUICKSHANK: Just a moment, Mr. Chairman, if the valuation of the Japanese property was prepared by an officer of the government and was approved as \$700 and the Japanese only got \$10 out of it, I am very much interested.

The VICE-CHAIRMAN: Would you be good enough to table that inventory Mr. Jaenicke?

Mr. JAENICKE: Yes.

Mr. COTE: Before there is any motion put I would like to say this.

The VICE-CHAIRMAN: There is no motion.

Mr. COTE: But we had better hear Mr. Shears.

The WITNESS: Mr. Chairman, and gentlemen, I think you will appreciate it is not possible for me to have all the details of any specific case which you may bring to my attention. However, I would like to say this in regard to what has been read by Mr. Jaenicke. Mr. Anderson was an employee of the office of the custodian. Never, at any time, did he have any authority, nor did he attempt in any way to value any properties. If the Japanese was with him at that time, and it does seem rather likely, it is possible that he was in the area, if he were there at the time the inventory would probably be made when they were together. It is quite possible they listed all the articles together. The placing of any price against those articles would, however, be entirely the responsibility of the Japanese and no consent or approval in any shape or form would have been given by Mr. Anderson because that has been quite a distinct rule in our department. Mr. Anderson is not an appraiser. I think probably, because of his contacts with Japanese property, he has a better idea than I would have, or than some of you gentlemen would have. He was not there in any way to place prices on articles sold. I admit, if those figures are in any way accurate there seems to be a wide gap between what they were sold for and the original valuation. The point would be, what articles were actually sold of the original list? A number of them, for some reason or other, would not seem to have been sold at all. A specific analysis of the file would be necessary to reveal all the facts.

Mr. COTE: Would it be possible to get some information on this particular point in which I am very interested. I understand you are about to leave to return to the coast but would it be possible to send to the chairman or to Doctor Coleman all the particulars and facts pertaining to this particular case?

The WITNESS: I would certainly be willing to do that. The only thing which crosses my mind, and I think I am in order in saying this, is it has been indicated has it not, on the floor of the House, by the minister, that active consideration of claims is under way. Would that not be the time when the

details of specific cases would be of greatest use. However if any particular case is requested we would only be too happy to supply the details.

Mr. COTE: If you require a motion I would be glad to put it.

Mr. SMITH: Even at \$700, and taking the value at half of that, do you not think the committee should have some explanation. If you just take the articles which have been read off by Mr. Jaenicke, and, using our own figures as to what they might be worth, there is a discrepancy. A man gets less than \$10 for the whole lot, and I think some explanation should be forthcoming.

Mr. JAENICKE: You can see for yourself the values are very reasonable.

Mr. COTE: I would be quite prepared to move that you send these particulars on to the chairman, Mr. Shears, leaving it to the chairman and to his steering committee to decide whether it is worth while opening a discussion on the particular case in the full committee.

Mr. FRASER: I wonder if the witness would say whether any other occasions such as this have come to his attention, where the depreciation has gone on to this extent.

The WITNESS: Yes, I would say that is true. I would say this too. It will be without a doubt possible for you to introduce some cases along the line of that which has now been indicated but there will be thousands where you will not find the same situation. I am not making this as a definite statement in regard to this particular case because I am not in a position to do so but just supposing it was shown the articles sold fetched a fair value for what was sold, and all the other articles disappeared. That would have been one of these cases, I admit, an extreme one, where our file might reveal something with regard to the disappearance by theft of all the articles. I do not want the committee to get the impression that in many cases everything in the house had disappeared. I am taking this as an extreme case. Possibly if such a considerable amount of goods were short of the amount of goods which were sold, the answer would be that the goods had been stolen.

Mr. FRASER: In this case you mentioned and these other cases, were these inventories made by men of your department or how were they made?

The WITNESS: In some cases they were supplied in the original declaration, then at a later date our men, as and when it was possible for them to do so, went around to all these various farms and checked up on the articles that were there. In this particular case it would appear Mr. Anderson was there when the Japanese was there and that would be proof positive that these articles were there. It would not, in my judgment, be proof positive of their value. It may or it may not have been right.

Mr. FLEMING: Mr. Chairman, I have a number of questions but to spread this around among the members quickly, I will confine myself to just one phase.

The VICE-CHAIRMAN: Is it on this particular question?

Mr. FLEMING: No, I want to turn now to the Fraser Valley farms.

The VICE-CHAIRMAN: May we dispose of this first? Is it your request that the Chairman ask Doctor Coleman or Mr. Shears to give us further information with respect to this particular case?

Agreed.

Mr. PROBE: Mr. Chairman, I think the information contained there in the documents given to you by Mr. Jaenicke should be retained on the record. As I understand it that inventory form is the regular form of the custodian's branch or a copy of it. It looks as though it has some official value and I believe the thing should be printed as it is there and reference made later on to it.

Mr. CRUICKSHANK: I would like to follow that up. I am also interested in this Fraser Valley. I think every member wants to do the fair thing by the Japanese. We may have been indiscreet in some things but not with respect to the value of goods taken. I do not know how much is involved, there may be hundreds of thousands of dollars, I cannot say. However, with my limited experience in Ottawa I do not see that there is any particular rush for Mr. Shears to return to British Columbia. It is a delightful country out there at any time of the year and I would like to be there myself now, but if there are hundreds of thousands of dollars involved I am not particular whether Mr. Shears goes back to British Columbia to-morrow or a month from now. As I understand it, the minister made a statement in the House that adjustments were necessary and they would have to be made. I think this committee is set up for the purpose of discovering whether any injustice has been done and we are then to make our recommendation. I think we are entitled to all the information we can get and I am not particularly worried about Mr. Shears going back to Vancouver. I would like to go back tomorrow, as I said. After all, Mr. Shears is an official and I think this committee should have whatever information is necessary from Vancouver. Mr. Shears might get that information and explain it to us when he gets it.

The VICE-CHAIRMAN: I assure you, Mr. Cruickshank, that Mr. Shears will be kept here until such time as the committee decides otherwise. I mentioned that he was from British Columbia and the government is anxious that he return as quickly as possible but that is not sooner than he is able.

Mr. CRUICKSHANK: I would like to have this information as brought out by Mr. Jaenicke. I do not know whether it is correct and I do not think Mr. Jaenicke knows whether it is correct but I would like to have details and information brought from the office in Vancouver in order to have Mr. Shears explain it to this committee.

The VICE-CHAIRMAN: You shall have that information.

Mr. COTE: Speaking to that request, Mr. Chairman, I rather think it would be more advisable, before printing the inventory tabled by Mr. Jaenicke, and the other documents, that we get the full reports on the other side of the picture and if necessary at that time we can have the whole thing printed in the same minutes of evidence.

Mr. JAENICKE: The only thing is, it will give you information as to the valuation of these articles and you can form your own opinions.

Mr. COTE: That is an individual case, Mr. Jaenicke. If it was a matter of higher policy you would be quite right, but this is an individual case. There may be a full explanation to account for this particular case and it would be unfair to let all this go into the minutes of evidence here without a proper answer which Mr. Shears is not in a position to give today.

The WITNESS: Just for the purpose of the record it is written right at the top of this sheet, "List made by custodian, owner's valuation added". I am merely putting that down for the purpose of the record. I definitely do not agree that this is a valuation made by an employee in my office.

Mr. JAENICKE: I did not say that.

Mr. FLEMING: We all understand that.

Mr. SMITH: Mr. Chairman, if we are going to print anything it should be printed in one piece, that is the only fair way.

The CHAIRMAN: In the meantime, we will table it and the clerk will be the custodian of the papers.

By Mr. Fleming:

Q. Mr. Chairman, may I ask a group of questions in regard to the farms of the Fraser Valley area? As I followed the evidence given by Mr. Shears

yesterday it indicated that in this group of farms there was a total of 769 of which about 20 were not in the Fraser Valley.—A. Yes, I said that. There may have been 30 to 40 relatively the bulk of them were in the Fraser Valley.

Q. Were those outside the Fraser Valley included in the sale to the Soldiers' Settlement Board?—A. Definitely yes. They were in the same offer but some of them were on the mainland and there were a few over on Vancouver Island but it was quite a limited number.

Q. The Soldiers' Settlement Board got the full 769 for the price which you mentioned yesterday, namely \$836,000?—A. No, excuse me, I think we should have this just right. There was an offer on 768 parcels. That was the original offer. There was a subsequent offer.

Q. What was the amount of that offer?—A. That was an offer from the Soldiers' Settlement Board?—A. Yes, 768 parcels, and the offer was \$750,000. It was raised to \$850,000 and that is the point, gentlemen, that we have got to make clear. The offer was for 768 parcels but we were not able to deliver title to all those 768 parcels.

An Hon. MEMBER: For what reason?

The WITNESS: I will come to that in a minute. There were 768 parcels in the first offer; 55 properties in a second offer which was considered by the advisory committees; and we had to withdraw some 60 odd properties and the actual number finally sold to the Veterans' Land Act was 741. The reason for the withdrawal of those 60 parcels was in part this: 20 of them, approximately, had no Japanese interest at all. The other 41, in a number of cases, were in the name of a deceased Japanese and the sale of that property had to be handled through an official administrator. In some cases there were encumbrances against the property greater than the Veterans' Land Act offer and for that reason they were withdrawn. When the sale was consummated in was consummated on the basis of an acceptable offer of \$850,000 against \$867,000 valuation of the properties in the first offer. Could I put it this way?

This is a copy of the offer. The Japanese name the appraised value, and the sale price. The sale price is 1.7 per cent, a little less than 2 per cent, lower than the appraisal. After a property was withdrawn it was just withdrawn on that basis.

By Mr. Fleming:

Q. I do not know whether that was quite clear Mr. Shears. Probably we can clear it up with a question or two. Now the offer which was finally accepted was 741 properties all of which belonged to Japanese?—A. Yes.

Q. They were sold for a total of \$856,256?—A. Definitely.

Q. And some other properties were taken out of the larger group because they were not the property of Japanese?—A. Yes, and also 41 properties that belonged to Japanese which we could not convey were taken out because they belonged to deceased persons and they were not sold to the Veterans' Land Act people.

Q. Some of those would be included in those 50 that you said were not sold?—A. I think they have all been sold.

Q. Let us confine ourselves to the 741 that were sold. An appraisal was made by the superintendent of the Soldiers' Settlement Board.—A. By the Soldiers' Settlement Board of Canada, I think that is the title.

Q. Yes, and their appraisal of those 741 properties was exactly how much? I think you gave the figure yesterday of \$847,000?—A. Yes, \$847,878.

Q. We are clear on that.—A. That would be right, yes.

Q. Now had your office made any appraisal apart from the appraisal of the Soldiers' Settlement Board?—A. Not at the time the offer was being dealt with. The advisory committee made some examination into some of the

properties before they recommended the acceptance of the offer. That was a valuation they made then.

Q. May I inquire if there was any general valuation made by your office before this offer was received or made by the Veterans' Land Act officials?—A. There was not.

Q. Now you say there was a check made of some properties. How many properties were checked as to valuation before the acceptance of the offer?—A. I think 17 or 18 properties.

Q. 17 or 18 out of 741?—A. Yes.

Q. And remembering apart from the fact this was a cash offer and a bulk offer, were there any other reasons you would like to mention which would lead your office to recommend government acceptance of this offer? I want to get the whole picture and to make sure you are perfectly fair.—A. This offer was negotiated between the advisory committee of the custodian and the committee of the Department of Veterans' Land Affairs. Representatives of the two committees sat together and as a result of their negotiations the advisory committee under Judge Whiteside recommended to the custodian that, in view of all the circumstances, the purpose for which those lands were required, the fact that the custodian would be relieved of a certain amount of carrying charges, the offer should be accepted and that offer was finally accepted.

Q. Those are the points I mentioned, and I take it we have before us all the factors that led to the acceptance of this offer?—A. Yes.

Q. You mentioned yesterday a figure of assessment of \$1,250,940. I take it that figure is the assessment of the 741 properties.—A. Yes.

Q. Now, have you within your knowledge information as to the terms on which these properties were then sold from the Soldiers' Settlement Board to the veterans?—A. That is not our department of course, but I am advised that when the director of the Veteran's Land Act sells these properties to a returned man he sells them at precisely the amount which he paid the custodian plus any improvements that they themselves have made. That is to say the Veterans' Land Act bought the property for \$2,000 and the returning soldier would buy the property for \$2,000 from the director of the Veterans' Land Act. I think I am right in that statement but of course it is not my department.

Q. Well you feel quite certain about it and perhaps the chairman could arrange to have that information confirmed. Now, let us go on to the distribution of the proceeds. You start with a certain valuation made by the Soldiers' Settlement Board. When you started to break down the proceeds of the \$836,000 among the Japanese owners on what basis did you proceed?—A. Originally the offer was for that number of properties for that sum of money, giving an itemized list of all properties on which they were bidding. For example our file number 11,060, Veterans' Land Act number 75, the Japanese name was S. Sukawa. Their appraisal of that property was \$1,158. Then if you added up all the totals of the 700 odd parcels it would have come to \$857,000 all from the first offer. The sale was then computed to the exact decimal point because of the fact that the advisory committee recommended acceptance of the \$850,000 as against the valuation of \$867,000.

Q. To put it briefly the distribution of the proceeds among the Japanese was based on the appraisal of the Soldiers' Settlement Board and worked out on a pro rata basis against the total price?—A. Correct.

Q. What steps did you take to notify the Japanese concerned of that appraisal?—A. There was a statement sent out to each Japanese showing the price at which his property had been sold to the director of the Veterans' Land Act. On the same statement there would show the disbursements, that is his share of the taxes and fire insurance and I think that would be about all.

Q. And how many owners were there in the 741 properties? Were they all individually owned?—A. I would say yes. There would be some slight difference

because there would be joint interests in a few cases but I would say approximately 700 owners would be concerned.

Q. Did you have replies from them?—A. I would say in the Vancouver office we might have had 300 letters of complaints. That, of course, may or may not indicate that all the people who wished to complain did so because when we received these letters of complaints we replied, stating as I have mentioned before, that their letter was being filed for record purposes. I think it is a fact that the Japanese population as a whole, living in these camps, would understand that if one Japanese complained and received that letter they would all receive such letters and they might not have troubled to write us. I do not know whether that is the explanation but it could be.

Q. How does that number of complaints with reference to the total number of persons affected, compare with the record of complaints that were received regarding the disposal of other types of Japanese property?—A. Well, I am frank in saying here that practically all complaints which have been received have been in connection with these farm lands which were sold to the director of the Veterans' Land Act.

Q. I take it to be a fact from what you said yesterday that your office really had not any particular part to play beyond accepting this particular offer. It was a matter of government policy.—A. It was a matter of negotiation between these two government departments and our local Vancouver office did not enter into the picture in regard to the sales of that group as we did in regard to other properties.

Q. The decision was a government decision?—A. Yes.

Q. A matter of government policy. Just a question in passing. Of the owners of the 741 properties would you know how many were naturalized British subjects resident in Canada?—A. No, I am sorry.

Q. You did not keep any records?—A. In so far as our department is concerned in administering the affairs of the Japanese there was no distinction. An evacuee was not an enemy and whether he was a national or naturalized or Canadian born. It made no difference to the administration of his property and the disposal of it when liquidation came into effect.

Q. That answer would apply to all property of persons of the Japanese race?—A. All evacuees.

Q. There was no distinction drawn between their status in any respect?—A. No, there were of course some Japanese classed as enemies but I am speaking of evacuees.

Q. Have all the owners of the 741 properties now received the proceeds of the sales or in some cases are the proceeds still held by the custodian?—A. The overall picture at the moment is this, that we have approximately 1,600 accounts which have credit balances. They are being sent out just as fast as they can be sent out. They are not being held for any reason at all. In some cases we have sent out money to a Japanese and the cheque has been returned saying that he does not wish to accept it and so that money of course goes back to the credit of his account.

Q. You are speaking of the overall picture?—A. Yes.

Q. When you speak of 1,600 accounts?—A. Yes.

Q. I am speaking only of the persons intitled to sale proceeds from the sale of the 741 properties.—A. I could not give you that proportion but as I say there are credit balances for 1,600 Japanese.

Q. That is another subject to which I would like to come back a little later. You cannot, however, from the knowledge of your records now, tell me how many cases of owners of the 741 properties have received in full the proceeds of the sale of their parcel.—A. No, I can only say that the majority have received their money.

Q. And amongst them how many do you think have refused to accept it?—
A. I think about 30 or 40.

Q. Thirty or 40 out of the majority?—A. Yes, that number returned their cheques.

The VICE-CHAIRMAN: Ten per cent roughly.

The WITNESS: Yes.

By Mr. Probe:

Q. Mr. Chairman, I would like to ask a few questions to follow up what Mr. Fleming has been asking with respect to the land held at one time by Japanese nationals, or naturalized Japanese.

Mr. FLEMING: You had better not call them Japanese nationals.

Mr. PROBE: No, I will change that to persons of the Japanese race. Yesterday, in the evidence, the witness accepted a phrase with respect to this land. Perhaps I should ask him whether he did accept the statement with respect to this land but the suggestion was it was already burned out in the sense that it was no longer productive farming land. Might I have his comment on that for the record to-day because I would like to get that matter cleared up? That is as to whether or not it was or was not fit for production.—A. As I stated yesterday I am not a farmer and I merely stated that I have been advised that a number of these properties were in the class of what was termed burned out lands. I do not think that means they were entirely non-productive. I think by putting in more fertilizer and that sort of thing the land would still be productive. That is somewhat of a technical matter and beyond my knowledge but this information has come to us in a general way.

Q. In general would you say these lands were suitable for further farming? That is, they are still suitable for the use of the soldiers to whom they were ultimately sold.—A. I would say that was true, but as I say that would be a question for a person who understood agriculture more than I do.

Q. As far as burned out valuation is concerned the suggestion came from one of the members of the committee rather than from the custodian's department.—A. No, that statement, as a matter of fact, has been a general statement in and around the Vancouver area and the statement did not come from the committee. I am just saying that is generally accepted in Vancouver and the Fraser Valley area that many of the Japanese farms would have been termed as burned out, but they were still producing and I take it can still be productive.

Q. Would you be able to inform us as to what is the general nature of the production of the lands that were occupied by these evacuees from their own production or production that has been obtained since they left? I am not as familiar with that area as would be the member from Fraser Valley. I do not know the country as a whole.—A. They are what might be called small berry farms, raspberries, strawberries and so on, but Mr. Cruickshank might be able to say something there.

Mr. CRUICKSHANK: I certainly intend to say something when you are through.

By Mr. Probe:

Q. Well, was the land productive generally, following the removal of these persons from the Fraser Valley? Was it kept in production?—A. Very little of it went out of production. Arrangements were made by the Japanese themselves before their evacuation, in co-operation generally with the Pacific Co-operative Union, that white tenants be placed on the farms. Sometimes the white persons were on the land even before the Japanese were evacuated. Broadly speaking, all the farms had some tenant placed upon them within a limited time.

Q. That would be covered by some form of cropping arrangement whereby the evacuee would receive his proper share of the produce of that farm?—A. In all cases, I think I might say, it was an outright sale of the crop for that particular year. That is to say the Japanese contacted a white tenant and the white tenant said "I will pay you \$600," for instance, "for the use of your property and for the growing of the crop". From that time on, of course, the white tenant had to cultivate it and had to take the crop off.

Q. Might I ask further, in connection with these holdings, was the farm machinery which had been part of each farm left on the farm when the Japanese evacuee left?—A. The farm machinery stayed with the land for the use of the white tenant during the term of his lease. That lease was for one year and in most cases it was renewed for the following year. It was renewed up until the time when these properties were sold to the director of the Veterans' Land Act. At that time the tenants who were on the land became the tenants of the Veterans' Land Act.

Q. Was the machinery valued separately in connection with the appraisal that was made for the purpose of selling out their interests?—A. The offer of the Veterans' Land Act was for the real estate only, the buildings and so on, but not the equipment.

Q. And such things as machinery, livestock, automobiles, and trucks would be disposed of through ordinary channels other than those involved in this arrangement between the custodian and the Soldiers' Settlement Board?—A. Those items were vested in the custodian and were disposed of by the means I outlined yesterday, that is advertising and calling for tenders or, if it was the type of article that could be sold at auction it was sold at auction.

Q. With respect to the land, I presume the land was asked for by the officials of the Veterans' Land Act rather than offered by the custodian to the Veterans' Land Act. I would just like to know whether your department suggested to the Veterans' Land Act that they buy these properties or whether that came about with the offer?—A. I can only say in regard to this particular offer, as already indicated, that it was the result of negotiations between the two governmental departments and not at Vancouver. The Vancouver office did not really come into the picture until after the deal had been consummated.

Q. That is the custodian is simply a third party in negotiations that happened to take place between the Veterans' Land Act or shall we say, the secretary of state and the Department of Veterans' Affairs. Those would be the two departments involved in those negotiations.—A. My understanding is that the deal originated, and of course it would naturally come from the Department of Veterans' Affairs. Knowing of these properties in the Fraser Valley and considering it desirable that they should be held for returned soldiers, I presume the Department of Veterans' Affairs would approach the department which had control of these lands by vesting at that particular time. Those two departments entered into negotiations and the deal was considered by the advisory committee and acceptance was made. It was only at that time that the Vancouver office came into the picture for the purpose of the mechanics of transferring the properties.

Q. May I ask if the Department of Veterans Affairs rejected any parcels because of the burned out feature? I presume they would have had their own inspectors working on this?—A. No, all the properties on which they offered except those which were withdrawn by the Custodian were sold.

Q. Now, then, what was the total acreage that was bought out at this price of \$850,000 or is it \$836,000?—A. I am afraid that on an acreage basis I could not venture an opinion.

Q. You could not give me or the committee an idea of the average acreage of the farms?—A. Yes, but there again, as I mentioned before in connection with the average price of \$1,158, one property was sold at \$10,000 and another

at \$200. These farms were generally small farms, one acre, two acres, five acres and so on.

Q. Would it be more correct to say they were small holdings rather than farms and surely there is an average that we could strike with respect to this?—A. They were small holdings, yes.

Q. Have you any comments to offer on what the assessment procedure is in the Fraser Valley with respect to these lands because I judge, since you have had numerous letters protesting the sale price, the owners wanted more than they got. Is there any basis for their complaint? How is the assessment worked out in the areas where this land was sold? In my city, for example, we have an arbitrary assessment for land and a 30 per cent valuation for buildings.—A. I would not be positive about this but I think land is assessed at its full value and improvements are assessed at 50 or 60 per cent. However, I would rather not make a positive statement in regard to that.

Q. Mr. Jaenicke corrects me and tells me that in Saskatchewan they set the assessment at 60 per cent of the value of the buildings.—A. As a matter of fact they sometimes have an assessed value and a value for taxation purposes but just what the valuation is I do not know.

Q. In general would you say it is incorrect to say that the custodian has sold poor quality land to the veterans in this proposition, the 741 parcels? That is to say the land generally was quite productive.—A. The land was certainly productive.

Q. I wonder why it was that there were 60 properties that were originally offered that were withdrawn from the sale?—A. It has been indicated before that 60 odd properties were withdrawn. Twenty were withdrawn because the Japanese had no interest. In 41 cases there was a Japanese interest but the custodian was not in a position to deliver the title. These properties have been sold since. They have been sold in many cases by the official administrator in co-operation with the custodian but in other cases they have been sold directly by the custodian when at a later time the custodian had cleared up defective titles. The reason they were withdrawn was at that time the custodian was not in position to deliver title. At a later date either the custodian or the official administrator was in a position to deliver the title and those properties were then sold.

Q. Not necessarily to the Veterans' Land Act?—A. No, not necessarily to the Veterans' Land Act.

Q. To private individuals.

Mr. CRUICKSHANK: Mr. Chairman, I would like to ask a couple of questions myself regarding the Fraser Valley. I would like to have as a matter of record the sale price by the custodian to the Soldiers' Settlement Board. I want this on the record in the case of each parcel of land. In other words I want the price that was paid to the Japanese. The reason I want that is that I happen to be a member of the Veterans' Affairs Committee and interested in seeing that the government should not be allowed to exploit the veteran by buying a piece of land for \$1,000 and selling it to the veteran for \$2,000. I want the exact price on each parcel of land bought from the Japanese. I think too much has been said about this burned out land and I am only sorry that the farmers from Saskatchewan are not familiar with the good farming husbandry that we have in the Fraser Valley. They will not know what we mean by burned out land. In the province of British Columbia it has quite a different meaning from, for instance, burned out lands in the province of Saskatchewan. Burned out land in the province of British Columbia in particular the berry farm, is not caused from such things as drought. I want to make this quite clear because nobody is going to say that the Fraser Valley is burned out. Berry farming by the very nature of it is intensified farming as everyone will appreciate. On the average berry farm fertilizer is used and I trust there are no representatives

here of firms selling the stuff. If anybody knows anything about farming and using chemical fertilizer they know that such fertilizer will eventually burn out the land. In the Fraser Valley the average berry farm is a small farm. This might be an Irish way of saying it, but the largest farm would not be over ten acres and the average farm will have about five acres under cultivation. The farm is very intensively farmed and as I have said it has to be kept in condition by the use of chemical fertilizer. That is what we mean by burned out land or farm land which has been mined. I made a statement, and I repeat it now, a very large percentage of these farms in the Fraser Valley were burned out, being over mined, because such fertilizers had been put on the land. In most cases, of necessity, it was chemical fertilizer which was put on the land. Nobody is here to dispute the fact that the Japanese were energetic and good workers, and nobody is here, so far as British Columbia is concerned, at least, to say they were not capable and efficient farmers, particularly in small areas. I am sure Mr. Green will agree with me in that.

I am digressing slightly at the moment because too much attention has been paid to a remark made by Mr. Probe yesterday, "How could they afford to buy these frigidaires if the land was burned out?" I could give you one reason for that. I know of one Japanese farmer who was working at the age of 94, seven days a week; that is one of the reasons. They were able—while the land may have been to a certain extent mined out—to buy frigidaires and such equipment because of their long hours of work. Incidentally, I may say a very small percentage of them had frigidaires because a very small percentage of the Japanese farmers had electricity on their farms. I was just using the word as a term. However, the Japanese work from the time they are four years old until they are ninety years of age, seven days a week.

I heard someone say, "What hours do they work,?" They work up to 18 hours a day. In my own municipality, adopting some of the methods of the lawyers, I had a by-law passed to prohibit them working on Sunday. By pure bluff, I got away with it. They told me I had to go to the Lord's Day Alliance Act. You might just as well try to get something out of one of these government departments as to get something from the Lord's Day Alliance Act. However, I bluffed it through and stopped them working on Sundays. It was for this reason they were able to buy those things. They worked long hours.

Last year, we paid berry pickers in the province of British Columbia as much as we received for the berries in the previous year. We actually paid the pickers as much as we received for the product. By working 18 hours a day, by working all the members of the family from the grandmothers to the grandchildren, the Japanese were able to do these things.

I want to make that very clear. I do not want to dwell on the burned out land. Any land must be kept up. I think everybody knows it.

I disagree with the witness as to the condition of the farms when the Japanese vacated. They were not properly farmed and had not been properly farmed. I am speaking of 90 per cent of the farms. In the production of berries, you must keep your farm replanted and heavily fertilized to keep it up. These farms were leased on a year-to-year basis. I leave it up to anyone of you; do you think anyone is going to take a farm, go in and clean it up and replant it when he is only there for a year? Those farms were not kept in condition and are not in condition now.

As the Fraser Valley has been mentioned, and as most of these Japanese berry farms are in my riding, I must say that now they are just pieces of land. They are not farms in most cases. They have grown up with willows, and to take them over would be like taking over a piece of raw land. They would have to be cleaned up.

The CHAIRMAN: What would be the average size?

Mr. CRUICKSHANK: Ten acres. There is one farm which has been sold in the Mission area. I understand it has been sold for a monastery. It is not worth \$100 for the whole farm, as a farm. The Japanese, apparently being so accustomed in their own country, were capable and willing to farm the hillsides and the mountain slopes. The average berry farm, I am confident, would not equal ten acres. Although the property in question might be over ten acres—it might have 25 acres according to the tax notice—there would only be seven acres of that land under cultivation. I think that is general throughout the province of British Columbia. It certainly applies to the Fraser Valley. The assessment roll might indicate there was more property, but only a small percentage of that is actually under cultivation.

Mr. JAENICKE: What is the customary rental basis for these farms in that district?

Mr. CRUICKSHANK: Previous to this evacuation of the Japanese, it was very seldom a berry farm was rented. I do not think there would be half a dozen berry farms rented in the province of British Columbia. It is not practical because of the limited scale of operations in berry farming.

The CHAIRMAN: Are there any further questions?

Mr. GREEN: What about the difference between the assessed value and the appraisal value?

Mr. CRUICKSHANK: In the Fraser Valley, there are about 17 municipalities affected. Each municipality has a different scale of assessment. Some municipalities have never assessed or taxed improvements at all. Let me put it another way. The city of New Westminster, I think, is the only city of any size in Canada which does not tax improvements. I do not think you could arrive at a valuation of farm land from assessed value. Some municipalities adopt the principle of a high mill rate and a low assessment, and other municipalities adopt the principle of a low mill rate and a high assessment; that is common.

Mr. PROBE: You have no assessment commission?

Mr. CRUICKSHANK: Each municipality sets its own assessment. I think that was true until this year. I think the Goldberg report suggests there be a new assessment made by the provincial authorities for school purposes; that is for the 1947 assessment. I know nothing about it. I have had mostly municipal farm experience and I would say you cannot arrive at a valuation of the land on the basis of the assessment. I believe that is so in most municipalities across Canada.

There was one statement made by the witness with which I disagree. He said there was an assessed value and a value for taxation purposes. I disagree with that entirely.

The WITNESS: I say there are assessment notices without doubt which are in our office which have the assessed valuation and the valuation for taxation purposes. I would not say that was so in the Fraser Valley, but there are such notices.

Mr. FLEMING: In some cases there are exemptions?

Mr. CRUICKSHANK: Oh well, there may be exemptions but I am saying it is not possible to have an assessed value and a value for taxation in the province of British Columbia. I am speaking from memory. Until this year, we were only permitted to tax 50 per cent of the improvements; I think 50 per cent which was the maximum. This year it was raised to 75 per cent.

I am speaking for the veterans who are acquiring these farms, have acquired them or are acquiring them. They are not able to enter into a discussion as to what we paid—when I say “we” I mean the Department of Veterans Affairs paid the Japanese for the land. We are determined the government shall not exploit those prices on the resale to the veterans. If there is an adjustment to

be made—I want this to be put on the record to be perfectly clear—I do not think there is anybody in the Fraser Valley who wants to see any injustice done to those Japanese. Whether they were paid enough, I do not know. I do not think anybody else can tell. I do know the men who were on the advisory board. Judge Whiteside, is one of the men of whom I am speaking and Mr. Menzies is another. Mr. Menzies has lived in the centre of the Japanese area for thirty years. I happen to be the person who recommended Mr. Menzies as a member of that board. He is a capable man in real estate. He is a man who resided right in the area. I presume he gave a fair valuation.

There is such a vast difference between the value of farm land, as between 1942 and 1947 in any part of British Columbia, that to-day's values cannot be taken into consideration. Values have trebled in the Fraser Valley. Land which sold in 1942 for \$150, which was considered a good price at that time, has sold this year for \$600. In so far as farm values are concerned, there can be no comparison between 1942 and 1947.

I do want that point to be clear. When I referred to burnt out land, that is common in any part of Canada, and particularly in connection with intensive farming. For instance, your Niagara Peninsula is one of the finest districts in Canada, and certainly the only good district you have in Ontario, but it would be burnt out if you did not constantly keep that property up. It is the same wherever you have intensive farming.

Mr. JAENICKE: How can you recondition that land?

Mr. CLEAVER: By adding humus to the land.

Mr. FLEMING: May I have a couple of minutes to ask a few questions in connection with this matter?

The CHAIRMAN: I caught Mr. Cote's signal, so you will have a couple of minutes and Mr. Cote will be the last.

By Mr. Fleming:

Q. Mr. Shears, do you know who made the valuation on behalf of the Soldiers' Settlement Board?—A. No, I do not. It was the Soldiers' Settlement Board valuers, that is the only title I have.

Q. We will have to get that from that department, then?—A. Yes.

Q. You mentioned that you have had valuations made of 17 of the 741 properties. I presume that was as a sort of check against the offer, is that correct?—A. The Advisory Committee had that check made.

Q. Who made the valuation of the 17 properties?—A. The members of the committee themselves, Mr. MacKenzie and Mr. Menzies.

Q. Did they take along an independent valuator?—A. I could not say. They reported back to the committee that they had appraised 17 properties and they brought the result to the committee.

Q. Have you those results?—A. I am not sure whether I have them here, but those valuations they brought back to the committee were all higher than the Soldiers' Settlement appraisal.

Q. Within what area were those 17 properties located?—A. They just checked the spot valuations throughout the group of lands.

Q. Then, you can furnish the committee with the particular properties, the valuations made by the committee in each case?—A. Yes.

Q. And you are going to do that along with these other items for which Mr. Cruickshank has asked, namely, the settled purchase price of each property?—A. Yes.

Q. You mentioned later there were 60 additional properties sold. Did I understand you correctly?—A. There was what was called an addition to this number of properties and that was also sold on the same basis, that is to say, it was the Soldiers' Settlement appraisal and the properties were sold exactly

at the same percentage differential, less than 2 per cent of the valuation. So you could put the whole deal together.

Q. That is to say, these properties were all sold to the one private purchaser, is that correct?—A. They were sold to the Veterans' Land Act, a second offer, an additional offer, I will call it.

Q. And the basis was precisely the same?—A. Precisely the same, yes.

Mr. PROBE: That is not the way I understood your answer.

By Mr. Fleming:

Q. That is not what I have noted when Mr. Probe was questioning you. You said they were sold to private purchasers.—A. They were properties withdrawn from the Veterans' Land Act. There were 60 odd properties withdrawn, 20 did not belong to the Japanese and 40 have been advertised and sold either by the custodian or the administrator.

By Mr. Cruickshank:

Q. Is it not correct that some of these properties were sold by the Japanese direct, themselves?—A. No, not these particular properties. There were properties sold by the Japanese, but not these particular properties.

By Mr. Fleming:

Q. We have it straight; there were 60 sold through your office to private purchasers?—A. Forty-one.

Q. What was the valuation of those properties on which you based your selling price; how was it made?—A. They were independent appraisals which I had made in line with the valuations which were made on the other 900 properties to which I referred yesterday.

Q. They were made by independent valuers in the area?—A. In the area, yes.

Q. Were appraisals made on any of those by appraisers for the Soldiers' Settlement Board?—A. I did not catch your question. Originally in the offer, they had been valued by the Soldiers' Settlement people, but they were withdrawn and then they were valued—

Q. Then, you had a fresh appraisal made of them?—A. Yes, we had a fresh appraisal made.

Q. Can you give us a list of the forty-one properties with the two appraisals, the first appraisal by the Soldiers' Settlement Board and the second appraisal made by your independent appraiser?—A. Yes, that is quite easily available, except, I would say this, rather than give the two appraisals we could give the prices at which the properties were sold.

Q. To give the committee the complete picture then, would you submit a list of the 41 properties with the three figures opposite each, the first appraisal by the Soldiers' Settlement Board, the second appraisal made by your office's independent appraisers and third, the selling price in each case?—A. Yes, I can give you the first two right here and will secure from Vancouver, the second appraisal—I can give the Soldiers' Settlement appraisal and I can give you the custodian's selling price.

Q. It would be better to give it to us complete, would it not?

Mr. CASE: I had a suggestion to make in connection with a question asked by Mr. Cruickshank. He has asked for a list of the properties, their values and so on, and there have been some questions asked about the average number of acres per farm. Would it be helpful to have the acreage of each of the properties?

Mr. CRUICKSHANK: I presumed that would be on the list of properties?

The WITNESS: I would not be able to give you the acreage.

The CHAIRMAN: If you want the 741 properties listed along the lines as outlined by Mr. Fleming, it is within your power to ask for it—

Mr. CRUICKSHANK: That is exactly what I do want.

The CHAIRMAN: I do not know whether you heard the answer given by Mr. Shears. He said all the 741 properties sold to the DVA were re-sold to the veterans at exactly the same price.

Mr. CRUICKSHANK: With all due deference to you, that is not according to the facts which I have. I am not saying Mr. Shears is responsible for the Department of Veterans Affairs, that is out of his jurisdiction.

The CHAIRMAN: The committee desires the 741?

Mr. FLEMING: Yes, and that can be compared with the witness from the Department of Veterans Affairs.

The CHAIRMAN: Gentlemen, just before you leave, would it be possible to meet this afternoon? Is it your pleasure to do so, otherwise we would not meet until next week. I am not, as a rule, in favour of holding meetings while the House is in session. I have stated my position on that on more than one occasion in other committees. If it is your wish we should meet this afternoon, we could meet again at four o'clock.

Mr. FLEMING: I doubt very much now if we are going to finish Mr. Shears to-day. Of course, that may not be a reason why we should not meet this afternoon, but there are a lot of other matters to be covered yet.

The CHAIRMAN: Then, we will adjourn until Monday morning at eleven o'clock.

The committee adjourned at 1.05 p.m. to meet again on Monday, May 12, 1947, at 11.00 a.m.