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PRICE-WATERHOUSE - "THE NATIONAL ASSOCIATION OF JAPANESE CANADIANS - ECONOMIC LOSSES OF
JAPANESE CANADIANS - ECONOMIC LOSSES OF

[1986] FOLDER NO. 7

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THE NATIONAL ASSOCIATION OF JAPANESE CANADIANS

ECONOMIC LOSSES OF JAPANESE CANADIANS AFTER 1941

Price Waterhouse

THE NATIONAL ASSOCIATION OF JAPANESE CANADIANS

ECONOMIC LOSSES OF JAPANESE CANADIANS AFTER 1941

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May 7, 1986

National Association of Japanese Canadians,
735 Ash Street,
Winnipeg, Manitoba,
R3N 0R5

Attention: Mr. Art Miki, President

Dear Sirs:

ECONOMIC LOSSES OF JAPANESE CANADIANS AFTER 1941

We are pleased to enclose our report in accordance with your terms of reference. If you have any questions, please direct them to Bob Elton or Martin Roberts.

Yours very truly,

Price Waterhouse

PRICE-WATERHOUSE - "THE NATIONAL ASSOCIATION OF JAPANESE CANADIANS - ECONOMIC LOSSES OF JAPANESE CANADIANS AFTER 1941"

[1986] FOLDER NO. 57

THE NATIONAL ASSOCIATION OF JAPANESE-CANADIANS
ECONOMIC LOSSES OF JAPANESE CANADIANS AFTER 1941

I N D E X

	<u>PAGE</u>
SECTION I: SUMMARY	1
Conclusions	1
Background	2
Approach: principles determining the loss	4
Historical framework	5
Determination of losses in 1949 dollars	10
Basis for restating losses in 1986 dollars	20
Comparison with the Japanese American experience	20
Non-economic losses	21
Summary of work done by Price Waterhouse	22
Chronology	
SECTION II: HISTORICAL FRAMEWORK	25
SECTION III: APPROACH: PRINCIPLES DETERMINING THE LOSS	26
SECTION IV: INCOME LOSS	30
SECTION V: FRASER VALLEY FARMLAND	48
SECTION VI: OTHER REAL PROPERTY	51
SECTION VII: FISHING ASSETS	55
SECTION VIII: BUSINESSES	58
SECTION IX: OTHER PROPERTY	60
SECTION X: EDUCATION	62
SECTION XI: OTHER LOSSES	64
SECTION XII: BASIS FOR RESTATEMENT OF LOSSES IN 1986 DOLLARS	65

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SECTION I: SUMMARY1. CONCLUSIONS:

- We conclude that the Japanese Canadian community suffered a total economic loss after 1941, of not less than \$443 million. This figure is expressed in 1986 dollars.
- The total loss is made up of the following elements-
- Japanese Canadians suffered income loss of \$333 million in 1986 dollars as a result of being unable to earn their normal income levels between 1942 and 1949.
- The community suffered property losses of \$110 million in 1986 dollars, principally because the value of property rose quickly between 1942 (when the Canadian Government seized all property belonging to Japanese Canadians) and 1949 (when some of the Japanese Canadians were able to re-enter the property market).

	Page	1948 dollars	1986 dollars (\$000's)
Income loss	10	\$36,200	\$333,040
Fraser Valley farmland	14	5,360	49,314
Other real property	12	4,455	40,986
Fishing assets	15	1,125	10,350
Businesses	18	829	7,627
Other property	17	1,124	10,341
Education: Fees paid	63	150	1,380
Other losses	64	124	1,141
Less: Awards made by Bird Commission		(1,200)	(11,040)
		\$48,167	\$443,139

Possible losses through disruption of education are considered in Section X.

We also identified other areas of economic loss which we were not able to quantify. Any or all of them could be very significant-

- ° The Custodian of Enemy Property took control of Japanese Canadian property after January 1942. Before then, many Japanese Canadians disposed of properties in anticipation of what was to happen. Because records of these disposals are not generally available, we have not been able to add them to our review. Had we been able to include these properties, our calculation of property losses would have been larger.
- ° In assessing business losses, we have not been able to calculate a figure for "goodwill" in respect of the larger businesses owned by Japanese Canadians. In particular, we were not able to conclude to what extent the Japanese Canadians would have participated in the post-war growth of British Columbia's major industries, such as lumber. To the extent Japanese Canadian owned companies would have shared in this growth, our calculation of business losses would be larger.
- ° We have not been able to estimate the loss attributable to dispersal. The economic concentration of the Japanese Canadian community was potentially valuable and dispersal removed this advantage.

2. BACKGROUND:

We were asked by the National Association of Japanese Canadians to estimate the total economic loss which the Japanese Canadian Community sustained after 1941, as a result of approximately 21,700 Japanese Canadians being dispersed and relocated by the Government of Canada.

On January 16, 1942, Order-in-Council P.C. 365 called for the removal of male Japanese nationals from a "protected area" within 100 miles of the coast of British Columbia. On February 24, 1942, Order-in-Council P.C. 1486 was issued to include all "persons of the Japanese race" in this exclusion.

On March 4, 1942, Order-in-Council P.C. 1665 established the B.C. Security Commission ("B.C.S.C.") to "plan, supervise and direct the evacuation from the protected areas of all persons of the Japanese race".

P.C. 1665 also contained the provision that "all property situated in any protected area of British Columbia belonging to any person of the Japanese race resident in such area" (except fishing vessels which had been seized as a result of Order-in-Council P.C. 288 of January 13, 1942) "be vested in and subject to the control and management of the Custodian". Initially the Custodian of Enemy Property was responsible for looking after the property but he was subsequently empowered to liquidate it.

All of these Japanese Canadians had to register with the B.C.S.C. In the next few years, their property was liquidated by the Custodian. By 1947, the Japanese Canadians were dispersed throughout Canada.

The Bird Commission was set up in 1947 by Order-in-Council P.C. 1810 to inquire into claims made by "persons of Japanese race who are resident in Canada at the date of this Order". The terms of reference of the Bird Commission were restrictive, in that it was asked to determine whether assets had been sold by the Custodian at the fair market value at the time of sale. Its conclusions are therefore not comparable with ours. However, we have reviewed much of the evidence which was put before the Bird Commission and in some cases have used the Bird Commission's findings as a basis for our conclusions.

"Japanese Canadians" -

Throughout this report we have used the term "Japanese Canadians" to refer to-

all those persons of Japanese ancestry who lived in the 'Protected Area' of British Columbia in December 1941 and were therefore forced to move.

We have adopted this terminology for the sake of simplicity. It is not a technically correct description, for two reasons-

- There were Japanese Canadians who did not live in the Protected Area.
- There were people of Japanese race who were not Canadian citizens. We have not differentiated between people on the grounds of citizenship, because we understand there were restrictions which prevented Japanese citizens living in Canada from becoming Canadian citizens.

Of the 23,000 people of Japanese ancestry who lived in Canada in 1941, 5,564 were Japanese nationals. However, from 1930-1940 only 827 Japanese nationals immigrated to Canada. Therefore, almost all of the people of Japanese ancestry living in Canada in 1941 had been Canadian residents for 10 years or longer.

3. APPROACH: PRINCIPLES DETERMINING THE LOSS:

Our objective is to compare what did happen to Japanese Canadians between 1941 and 1949, with what would have happened but for their forced relocation and the liquidation of their property. We have selected 1949 as a benchmark because by this date all restrictions on the Japanese Canadians had been lifted and there is little information on their status or movements to facilitate a further analysis.

The Japanese Canadians suffered economic loss to the extent they were in a worse position in 1949 than they would have been had they not been dispersed.

The comparison is therefore between their actual conditions in 1942-1949, which are reasonably well documented, and their likely conditions if there had not been dispersal and property liquidation.

The determination of loss for events which occurred 40 years ago, to 21,700 people, is inevitably subject to a great deal of judgement and is restricted in some areas by a lack of information. In this report we have outlined the evidence we have seen and the judgements we have made. We have not tried to include all the evidence examined, but instead we have selected those facts and arguments which we consider most significant to the determination of economic loss.

There are several types of economic loss which affected different Japanese Canadians, and these are summarized below-

	Income loss	Real property loss	Personal property loss	Business property loss	Education loss
Farmers	X	X	X	X	
Fishermen	X	X	X	X	
Children					X
Businessmen	X	X	X	X	
Employees	X	X	X		

"Real property" means land and buildings. "Personal property" means other property.

SECTION XII - BASIS FOR RESTATING THE LOSS IN 1986 DOLLARS

We have first estimated the losses suffered in 1949 dollars. We have then to restate these losses in 1986 dollars, and we considered several ways of doing this-

- ° Indexation can be expressed in terms of purchasing power. If someone lost \$1,000 in 1941, he could buy certain goods. What would those goods buy today? The Consumer Price Index measures the loss of purchasing power on a variety of goods and services. The increase in this index since 1949 has been 5.4, so we would multiply the calculated loss by 5.4.
- ° A loss in 1949 dollars implies that, but for the loss, the Japanese Canadian population would have had more assets on April 1, 1949. These assets might have been held mainly in cash, or in other forms such as property, vehicles, chattels, investments in businesses, or business assets. Some of these assets, notably land, became much more valuable after 1949 than before, relative to inflation. If the Japanese Canadian had held on to these assets, they would have been able to enjoy the fruits of that increased value.
- ° The losses could be indexed up to reflect the increases in value of a particular assets or type of asset. The increase would vary but it would be much higher than 5.4.
- ° A variation on all these methods is to factor in the interest which could have been earned on the amounts saved, i.e. if the extra assets were in cash, what would have been the capital growth over time? This factor would be added to the index factor. The rate using the interest on government bonds would be 9.2. The rate using the interest on corporate bonds would be 16.2.

SELECTION OF APPROPRIATE INDEX FACTOR:

The use of the CPI has several advantages. It is simple, it is a widely measured tool and it measures the inflation as a scientifically selected basket of goods and services.

There are however, two disadvantages. First, the CPI is based on statistics drawn from the Canadian population as a whole, and are based on the typical spending patterns of that population. The loss, on the other hand, was incurred by the Japanese Canadian population who are not necessarily representative of the Canadian population and who cannot be expected to have "typical" spending patterns. For instance, if Japanese Canadians proved to have been low spenders on living but high spenders on housing, the indexation using CPI would produce a distorted result.

Second, there have been some major changes in living standards since 1941. Canadians have more possessions, and more debt. Incomes have risen by a factor of 20, while the CPI has risen only 7 times. To use the 1985 CPI as a basis for measuring the 1949 loss is questionable in these circumstances.

The use of separate indices for different assets is speculative, because it requires us to assume the same type of assets would have been held by the Japanese Canadians.

We have therefore chosen the index factor taking inflation and accumulated interest into account. We have used the government bond rate, which represents a conservative investment return. The rate thus calculated is 9.2 which we have used as our multiplier.

4. HISTORICAL FRAMEWORK:

(a) EXPERIENCES OF OTHER BRITISH COLUMBIANS, 1942 - 1949-

To predict what would have happened to the Japanese Canadians, we need to consider the broader economic position in British Columbia.

1941-

British Columbia was much more dependent on forestry, mining and fishing than it is today. (Japanese Canadians were excluded from being miners underground and from logging on Crown lands, but many of them were employed in lumber production.)

The average wage in B.C. in 1941 was \$1,047 for a man and \$558 for a woman. Incomes of employers and self-employed people, mainly males, were generally higher.

For people over 16, the participation of women in the workforce was 18%, compared with 82% for men. In addition, women's wages were 47% lower as noted above.

The war had apparently little effect on the economy by 1941. B.C. was recovering slowly from the Depression, and income levels were lower than they had been in the 1920's.

Military service had little effect - 29,000 British Columbians, 8.3% of the workforce, were enrolled on Active Service.

1942 - 1945-

In these years British Columbia's wartime economy developed, with prices, wages, production and land values rising dramatically.

Labour shortages in many industries, caused partly by military service and partly by wartime production demands, helped to increase wages and also to encourage more employment of women. Unemployment was correspondingly low.

Agricultural activity was particularly stimulated by the war, as British demand for produce resulted in increased production.

In Schedules IV-11 onwards, we have shown the increases in prices and wages during this period.

There were mixed effects on education and training. The number of students enrolling at universities declined, but elementary and high school enrollment was unaffected.

1946 - 1949-

The post-war period saw a continuation of the war-time boom until a brief slowdown began in 1948. The population had increased from 818,000 in 1941 to 1,082,000 in 1948. Returning veterans helped to keep land values firm.

University and college enrollment rose sharply, presumably because of assistance given to returning veterans under the Veterans Rehabilitation Act.

By 1951, the employment of women had doubled since 1941.

Summary-

The British Columbia economy grew quickly in 1941-1949, and inflation continued throughout the period.

Inflation can be beneficial for those whose incomes are increasing with inflation and/or those who hold assets which are increasing in value. However, for Japanese Canadians this was an inopportune time to be deprived of property ownership rights. By the time they were again given the opportunity to start a business or to own property, prices had increased so much they were less able to re-enter the market.

Moreover, they had been prevented from taking advantage of the business opportunities which arise during a period of economic expansion.

(b) EXPERIENCES OF JAPANESE CANADIANS, 1942 - 1949-

In this report we have calculated the loss collectively suffered by this community over a 7-year period. To understand these losses, it is necessary to understand the experiences of Japanese Canadians during this period.

1941-

- ° In December 1941, there were 23,000 Japanese Canadians living in British Columbia.
- ° 8,300 of this group were working. The rest were not working, notably women living at home and children.
- ° Of the 8,300 working adults, 925 were farmers, 1,265 were fishermen and 1,839 were in logging or pulp mills. There were few professional people. Schedule IV-6 gives a more detailed breakdown of their occupations.

1942-1945-

In this period, essentially all of the real property, motor vehicles, businesses, fishing vessels and equipment and chattels of the Japanese Canadians were sold. All of the Japanese Canadians were removed from the Protected Area by the end of 1942, as follows-

- ° There were 2,100 people in work camps for the first year, and many people spent up to 3 months in Hastings Park in Vancouver, awaiting relocation. These people were mainly from outside Greater Vancouver. The work camps were for adult males only, who were therefore separated from their families.
- ° Interior Housing Projects in British Columbia. These 'projects', or camps, initially housed 12,000 people, including a high proportion of children and older people. The camps were mainly built around old mining towns. There was little employment and initially high requirements for maintenance assistance as a result. Education was provided up to Grade 8.
- ° Self-supporting projects in British Columbia. These projects accounted for 1,200 of the more economically self-sufficient Japanese Canadians. These projects had to provide their own schooling. Employment was scarce for those living in these communities.
- ° Sugarbeet farms in Alberta, Saskatchewan and Manitoba; initially 4,000 people went to these provinces. In Alberta, there was a contract with the provincial government to prevent Japanese Canadians from settling there when the war was over. The people generally worked on the farms during the season, and supplemented their income with winter work when available. Wives and many children had to work on the farm, along with the men. The children were educated in the normal provincial school systems, but in Alberta Japanese Canadian parents had to pay for the high school attendance of their children.

- ° Ontario and Quebec. By the end of 1945, 4,200 Japanese Canadians had moved to central Canada. They competed for jobs with other Canadians, and their children were educated in the normal school system. These people had more economic opportunity than the average Japanese Canadian.

The property owned by Japanese Canadians at the time of registration was as follows (this excludes any property sold before registration)-

- ° 945 properties excluding Fraser Valley farms. These, mainly houses, were evenly divided between Greater Vancouver and other areas. The Vancouver properties included a large concentration around the Powell Street area. 920 of the properties were sold by the Custodian of Enemy Property mainly between 1942 and 1944, for \$1,681,000, an average of \$1,827 per property. The properties include community-owned facilities (such as churches) as well as privately-owned property.
- ° 741 farm properties in the Fraser Valley covering 3,959 cultivated acres. These farms were sold to the Veterans Land Administration ("VLA") for \$836,256 in 1944, an average of \$1,129 per property. The farms were rented, up to that point.
- ° Before sale, real properties were rented for a total of \$557,670 (net).
- ° 519 motor vehicles, which the Custodian sold for \$160,000 mainly in 1942, an average of \$308 per vehicle.
- ° 1,137 fishing vessels with related nets and gear, which were sold for \$1,828,000, an average of \$1,616 per vessel and equipment.
- ° The people had personal effects, including furniture, which were sold for \$276,000 net, an average of \$12.70 per person.

The total amounts realized by the Government for all assets was \$5,763,000.

Whatever the destination of Japanese Canadians between 1942 and 1945, they were not allowed to own property or lease it for more than one year without a permit from the B.C. Security Commission. In fact, only two such permits were issued by 1945.

1946-1947-

After the war was over the Canadian government announced a policy of dispersal, which meant a second relocation for many Japanese Canadians.

Japanese Canadians still in British Columbia were told to move to Japan, or to relocate "East of the Rockies". 3,961 people, a third of whom were children, ultimately went to Japan. Their net worth, as recorded by the Custodian, was \$1,248,692.

For the rest, 1946-1947 was a period of movement to Ontario and Quebec as the Interior Housing Projects emptied. By March 1947, 900 people were left in these Projects, and 7,900 now lived in Ontario or Quebec. There was also some movement from Alberta to Central Canada, together with some movement from B.C. to the Prairies.

The restrictions on owning property were lifted in March 1947. By that date, 220 people had obtained permits to buy property. This compares with some 1,600 properties registered by the community in 1941, together with an unknown number of properties sold before registration.

Once the Japanese Canadian community was no longer subject to restrictions, there was less documentation available to review. However, it is clear that by March 1947, Japanese Canadians had not yet recovered their 1941 economic situation. The evidence suggests they were not suffering severe unemployment or welfare problems at this time, but their employment potential was still limited.

The Japanese Canadian population today-

The Japanese Canadian population was 20,558 in 1947.

The 1981 census showed an increase to 41,000 of whom 9,000 immigrated to Canada since 1945. The Japanese Canadian population is concentrated mainly in British Columbia and Ontario, where 33,000 of the total live. The metropolitan areas of Toronto and Vancouver each have approximately 12,000 Japanese Canadians.

5. DETERMINATION OF LOSSES IN 1949 DOLLARS:

(a) INCOME LOSS-

The income loss suffered by Japanese Canadians is equal to the income which they would have earned from 1942-1949 ("potential income") less the income which they did earn ("actual income"). We conclude that the loss was \$36,200,000 in 1949 dollars or \$333,040,000 in 1986 dollars.

This loss is broken down as follows-

	\$ Million		
	Potential income	Actual income	Loss in 1986 dollars
1942 (part year)	5.2	1.6	3.6
1943	11.2	2.7	8.5
1944	12.0	4.4	7.6
1945	12.5	6.2	6.3
1946	13.3	9.4	3.9
1947	14.4	12.1	2.3
1948	15.6	12.6	3.0
1949 (part year)			1.0
Total			36.2
			333.0

The reduction in income loss from 1942 to 1947 shows that the Japanese Canadians gradually re-established themselves.

Potential income-

To calculate potential income, we took a systematic sample of the Japanese Canadian population from the files of the Custodian, and prepared an analysis of the entire 1941 population by occupation.

For each major occupational category we obtained data on the average B.C. earnings in 1942 to 1949.

We multiplied the average earnings by the number of people in each major occupational category.

In making this calculation we considered various contingency factors including-

- unemployment
- potential of the Japanese Canadians to move into occupations with higher incomes and earnings
- increased employment of women in wartime

The potential income for 1942 was \$10,482,000. There were 6,950 males and 1,371 females in the workforce. The total represents an average of \$1,370 per male and \$700 per female.

Actual income-

We have calculated the 'actual income' from the Custodian's files.

For some groups of Japanese Canadians, the income was precisely determinable. For other groups, we had to make estimates to varying degrees. The main categories were-

- Interior Housing Projects. Employment was scarce. Wage information for 1943-1944 was available, and we used this as a base.
- Sugarbeet farms. Pay was low on the farms, and outside employment not always available. There is detailed information available for some years, which we used as a base.
- Internees, work camps and work projects. Pay was low for these people. There is information on rates of pay per hour.

The people in the above categories account for much of the loss.

Another category is the people who were resettling and moving into a job with an independent employer or starting a business, rather than being part of a Project. Little specific information was available on the income or earnings of these people. We have assumed that they had reached their normal income levels, within three years of moving.

For people who went to Japan, we have assumed their actual earnings to be comparable with those of Japanese Canadians still living in Canada.

(b) REAL PROPERTY (excluding Fraser Valley farms)-

In 1941, Japanese Canadians owned 501 properties in Greater Vancouver and 441 properties elsewhere in the Protected Area. (Farmlands in the Fraser Valley are discussed in Section 5(c) below.) 920 of these properties were sold by the Custodian between 1943 and 1948 for total gross proceeds of \$1,681,000.

Nature of the loss-

Because property values increased sharply after 1941, the loss suffered was the loss of the opportunity for capital growth. By 1947, when Japanese Canadians were again allowed to purchase property without a permit, the proceeds they had received from the sale of their homes were inadequate to replace those homes even if they had been able to retain those proceeds. Only 220 Japanese Canadians had purchased homes again by February 1947.

We have therefore calculated the loss in the first instance as being the difference between the actual proceeds received and the value which the property would have had in 1949.

This is an approach which understates the loss, as property prices continued to increase after 1949. Many Japanese Canadians could not afford to buy property for many years after that because they had been left behind in economic terms and could not catch up with the property-owning population.

The loss is summarized-

(i) Actual proceeds received by the Custodian, 1943-1944	\$1,681,000
Less: Commissions	84,000
	<u>1,597,000</u>
(ii) Estimated value of real property in 1949	<u>6,052,000</u>
Loss ((ii) - (i))	<u><u>\$4,455,000</u></u>

This is \$40,986,000 in 1986 dollars. The total estimated value of the property in 1949 is \$6,052,000, or \$55,678,000 in 1986 dollars. This amounts to \$60,000 per property in today's dollars.

We estimated the value of this property in 1949 by taking a systematic sample of 130 properties (out of 945), recording all title transfers on those properties between 1942 and 1949, and calculating the average increase in values in that period for the properties which had been sold.

(c) FARMLAND IN THE FRASER VALLEY-

Many Japanese Canadians worked in farming, particularly small fruit farming in the Fraser Valley area near Vancouver. Their practice was to buy farmland which included substantial uncleared land, and clear it gradually.

The Custodian sold 741 parcels of this farmland in 1943 to the Veteran Land Administration en bloc, for \$836,256. The Bird Commission concluded that an 80% increase should be added to that sale price, to compensate the Japanese Canadians.

In addition, farmland prices rose between 1943 and 1949, as did other property values. We have calculated the Japanese Canadian loss as the difference between the 1943 proceeds and the 1949 values, using the same approach we have taken to the calculation of other real property loss. As with other properties, we have calculated the loss only in respect of farmland which was registered in 1941-1942. Any property sold before that date is excluded from our review.

Calculation of loss: farmland-

For farmland sold to the VLA, we had available a listing of farms in the municipalities involved, which were not owned by Japanese Canadians.

We selected a sample of farm properties from these lists, to cover 10% of the total. We carried out title searches for each property selected, and recorded all sales made in the period 1943-1949.

From this record, we were able to estimate the percentage increase in value over the VLA price, for each municipality. We applied this increase to the VLA price as an estimate of the loss. We assumed the farmers would increase their cultivated acreage by 5% per year.

The loss is summarized-

(i) Calculation of 1943 value, for acreage held in 1949: Actual proceeds received by the Custodian, 1943	\$ 836,256
(Add: Increase per the Bird Commission - 669,000 and 30% increase in land holdings 1943 value is \$1,721,256)	\$1,721,256
(ii) Estimated value of the property in 1949 (3.6 times higher than \$1,721,256)	6,196,522
Loss (\$6,196,522 less 836,256)	\$5,360,266

This is \$49,314,000 in 1986 dollars.

The total estimated value of the property in 1949 is \$6,196,522, or \$57,008,000 in 1986 dollars. This amounts to \$76,900 per property in today's dollars or \$11,076 per cultivated acre.

(d) FISHING ASSETS:

By 1941, Japanese Canadians had been involved in the B.C. fishing industry for decades. In 1919, Japanese Canadians received approximately 50% (representing 3,267 licences) of the commercial fishing licences issued. However, during the 1920's, the Vancouver fishery commissioners began to limit the number of licences issued to Japanese Canadians. Between 1922 and 1933, the number of licences issued to Japanese Canadians decreased by 28%, while those issued to other fishermen increased by 118%. After 1933, the participation rate of Japanese Canadian fishermen levelled off at approximately 15% of all new licences and remained stable.

Approach to the determination of loss-

The loss suffered by fishermen who were relocated and dispersed is as follows-

- ° Fishing would have provided an income for the period of relocation and dispersal. We have calculated this income based on average earnings prior to 1942, and also considering the impact of World War II on fish prices. This calculation is considered in Section IV (income loss).
- ° 1,137 fishing vessels were disposed of by the Japanese Fishing Vessel Committee (JFVDC) and the Custodian. The Bird Commission addressed the fairness of the value received for these vessels sold by the Custodian. It awarded a general increase on sale price of between 10-15%. We have used a 13.5% increase, which includes the charges made by the Custodian for selling and administration expenses. We have made a further increase of 30% of the sale price, in order to include the purchasing power loss for the period 1942 to 1949. For the 950 vessels sold by the JFVDC, we have compared the sale price received, with the average price of a similar type of vessel in 1949. In the spring of 1949, Order-in-Council PC251 lapsed, which meant that Japanese Canadians once again had the right to work in the coastal B.C. fishing industry.

The loss calculated in this way amounts to \$10,350,000 in 1986 dollars.

(e) PERSONAL PROPERTY - MOTOR VEHICLES AND CHATTELS-

Japanese Canadians owned 519 motor vehicles in 1941. These were sold by the Custodian for a total of \$160,000 in 1942, an average of \$308 per vehicle.

We have reviewed the evidence submitted to the Bird Commission, and also tested prevailing used car prices. We conclude that, while the Custodian chose to sell the vehicles at a low point in the market, overall it is not likely that the proceeds were well below market value.

For motor vehicles, the main loss suffered was the loss of use and enjoyment of the vehicle rather than any economic loss.

Chattels-

This category includes furniture, cameras, radios and other personal effects.

The value of a personal item drops so quickly at the time it is acquired, that selling it generates a large loss. The loss is therefore the cost of replacing what was lost.

Calculation of loss-

There were approximately 5,600 Japanese Canadian families, of whom 1,600 lived in their own homes and approximately 4,000 lived in rental property. Their average family income in 1941 was in the order of \$1,700 per year.

The Custodian realized \$276,000 for chattels, an average of \$49 per family.

We were unable to find any 'rules of thumb' to assess a likely figure for chattels. However, an average of \$250 per family would mean the total value of furniture, books, household equipment, etc. would still be less than 2 months gross family income. The loss in this case would be \$1,124,000 in 1948 dollars and of course does not recognize the sentimental value to the owner, or the increasing value of antiques included in these chattels.

(f) BUSINESS LOSSES-

Small businesses-

Japanese Canadians owned approximately 1,000 small businesses, i.e. mainly "one man" businesses. These enterprises were sold by the Custodian on a liquidation basis, so that nothing was received for goodwill. Financial statements of these businesses are not generally available in the records we were able to review.

We have concluded that the people who owned small businesses were deprived of a regular income for the period of dispersal and relocation. In addition, by being forced to relocate they had to start-up businesses in new locations and without the advantage of an established market base.

Larger businesses-

To assess the losses suffered by businesses other than "one man businesses", we reviewed the detailed files of 50 businesses, all of the files held by the Custodian. Based on this review, we concluded as follows-

- ° Several businesses, which exported goods to Japan, would have been adversely affected by the war and did not therefore suffer loss because of dispersal. This assumes they would not have been able to diversify.
- ° Business assets, such as property and equipment, were generally sold by tender and losses on the sale of these assets would be expected to occur in the same way that losses occurred on other property sales.

° The businesses were not sold on a going concern basis. For the lumber companies, for instance, there was a possibility that the liquidation of Japanese Canadian interests prevented the members of the community from taking part in the growth of the lumber industry over the next few decades.

Just as with real property, the sale of an intact business in 1942 would not enable one to repurchase the same business in 1949, because of inflation in the intervening years. To calculate the possible loss associated with the Japanese Canadians' holdings in the lumber and other industries would require the type of economic analysis that is beyond the scope of this report. We have therefore concluded there was a loss, but we have not been able to determine the amount.

Business losses - property-

Property owned by the larger businesses, mainly real property and including equipment, was sold by the Custodian usually by tender. The total proceeds of sale were \$319,000. We reviewed the Custodian files to determine whether any unusual losses may have been sustained on the sale of these assets. We did not discover any such items, and we therefore concluded that the percentage loss on business assets (excluding goodwill) is equal to the percentage loss on other real property. Thus, we have applied a factor of 3.6 to the Custodian's proceeds to determine the loss.

Proceeds received by the Custodian	\$ 319,000
Add: Increase to 1949 value (times 3.6)	<u>1,148,000</u>
Amount of loss in 1949 dollars	<u>\$ 829,000</u>
This is \$7,627,000 in 1986 dollars.	

(g) EDUCATION-

There are many studies which have shown that being educated is an economic benefit. One's earning potential increases with the number of years of education.

On the face of it, the Japanese Canadian population of school age had their education severely disrupted. We might expect economic loss to result. The table below summarizes the education received by Japanese Canadians-

	<u>Elementary schools</u>	<u>High schools</u>	<u>Universities and colleges</u>
British Columbia- Interior Housing Projects	Special schools (B.C.S.C. run)	Correspondence course. Some supervision/ assistance given by local churches	None
Self-supporting projects	Self-supporting schools	Correspondence course	None
Alberta	Public school system	Public school system (at their own expense)	Small numbers
Manitoba	Public school system	Public school system	Available
Ontario and Quebec	Public school system	Public school system	Initially excluded from some. Allowed in 1943

Conclusion - economic loss for lost education-

We have concluded that it is not appropriate to include a figure for lost education. This conclusion is based mainly on the following-

- ° Unlike some losses, a loss of education may be replaced to a large degree. First, someone missing a formal education may be able to work in his or her own time to compensate. Second, when he/she can return to the education system he/she has some capacity to catch up.
- ° The economic benefits of education shown by the correlation between years of schooling and income levels are indirect, i.e. they are benefits from applying education. If the individual who loses education compensates by working harder, then the loss is lower.
- ° The available evidence of the results achieved by Japanese Canadian children and students suggests they were reaching high standards in spite of their difficulties.

Based on our review of the evidence, Japanese Canadians clearly had their education interrupted or received some education and training of inferior quality. It is not clear that they suffered significant economic loss as a result, because it appears they worked hard and succeeded in mitigating any loss they might have suffered in this area.

6. BASIS FOR RESTATING THE LOSSES IN 1986 DOLLARS:

For each estimate of loss, we present two figures--

- ° The value of the loss in 1949 dollars.
- ° The value of the loss in 1986 dollars when both inflation and accumulated interest from 1949 to 1986 are taken into account. Had the lost amounts been available in 1949 they could have been invested then, yielding a return. We have assumed a compound rate of return using the rate of return earned by a 1 year Government bond.

The 1949 values have to be multiplied by 9.2 to arrive at the 1986 value.

This multiplier tends to understate the loss, because much of the loss relates to property which has increased in value at a faster rate than this since 1949.

7. COMPARISON WITH JAPANESE AMERICAN EXPERIENCE:

We have summarized below the results of a brief comparison between the per capita losses we have estimated for Japanese Canadians, and the losses estimated for Japanese Americans for the U.S. Commission on Wartime Relocation and Internment of Civilians by the consulting firm ICF Incorporated.

It is unwise to draw detailed conclusions from this U.S. study. The interned Japanese American population was different from the uprooted Japanese Canadian population in many respects, notably--

- ° It was much larger (115,000 Japanese Americans, compared with 22,000 Japanese Canadians).
- ° It was much older (89,000 Japanese-American adults compared with 14,000 Japanese Canadian; 77% of the total, compared with 66%).

In addition, the property owned by Japanese Americans which was confiscated by the U.S. Government, was returned to the owners after the war.

Comparison of losses: Japanese Americans vs Japanese Canadians-

	Japanese Americans	Japanese Canadians
Number of people (in 1941)	115,000	21,706
Number of adults	88,731	14,357
Number of people earning income	65,387	8,321
Income loss in 1949 dollars-		
Per wage earner	\$ 2,080	\$4,350
Per adult	\$ 1,533	\$2,521
Property loss in 1948 dollars-		
Per wage earner	\$1,025-\$1,774	\$1,438
Per adult	\$ 755-\$1,307	\$ 834

If the American figures were applied to the Japanese Canadian population, then the loss in 1948 dollars would be in the order of-

	(\$000's)
Income	\$17,308
Property	14,802
	<u>\$32,110</u>

This compares to our estimate of \$48,167,000 in 1949 dollars, and translates to \$295,400,000 in 1986 dollars. However, as explained above, we believe a comparison of the losses sustained by the two communities is inappropriate, primarily because Japanese Canadians were hindered from operating business and from owning property for a much longer period than were Japanese Americans.

8. NON-ECONOMIC LOSSES:

The main object of this report is to estimate the economic losses suffered by the Japanese Canadians. There were other losses which cannot be expressed in monetary terms.

In various circumstances, the Canadian courts have awarded damages for non-pecuniary losses. These circumstances include personal injuries, and false imprisonment even for a matter of hours.

It was not within our scope to assess any non-pecuniary losses. If losses were calculated as an amount per Japanese Canadian in 1941, then the total amounts would be (in 1986 dollars)-

<u>Amount per person</u>	<u>\$ million</u>
\$ 1,000	\$ 21.7
\$ 5,000	\$108.6
\$10,000	\$217.1
\$15,000	\$325.7

9. SUMMARY OF WORK DONE BY PRICE WATERHOUSE:

Demographic sample of the case files-

In order to get a general understanding of the make-up of the Japanese Canadian population, we completed a systematic preliminary sample of 390 case files. The files to be reviewed were selected by Price Waterhouse. However the actual task of finding the individual files and summarizing the information required was completed by researchers in Ottawa, who assisted us. The information reviewed consisted of-

File number, name, nationality, birth date, occupation, sex, city in which the individual lived prior to internment, spouse's name, children's name, sex and age.

The results of this sample were reviewed by statisticians from Pacific Datametrics Consultants, in order to determine the best approach and the number of case files that would be required in our final sample to produce estimates that were statistically valid and reliable.

Income loss-

Our final sample of the 15,630 existing case files was conducted in two stages. The sample case file numbers were again selected in a systematic fashion by Price Waterhouse.

In stage one of the final sample, 977 case files were summarized by the researchers noting-

File number, name, age, nationality, occupation, final destination of the individual, spouse's name, children's name and ages for those children who were 16 years old or under, when registered.

The file numbers of the spouses were found by examination of the alphabetic index files. Price Waterhouse verified the accuracy of 10% of the files that had been summarized by the researchers. No significant errors were found.

Stage two was conducted in a similar fashion, with the sample size set at 505 case files. In total, 1,482 case files were summarized (excluding our preliminary sample).

The details of the case files selected were then given to the statisticians who analyzed the results. It was from this sample that the number of people in each of the various occupational groups, as well as the numbers of males, females and children was estimated.

In order to determine average wages for the British Columbia workers, we reviewed the B.C. Department of Labour reports for 1941-1950. Actual wages earned were determined with reference to the various reports and letters contained in the files of the Departments of Finance, External Affairs and Labour as well as the B.C. Security Commission files maintained at the Public Archives of Canada.

Real property-

From the real property "Card Records of Tenders and Offers", we systematically selected 146 properties out of the total 870 sold to the general public. From these cards, the researchers recorded-

Catalogue number, civic address, legal description, name and file number of owner, assessed value (for property taxes), dates and value of appraisals, dates and amounts of tenders, sale price.

Price Waterhouse verified 10% of the sample, and also reviewed a large number of the appraisals. As the legal descriptions for the properties located in the Vancouver Land Titles District were not complete, the missing information was obtained by reviewing the Japanese Canadian owners' case file.

For the 146 properties selected, title searches were performed to cover all the transfers that occurred between 1940 and 1950.

For the VLA properties the Bird Commission had reviewed non-Japanese Canadian transfers that occurred in six months of 1943, in 5 municipalities in which VLA property was located. Based on the transfer value of these 556 properties, the Bird Commission estimated how much the VLA price had been below the fair market value. We systematically selected 62 titles from the 556 contained in the Bird Commission exhibits. Our objective in following up on the subsequent transfers of some of these properties, was to determine to what extent land prices, in these areas, increased over the period 1943 to 1949.

We performed land title searches on the 62 properties, noting all transfers that occurred between 1943 and 1950.

Life insurance-

We reviewed approximately 250 case files from the final sample selected earlier in order to determine the type and value of insurance typically owned by Japanese Canadians.

Education-

Details on education received by Japanese Canadians were obtained from the B.C. Security Commission and Department of External Affairs files contained in the Public Archives of Canada.

Fishing vessels-

Details on fishing vessels sold were obtained from the Bird Commission exhibits and various reports by the Japanese Fishing Vessel Disposal Committee. We also reviewed other correspondence contained in the office of the Custodian of Enemy Property files, regarding the disposal of fishing vessels and nets.

Schedule I-1

CHRONOLOGY

June 1941	Census records 23,224 "Japanese" in Canada, of whom 22,000 lived in B.C.
7 December 1941	After Japan attacked Pearl Harbour, Canada declared war with Japan.
7 December 1941	Order in Council, providing that all property in Canada of persons residing in Japan, become vested in the Custodian.
8 December 1941	Naval Service took control of 1,137 fishing vessels owned by Japanese Canadians.
18 December 1941	P.S. Ross & Sons took control of businesses controlled by Japanese Nationals.
13 January 1942	Japanese Fishing Vessels Disposal Committee ("JFVDC") established.
26 February 1942	All persons of Japanese ancestry required to leave the "protected area" (ie. coastal B.C.).
26 February 1942	Motor vehicles, cameras, radios and firearms to be delivered to R.C.M.P.
4 March 1942	B.C. Security Commission established. Hastings Park opened as a transit camp.
6 March 1942	Motor vehicles to be surrendered by March 9, 1942 (519 vehicles).
13 March 1942	Registration of Japanese Canadians began.
30 March 1942	Policy of liquidating motor vehicles approved.
14 April 1942	Creditors invited to file claims against Japanese Canadians.
May 1942	By this date, 600 fishing vessels (out of 1,137) had been sold "by free negotiation".
July 1942	B.C. Packers say \$35,379 in fishing nets was sold to them by Japanese Canadians.
25 July 1942	First group of motor vehicles sold by tender.
1 August 1942	Unsold fishing vessels turned over to the Custodian by the JFVDC.

Schedule I-1
Page 2

31 August 1942	Decision to sell fishing nets. Physical inventory taken.
end September 1942	Suitable storage found for fishing nets.
30 September 1942	Hastings Park closed.
2 October 1942	Supervisor appointed for Pacific Cooperative Union ("PCU").
14 November 1942	By this date, 710 Japanese Canadians interned at Angler, Ontario.
19 January 1943	Custodian's powers widened to give him the power to liquidate property.
8 March 1943	The Greater Vancouver Advisory Committee and the Rural Advisory Committee were set up.
23 March 1943	Insurance companies supplied list of Japanese Canadian life insurance holders; 3,164 policy holders listed.
17 May 1943	Offer from Soldier Settlement of Canada ("SSC") to purchase 768 parcels of land (mainly in the Fraser Valley).
14 June 1943	Offer is accepted by Rural Advisory Committee.
19 June 1943	Catalogue of Greater Vancouver properties published.
2 September 1943	61 people sent to Japan.
15 September 1943	First auction of chattels.
October 1943	Further purchase by SSC, 45 properties for \$42,000.
18 October 1943	First auction of chattels outside Vancouver (at Nanaimo).
13 November 1943	Determined that an insurance policy shall be deemed to have lapsed when it would have lapsed under the ordinary terms of the policy.
30 March 1944	Catalogue of properties outside Vancouver published.
December 1944	2,680 fishing net items sold by this date (3,717 was inventory taken in the fall of 1943).
February 1945	Custodian agrees to sell Japanese Canadian interests in PCU.
March 1945	Custodian adopted a policy of encouraging any Japanese Canadians desiring to do so, to ask for "repatriation".

Schedule I-1
Page 3

March 1945	Department of Labour encouraged those still living in Interior Housing Projects to distribute themselves more evenly across Canada.
30 June 1945	Greater Vancouver Advisory Committee closed its office.
May 1946-Dec. 1948	\$1,248,692 returned or given to people going to Japan.
May-December 1946	3,964 people moved to Japan.
12 February 1947	Japanese Canadians no longer required to obtain permit prior to purchasing real property.
15 June 1978	Japanese Canadians given the right to vote federally.
7 March 1949	Japanese Canadians given the right to vote in B.C.
31 March 1949	Last of war-time restrictions were lifted which enabled Japanese Canadians to return to the coastal area of B.C.

SECTION II - HISTORICAL FRAMEWORK

DISTRIBUTION OF JAPANESE CANADIANS IN CANADA, 1942-1949

	January 1						
	<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1949</u>
British Columbia:							
Self-supporting projects	-	1,341	1,121	1,044	864	-	-
Interior projects	-	12,114	11,365	10,303	9,658	900	-
Other	<u>21,975</u>	<u>3,049</u>	<u>3,617</u>	<u>4,263</u>	<u>4,194</u>	<u>5,876</u>	<u>6,110</u>
	21,975	16,504	16,103	15,610	14,716	6,776	6,110
Prairie provinces	664	4,444	4,716	4,768	4,897	5,871	5,650
Ontario	132	1,650	2,424	2,914	3,742	6,616	7,800
Quebec	25	96	344	532	716	1,247	1,300
Other	<u>41</u>	<u>31</u>	<u>30</u>	<u>30</u>	<u>41</u>	<u>48</u>	<u>50</u>
	22,837	22,725	23,617	23,854	24,112	20,558	20,910

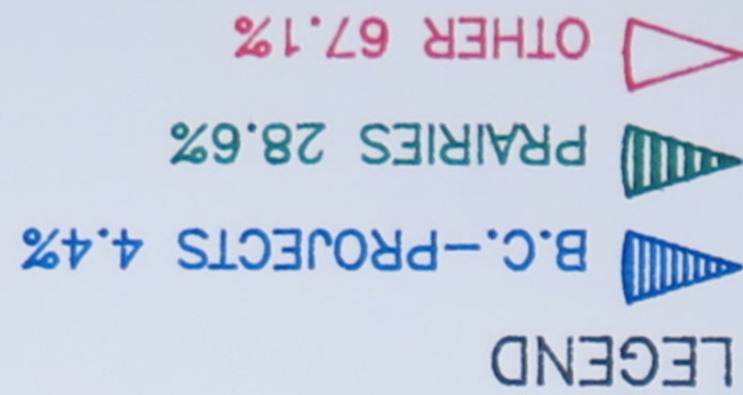
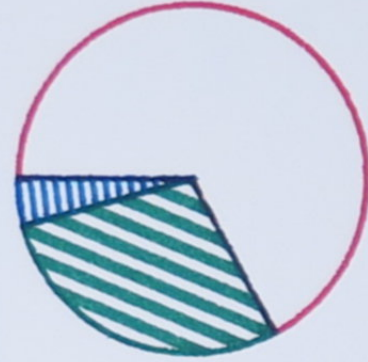
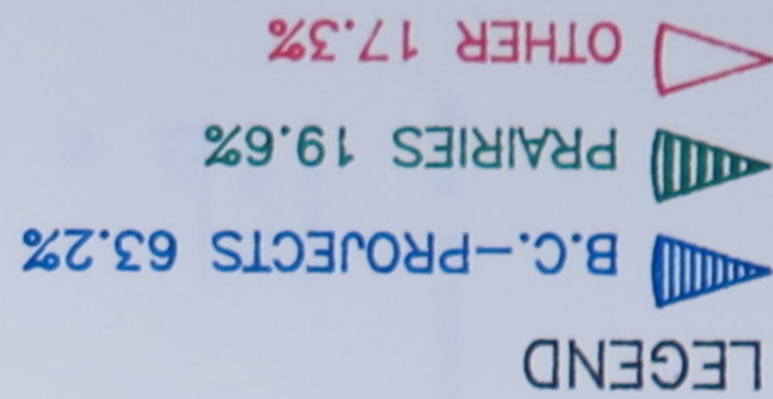
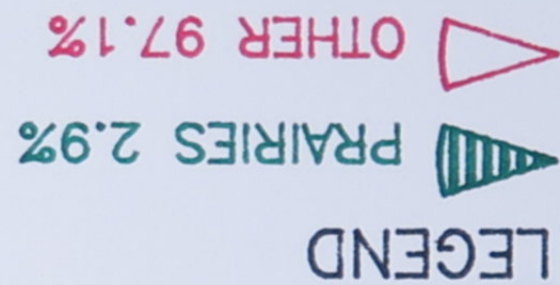
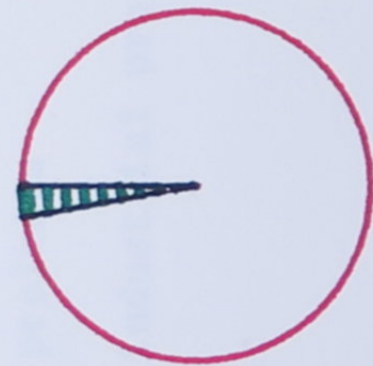
The main movements were:

1. In 1943, the Interior Housing Projects and the sugarbeet farms absorbed most of B.C.'s Japanese Canadians (the Ontario figures include 700 people interned, and 600 on sugarbeet and similar projects).
2. From 1944-1946 there was a slow movement from the Interior Housing Projects, mainly to Ontario and Quebec.
3. In 1947, the second major movement occurred; 3,964 people went to Japan through the Canadian Government's "repatriation program" and most of the other people still in the Projects moved - most to Ontario and Quebec, but many to the Prairies.

Source: Reports by the B.C.S.C.

NATIONAL ASSOCIATION OF JAPANESE CANADIANS

DISTRIBUTION OF JAPANESE CANADIANS IN CANADA, 1942, 1943, 1947



SOURCE: REPORTS BY THE B.C.S.C.

Schedule II-1

DISTRIBUTION OF JAPANESE CANADIANS FROM THE COASTAL AREA
OF BRITISH COLUMBIA, OCTOBER 1942

Road camp	986
Sugarbeet farms:	
Alberta	2,585
Manitoba	1,053
Ontario (males only)	<u>350</u>
	3,988
Interior housing projects	11,694
Self-supporting projects	1,161
Independent and industrial projects	431
Special permits	1,337
To Japan	42
Voluntarily relocated before March 1942	579
Internment	699
Detention, Vancouver	57
Hastings Park Hospital	<u>105</u>
	<u>21,079</u>

Note: This total excludes Japanese Canadians who did not live in the coastal area of B.C., and is therefore different from the total on page 25.

Source: B.C.S.C. reports

Schedule II-2

JAPANESE CANADIAN POPULATION IN CANADA, 1941

	<u>Male</u>	<u>Female</u>
Children 0 - 19	49%	50%
Adults:		
20 - 34	23%	24%
35 - 59	21%	25%
60+	<u>7%</u>	<u>1%</u>
	100%	100%
	<u>==</u>	<u>==</u>
Years of schooling:		
0 - 4	28%	33%
5 - 8	44%	41%
9 - 12	23%	22%
13+	<u>5%</u>	<u>4%</u>
	100%	100%
	<u>==</u>	<u>==</u>

Source: B.C.S.C. reports

SECTION III - APPROACH: PRINCIPLES DETERMINING THE LOSS

ECONOMIC GROWTH AND PROGRESS OF JAPANESE CANADIANS:

Our loss determination depends on a comparison of what did happen to these people, with what would have happened to them.

Predicting what would have happened is subject to the same degree of uncertainty as many forecasts and predictions. The conservative approach is to assume that the Japanese Canadian community aspired to remain in its 1941 position; that if people had not been relocated they would have worked in the same jobs, owned the same properties, and achieved the same level of education.

On the other hand, if we assumed that the Japanese-Canadians were progressing economically and would have continued to progress, then the loss suffered is greater because by 1949 they would have been better off than they were in 1941.

The Japanese Canadian community had several characteristics which made stability perhaps the least likely possibility-

- (a) Immigration to Canada from Japan had largely ceased in 1931. Therefore, each year saw the population become more Canadianized. In particular, more of them spoke English and more of them were educated in Canada.

- (b) This was a young population. In 1941, the population had this age profile-

0-16	17-30	31-45	45-60	60 +
34%	28%	18%	15%	5%

- (c) The Japanese Canadian population had, despite discrimination, gradually broadened its involvement in the economy. Young, Reid & Carrothers calculated that "in four decades the Japanese immigrants extended the range of their economic activities from 6 occupations in 1893 to over 60...."

This gradual movement out of basic occupations such as lumbering and fishing, was a mark of economic progress. When Japanese Canadians had enough capital to buy or lease farm lands, or to start a business, they would do this partly because their other job options were limited and partly because in agriculture and in small businesses they could not easily be restricted.

These factors all suggest the Japanese Canadian community was likely to continue making economic progress. There are two further indicators which support this view-

- ° Japanese Canadians had been excluded from entry into many jobs, but had been successful in those they were allowed to enter; so much so that in fishing, for instance, there had been numerous attempts to restrict them. The files which we reviewed contained frequent references to the allegedly unfair success enjoyed by Japanese Canadians.
- ° After being dispersed and resettled, Japanese Canadians had to re-establish themselves in unfamiliar surroundings, hampered by a lack of capital and, in some cases, by interrupted education. Their success in doing so was undeniable. Again, the Custodian's files contain numerous references to the industry and drive of the Japanese Canadians from 1942 onwards. These qualities tended to mitigate the loss suffered by the community by reducing the period of loss. In addition, they suggest this community would have continued to improve its economic position if dispersal had not happened.

We have seen no evidence to support a contrary view.

VALUE ATTRIBUTABLE TO ECONOMIC GROWTH AND PROGRESS OF THE JAPANESE CANADIAN COMMUNITY:

We have concluded that, if these events had not occurred, the Japanese Canadian population would have continued to improve economically compared with other groups in the Canadian population. It is of course difficult to quantify the effects of this progress without undertaking an exhaustive economic study, and even such a study would be highly speculative.

Nevertheless, we cannot exclude such a factor from our calculations merely because it is difficult to calculate. We have therefore allowed for it as follows-

- ° For property losses, we have assumed some growth in the number and value of properties owned by the Japanese Canadians.
- ° For farmlands, we have assumed some growth in the acreage cleared.
- ° For income loss, we have assumed that some movement into small businesses and higher income groups would have occurred.

ECONOMIC CONCENTRATION:

One of the great difficulties in measuring the loss is considering the effect of the dispersal itself, i.e. the loss of any advantage enjoyed by a closely-knit community. To some extent we would expect this closeness, this concentration, to offset the difficulties faced by Japanese Canadians as a racial minority.

The advantages of economic concentration include-

- ° Start-up businesses have more stability because their 'base' market includes members of the community. Retail operations, in particular, are assured of some business where other customers may have been difficult to attract.
- ° Cooperative ventures are more feasible. These were quite common in the Japanese Canadian community.
- ° As Japanese Canadians were, and are, noted for being quite conservative, their community would tend to experience smaller booms and slumps than would the Canadian population on average. This in turn would give more stability to the Japanese Canadian population.
- ° In 1941, part of the Japanese Canadian business community was engaged in trading with Japan. Inevitably cut-off during the war with Japan, this activity may have grown more quickly when Japan rebuilt its economy, had the community survived intact.

Value of economic concentration-

We have not been able to conclude on the value of economic concentration. To do so would require a complex model which would attempt to predict the extent and nature of concentration, and its effects.

We regard this issue as a contingency which, if measurable, would increase the amount of the loss suffered by the community.

THE JAPANESE AMERICAN EXPERIENCE:

In the United States, persons of Japanese ancestry suffered similar problems to those in Canada between 1942 and 1946. They were excluded from the West Coast by Order dated February 19, 1942 and many of them went to "relocation centers". They were allowed to return to their homes and occupations on the West Coast in December 1944, but many of them remained in relocation camps until the summer of 1946.

The Commission on Wartime Relocation and Internment of Civilians described their losses thus-

"Exclusion from the West Coast imposed very substantial economic losses on the Nikkei.... Owners and operators of farms and businesses either sold their income-producing assets under distress-sale circumstances on very short notice or attempted, with or without government help, to place their property in the custody of people remaining on the Coast.... Homes had to be sold or left without the personal attention that owners would devote to them. Businesses lost their goodwill, their reputation, their customers. Professionals had their careers disrupted.... Goods were lost or stolen. Income and earnings capacity were reduced to almost nothing during the long detention in relocation centers, and after the war life had to be started anew on meager resources."

Note - The term Nikkei refers to persons of Japanese ancestry outside Japan.

There were some important relative advantages enjoyed by Japanese Americans. First, their properties were not sold by the U.S. Government. Second, they could return to their original communities. Third, they did not pay living expenses while in the "relocation centers". Fourth, restrictions on them were lifted by the end of 1944 (March 31, 1949 in Canada).

For these reasons, we might expect the loss suffered by Japanese Canadians to be higher, per capita, than that suffered by Japanese Americans. We have, in Section I above, made a brief comparison between our conclusions and those of a study on the Japanese Americans. We concluded that the difference between the two populations and their treatment by their respective governments make statistical comparisons misleading.

SECTION IV - INCOME LOSS

APPROACH:

The loss of income suffered by Japanese Canadians is equal to the income which they would have earned from 1942-1949, less the income which they did earn. We have concluded that the loss was \$36,200,000 in 1949 dollars, or \$333,040,000 in 1986 dollars.

We selected a systematic sample of 1,360 Japanese Canadians from the files of the Custodian, recording the occupation, age and sex of each person sampled. From this sample we were able to conclude as to the distribution of the total Japanese Canadian population by occupation, age and sex.

For each major occupation type, we obtained data on the average B.C. income and earnings from 1942 to 1949. We applied this average to the number of people in each major occupation type to arrive at a total of the income which would have been earned by Japanese Canadians in each year from 1942-1949, assuming for each occupation that they earned the average for B.C. workers, and would have continued to do so.

We then considered various contingency factors, including-

- The rate of unemployment which could be expected in each occupation group.
- The possibility that Japanese Canadians would have moved up in occupation groups relative to other people, eg. that they would tend to earn more than the average in each occupation group or would tend to move into higher paying occupations.
- The effect of the aging of the population. For Japanese Canadians, most retirements would be of Japanese born and educated people, some of them mainly Japanese speaking. Most people entering the work force would be Canadian born and educated, and on average could be expected to move higher up the economic scale than had their parents.
- The general movement towards better paying jobs for all British Columbians, partly as a result of improving education standards. If each year more people are skilled labourers and fewer people are unskilled labourers, then the average wage will increase even if the wage for each type is unchanged.
- The possibility that more people, particularly women, would have entered the workforce under wartime conditions.

The figure calculated as a result of the above steps, is the total wage which would have been earned by Japanese Canadians in each year from 1942 to 1949. From this figure we deducted the wages which were earned in each year.

Earnings are well documented for people in the Internal Housing Projects, self-supporting projects, road camps, and sugarbeet projects. For people who went to Ontario and Quebec and to areas of B.C. outside the Protected Area, the information is sketchy.

Income loss: calculation-

Income loss was clearly suffered by the following groups of Japanese Canadians-

- (a) Those who lived in Interior Housing Projects or Self-Supporting projects, where employment was scarce and pay was low. In 1943, there were approximately 13,300 of these people, and this number was reduced only gradually until mid-1946.
- (b) Those who went to Alberta and Manitoba to work on sugarbeet farms. The BCSC files show that actual earnings were quite low, particularly when we consider that in many cases, more family members had to work. This group gradually supplemented their farm income with other work. Some 4,000 people were involved, and it appears they were back to earning 'normal' incomes by 1946-1947.
- (c) Some Japanese Canadians were interned; some were in work camps or on other approved projects for a period. These people were mainly adult males, and therefore workers. Some 3,000 people fall into these categories, for periods varying from 1 year to 3 years.

The remaining Japanese Canadians fall into two groups. First, there are those who were not employed in 1941 - notably, housewives with children. We have concluded most of these people did not suffer an income loss because they would not have earned an income. However it is likely that many would have found employment because of the wartime economy's demands and we have assumed the employment of Japanese Canadian women would have increased by 40% over 1941 levels (compared to 69% for other Canadian women).

Second, there are those who, employed in 1941, lost their jobs but were ultimately able to re-establish themselves to the level of income they would have enjoyed. Broadly speaking, we have assumed that all Japanese Canadians who moved off a government-organized 'project' into a non-organized situation in, for example, Toronto, Montreal or the interior of

B.C., succeeded in reaching their prior income level gradually within 3 years. While the evidence we have seen is subjective it does confirm our hypothesis that the Japanese Canadians who resettled (as distinct from being relocated) did re-establish themselves. Initially they often had to take lower paying jobs, but subsequently they worked their way up the economic ladder.

We have therefore calculated the loss, for each year, in respect of the Japanese Canadians who were in the Interior Housing Projects, Self-Supporting Projects, Work Camps, Internment Camps, and Sugarbeet Projects. We have, in addition, estimated the loss for those people resettling in British Columbia, Ontario or Quebec, for their first 12 months of resettlement, at 33% of income for self-employed people and 50% of income for employed people, increasing to the previous income level over 3 years.

The details of this calculation are shown in Schedule IV-4. The loss for each year was-

	\$ million	
	1948 dollars	1986 dollars
1942 (part year)	\$ 3.6	
1943	8.5	
1944	7.6	
1945	6.3	
1946	3.9	
1947	2.3	
1948 and subsequent years	4.0	
	\$36.2	\$333.0

The drop in income loss from 1943 to 1947 confirms that Japanese Canadians progressively re-established themselves.

FACTORS CONSIDERED:

Before concluding on our approach to income loss, we considered a number of contingency factors which are discussed below-

Consumption savings-

It may be that Japanese Canadians spent less while in the Interior Housing or Sugarbeet Projects than they would have done in their prior homes and occupations. We have not regarded this as a saving, to be deducted from the

claim, because they were not receiving free benefits from the government while in the projects. While it is true they did not have to pay rent or property taxes in respect of the accommodation they lived in, they did have to pay for living expenses.

Payment for work done-

Particularly for the families who worked on sugarbeet farms, their total family income may have come close to the previous income earned by the head of the household in B.C. However, this income was now being earned by the labour of several family members, including children and the elderly.

If the family unit is considered to be the key yardstick, then it may be argued that no loss was suffered because the same income was earned.

We have however, concluded that the individual is the appropriate yardstick. Thus, the male breadwinner suffered a loss of income from this previous income compared to the amount he earned on the farm. The spouse and children did earn income, but had to work hard for it. They cannot be said to have 'gained' economically because such work was likely to be available in their original community had they wanted it.

They were to some extent forced to do this work, and this must be taken into account when assessing any non-monetary loss.

Unemployment-

From the expected income, we would normally deduct a factor to allow for periods of unemployment. We have not done so for three reasons-

- Our sample was drawn from the whole Japanese Canadian population, which included unemployed people.
- The war years featured low unemployment.
- Japanese Canadians had experienced low levels of unemployment before relocation.

Restrictions on employment-

When we assess the likely earnings of Japanese Canadians, we must note the restrictions placed on them, which still existed in 1941. They were

excluded from certain jobs, either by legislation or by other means, such as-

- Law
- Pharmacy
- Employment on timber leases
- Logging on Crown lands
- Employment by government contracts
- School teachers
- Provincial or municipal services
- Mining underground work

Their employment in lumber and fishing was restricted, although they were not excluded.

We have assumed that restrictions on employment would have continued. However, we have also assumed the Japanese-Canadians would have continued to find employment or business opportunities in fields open to them.

Income and wage increases, 1942-1949-

Our data for incomes and wages in the period 1942-1949 was drawn from the following sources-

- B.C. Department of Labour reports - for wage earners
- B.C. Department of Agriculture reports - for farmers
- B.C. Department of Fisheries reports - for fishermen

For wage earners, the period featured steady wage increases until 1947, and then a brief decline. Farmers experienced a similar pattern. Fishermen's incomes also peaked in 1947, but after a decline there was an even greater peak in 1950 and 1951.

Wage levels for women-

Women's wages continued to be lower than those of men. However, the gap tended to close, for two reasons-

- The percentage of females receiving above the minimum wage, for those classes of employment covered by the Females Minimum Wage Act, rose from 53.56% in 1940 to 83.22% in 1945.
- More women entered the work force, and relatively fewer women were employed in personal service (which includes domestic service and is relatively low paid).

Trends in earnings and employment-

As further evidence of the buoyant labour market during the war, these comments are quoted from the Canada Year Book for 1943-1944-

"During 1943, employment reached unprecedentedly high levels. The slowing down in the rate of acceleration during 1943 is a natural development, in view of the magnitude of the industrial expansion since the beginning of the War, with consequent depletion of the labour market; the reserve of labour has, of course, also been seriously affected by the recruitment of large numbers to the Armed Forces. The latest available information indicates that, by the latter part of 1943, about 867,500 persons were enrolled in the Canadian Army, Navy and Air Force.

With developing shortages of labour and material, the transfer of workers from the less-essential to the more-essential production and services has assumed increasing importance. In general, the shift has been facilitated by the relatively high earnings of those employed in war plants and in other essential industries and services. In Canada, as in other countries, an important consequence of war-time conditions has been the widespread replacement of men by female workers. Thus at October 1, 1943, women, numbering 510,715, constituted 26.2% of all those in recorded employment, as compared with 23.5% at October 1, 1912.

Largely as a result of war-time conditions, the substantial advances in employment recorded since the outbreak of war have been accompanied by relatively greater gains in the current pay-rolls. The main factors contributing to the relatively greater expansion in the salaries and wages than in employment in the period of observation may be summarized as follows: (1) The growing concentration of workers in the heavy manufacturing industries, where rates of pay are above the average, and where, in addition, there is a considerable amount of overtime work. (2) The payment of cost-of-living allowances to the majority of workers; the rates at which this bonus has been calculated have been increased on more than one occasion since its institution. (3) The progressive up-grading of employees as they gain experience in their work. In certain cases, higher wage-rates have also been authorized.

In spite of these main factors reacting favourably upon the current payrolls, the average weekly earnings of the typical wage-earner have not shown advances commensurate with those in the index of aggregate payrolls, due to the continued dilution of labour and other factors. Nevertheless, the growth in the average earned income, as indicated in these statistics, has been noteworthy; in the period from June 1, 1941, when the payroll record in its present form was commenced to December 1, 1943, the per capita average earnings have arisen by 25.2%."

This quote supports our conclusion that incomes earned by Japanese Canadians would have increased substantially had they been free agents in the labour market.

Canada's wartime manpower policies-

Canada controlled manpower for the war industries as well as for the armed forces by a series of Orders in Council. Under these Orders in Council, all Canadians were subject to restrictions on entering and leaving employment.

Overall there was a large increase in the labour force, particularly of women. From August 1939 to October 1943, the number of gainfully employed Canadian women rose by 68.5% from 638,000 to 1,075,000. In addition over 760,000 women, mainly wives and daughters of farmers, were contributing to the increases in agricultural production.

Many of the women worked in the war industries, which in turn led to a shortage of help in those industries and services traditionally staffed by women.

The evidence is clear that, had Japanese Canadians not been dispersed, they would have found employment available not only for the existing workforce, but for many women who had not worked previously.

ACTUAL INCOME EARNED BY JAPANESE CANADIANS, 1942-1949:

To calculate the "actual earnings", we reviewed evidence from the Custodian's files. This evidence is summarized below, province by province. The type of information available varied between different areas of Canada. We have made use of the most precise information available in each case.

Changes in overall employment patterns-

Between 1941 and 1946, the number of employed Japanese Canadian adults rose slightly. The changes in type of employment were as follows-

	1941 census (14 years and over)	%	October 1946 (16 years and over)	%
Professional and office workers	358	4.1	263	2.7
Industry and manufacturing	1,371	15.7	1,481	15.4
Trade (mostly retail)	736	8.4	742	7.7
Service (mostly domestic)	976	11.1	963	10.0
Logging and millwork	724	8.2	1,033	10.7
Farming and gardening	1,639	18.6	4,310	44.8
Fishing and canning	1,423	16.2	80	0.9
Miscellaneous	1,551	17.7	752	7.8
	8,778	100.0	9,624	100.0

This table is misleading, particularly for "farming". The 1941 figures are mainly for people who owned berry farms in British Columbia. The 1946 figures include a large number of farm labourers on sugarbeet farms.

The decline in fishing is to be expected. The stable number for "trade" suggests Japanese Canadians had begun to re-establish themselves in small businesses.

The 1946 figures for Japanese Canadian population and employment by province show the following-

	Population	Working		Total
		Male	Female	
British Columbia	10,838	1,722	697	2,419
Prairies	5,726	1,874	1,355	3,229
Central Canada	5,916	2,931	1,045	3,976
	22,480	6,527	3,097	9,624

In British Columbia, employment was overwhelmingly in farming (1,195) and logging (616). Those employed in industry were mainly female.

In the prairies, 2,463 were in farming.

In Central Canada, the distribution was much wider and, in particular, 721 or 18.1% were involved in "trade". This supports our conclusion that those Japanese Canadians who moved to Ontario and Quebec were able to recover economically more quickly than the others.

British Columbia-

Employment in the Interior Housing Projects-

The IHPs were never intended to be permanent homes. Those who lived in them were encouraged to resettle. Therefore, there was no particular effort to give Japanese Canadians easy access to local employment because that might encourage them to stay.

The people who lived in these projects were the most disadvantaged of the Japanese Canadians, perhaps mainly because of this lack of local employment. This can be shown partly by their low levels of employment, and partly by their high dependency on maintenance support from the Government.

	Total population in IHPs	Number employed	Number unemployed	Number on full maintenance	Number on partial maintenance	%
Jan- 1943	12,114	2,397	not known	1,878	1,309	11
1944	11,365	1,997	2,847	2,101	2,376	21
1945	10,303	1,612	2,964	2,119	1,702	16
1946	9,658	1,515	not known	1,995	1,471	15

The number receiving maintenance tended to increase until 1946, partly because people exhausted their savings.

The employment figures are misleading, because employment was often part-time. Moreover, wage rates varied from 22-1/2¢ - 40¢ per hour, for most jobs, whereas in other provinces employers generally paid 55¢ - 60¢ or more.

The total wages paid in the year ended March 1945 to "full-time" workers in Interior Housing Projects were-

	Workers	\$	\$ per worker
General office and welfare	87	\$ 50,134	\$576
Teachers	127	50,638	\$399
Camp maintenance	757	473,878	\$626
Medical	98	52,669	\$537
Trucking	23	21,106	\$918
	1,092	\$648,425	\$594

Maintenance-

Payments were to cover food and sundries. Housing, fuel, lighting, clothing, primary education, and limited medical and hospital care were provided free. Rates were as follows-

Persons	Monthly maintenance rate	Annual rate
1	\$12.00	\$144
2	\$23.00	\$276
3	\$29.00	\$348
4	\$34.00	\$408
5	\$39.00	\$468
6	\$44.00	\$528
7	\$49.00	\$588
8	\$54.00	\$648

The monthly maintenance rate shown here was paid only to those people who had no savings, had limited earnings or had exhausted the proceeds from the sale of their assets.

Road camps-

Wages in road camps were subject to deductions for living expenses, and for family maintenance if appropriate. Wages varied as follows-

	Rate per hour	Rate per 8 hour day	Rate per month (25 days)	Living expenses	Per month (net)	Annual wage (net)
Basic	25¢	\$2.00	\$50.00	\$22.50	\$27.50	\$330
Carpenters	35¢	\$2.80	\$70.00	\$22.50	\$47.50	\$570
Fallers	30¢	\$2.40	\$60.00	\$22.50	\$37.50	\$450
Hogtenders	30¢	\$2.40	\$60.00	\$22.50	\$37.50	\$450
Cooks			\$55.00	\$22.50	\$32.50	\$390

In practice, we understand few people had the opportunity to work 8 hours per day.

In 1942, there were 2,161 people in road camps. The number fell gradually to 951 people in January 1943; 511 in January 1944 and 367 in July 1944.

British Columbia (outside the Protected Zone)-

In 1941 some 1,300 Japanese Canadians already lived outside the Protected Area. There was further movement there in 1942, but local communities were concerned about a possible large influx. From 1943 to 1945 some Japanese Canadians were able to move from the Interior Housing Projects to settle in British Columbia, but this option was removed when the dispersal policy was adopted in 1946, when the Japanese Canadians remaining in the IHPs were told to go to Japan, or move east of the Rockies.

Those people who had stayed in the "self-supporting projects" were mainly assimilated into the communities near those projects.

Alberta and Manitoba-

Sugarbeet farms-

The number of Japanese Canadians who had moved to the Prairies, mainly to work on sugarbeet farms, was as follows-

<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>
3,800	3,800	4,100	4,200	4,300	5,300

Japanese Canadians were not to settle in Alberta after the war, and the province of Alberta contracted with the Federal Government to that effect. In Manitoba, however, there was more expectation of resettlement.

Japanese Canadians replaced migratory workers, but were to live on the farms year round.

Earnings on the farms were low. For 1943, the rate was \$33 per acre for a season. A worker could expect to cover 8 acres, so \$264 was the income for a season. The key was to have several workers (including older children) in a household. In addition, Japanese Canadians tried to find winter work.

Earnings in Alberta-

	<u>1944</u>	<u>1943</u>
Number of people	1,877	2,719
Number of workers	927	1,395
Total earnings	\$405,546	\$487,565
Average per worker	\$ 438	\$ 350
Number of families	354	511
Average earnings per family	\$ 1,146	\$ 954

This table is based on information for the following areas of Alberta-

- Taber and Barnwell
- Lethbridge Northern
- Lethbridge and Coaldale
- Raymond, Welling, Stirling and Magrath

It is not, therefore, a complete picture of earnings in Alberta, where the total Japanese Canadian population was approximately 3,400. Compared with Manitoba the earnings are lower, for these reasons-

- ° Earnings (other than from sugarbeet farm wages) were much lower than in Manitoba.
- ° All of the people included in the data were working on beet farms. This lowers the average per worker because 'worker' includes men, women and older children.

Employment in Alberta-

By late 1947, the working population was still overwhelmingly farm-based-

Sugarbeet	1,220
General farming	<u>375</u>
Industrial	1,595
Domestics	308
Professionals	35
	<u>12</u>
Housewives, children, etc.	1,950
	<u>1,350</u>
	<u>3,300</u>

By this time Japanese Canadians who had relocated were again allowed to buy property, and it was estimated by B.C.S.C. staff that 10% of them were financially able to do so.

It is important to realize that although the number of Japanese Canadians on the Prairies increased in 1946-1947, there were two separate trends apart from natural increases; people leaving to go to Ontario and Quebec, and people arriving from British Columbia. The increase of approximately 1,000 is, therefore, net of outward movements.

Employment in Manitoba-

At July 1, 1946 there were 1,130 Japanese Canadians in Manitoba. Their occupations were as follows-

	Male	Female	Total
Industrial			
General services	170	64	234
Trade	51	34	85
Logging	6	3	9
Farming, gardening	14	-	14
	178	169	347
Total employed	419	270	689
Miscellaneous (mainly housewives)	19	70	89
	438	340	778
Children under 16	184	168	352
	622	508	1,130

The table shows the unusually high adult population; the sugarbeet projects had always demanded a high ratio of workers per family unit.

There were very few professionals. Most of the men were farm or plant labourers. The women were generally seamstresses, domestics or farm labourers.

Earnings in Manitoba-

	1945	1944	1943
Number of people			
Number of workers	1,154	1,116	Not available
Number of acres worked (beets)	697	671	
	2,813	2,686	
Earnings-			
From beets	\$ 81,081	\$ 82,031	\$ 69,885
Other than beets	390,643	304,919	33,238
	\$471,724	\$386,950	\$103,123
Average per worker (total)	\$ 677	\$ 577	

In Greater Winnipeg, where there was no sugarbeet work, the earnings were-

	1945	1944
Number of people	352	230
Number of workers	154	93
Earnings	\$170,565	\$107,061
Average per worker	\$ 1,108	\$ 1,151

Resettlement in Ontario and Quebec-

The table on page 25 shows that movement to Ontario and Quebec took place in three stages: an initial move of 1,100 people in 1942, most of whom were in road camps or sugarbeet farms; a more gradual move of 2,700 people from 1944-1946; and finally a move of 3,400 people in 1947. In addition, there were 500 to 700 people interned in Ontario.

There may have been more movement earlier, but the BCSC was not in favour of encouraging resettlement in 1944-1946. The reason, based on letters we examined in the BCSC files, was a fear that Japanese Canadians would move to Ontario and leave the sugarbeet farms short of labour.

Ontario

At July 1, 1946, there were 4,053 Japanese Canadians in Ontario. Their occupations were-

	Male	Female	Total
Industrial	576	97	673
General services	283	166	449
Trades	251	196	447
Logging and millwork	80	-	80
Farming, gardening	367	38	405
Total employed	1,557	497	2,054
Miscellaneous (students, housewives)	185	679	864
	1,742	1,176	2,918
Children under 16, retired, unemployed	622	513	1,135
	2,364	1,689	4,053

Northern Ontario (Fort William area)-

In 1945, there were 291 Japanese Canadians in this area, of whom 160 were employed workers. Their total earnings were \$208,494, or \$1,303 per worker. This average is quite high, for two main reasons-

- ° There was a large percentage of single men in this group - 106 of them. The remaining 54 workers included 8 single females, and 46 heads of families.
- ° The single men were mainly employed by Great Lakes Lumber, Canadian Pacific or Pigeon or Nipigon Lake Timber, and these companies needed skilled labour.

Quebec-

Occupations of Japanese Canadians in Quebec at various times were-

	January 1944	March 1947
Employed-		
Factory workers	4	52
Domestics, cooks, helpers	71	96
General help	65	106
Clerical	15	77
Mechanics/electricians	10	32
Carpenters/helpers	20	72
Seamen	11	70
Self-employed and professionals	12	18
Other	45	143
	<u>253</u>	<u>666</u>
Not employed-		
Housewives	31	195
Students	33	68
Children	34	298
Retired	3	15
Unknown	16	19
	<u>117</u>	<u>595</u>
	<u>370</u>	<u>1,261</u>

POTENTIAL INCOME EARNED BY JAPANESE CANADIANS, 1942-1949:

Farming: income losses-

The berry farms of British Columbia were different in many ways from most Canadian farms-

- Land was scarce, and therefore at a high value per acre because there is little agricultural land in Canada which enjoys a climate as mild as that in the Fraser Valley and on Vancouver Island.
- Farms were relatively small in acreage. The farmer therefore had to work hard to get an adequate return, and was unlikely to own a very large farm because of the great amount of labour needed to farm.
- On small farms there was more danger of soil being exhausted than on large farms. This seems to have been more of a problem on Vancouver Island than in the Fraser Valley.
- A UBC study on the small fruits industry in 1945, concluded that the average income for the farmer, per acre, was \$300. This income includes incidental income from other crops or from poultry. Japanese Canadian farms were generally specialized farms, which were shown by the UBC study to be higher producers than the average.

Farm prices-

The 1942-1943 period saw large increases in prices followed by a period of stability. The size of the strawberry crop was cut severely in 1942 and 1943, but this was largely a result of lost production from the Japanese Canadian farms.

Schedule IV-12 contains a summary of rising prices.

Trends in farm income-

In 1942, farm income was clearly on the upswing because of increased consumer purchasing power, increased demand from Britain and government subsidies.

The increase continued in 1943-1944, aided by improvements in processing and dehydration techniques.

There was a manpower shortage on farms; in 1943 there were 345,000 fewer male workers on farms than in 1939. However, this would be unlikely to have caused Japanese Canadian farmers a problem because-

- ° Military service was postponed for people engaged in farming.
- ° Families could help on small farms, including spouses and high school students.

Calculation of farm income-

The evidence suggests Japanese Canadian farmers were successful, and would become more so because-

- ° They were adding to their productive acreage.
- ° They had diversified from a dependence on fruits to greenhouse production, poultry, rhubarb and other crops.
- ° Farm prices and production were about to increase.

The average Japanese Canadian farm was slightly over 5 productive acres.

The UBC fruits study, referred to above, concluded on a net income of \$300 per acre, from all sources. As most of the Japanese Canadian farms were primarily fruit farms, this suggests an average income of \$1,560 per farmer in 1941. Farmers were effectively reinvesting part of their income by adding to their land.

We have assumed the income would have increased after 1942, because prices and production increased for all farmers. The evidence we have examined suggests that the increase would have been 6% per year. In addition, we have allowed a 2% increase to allow for income from higher land holdings, leading to incomes per farmer of-

<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>
\$1,685	\$1,820	\$1,965	\$2,122	\$2,292	\$2,476	\$2,674

Fishing: income loss-

As with farming, fish prices increased significantly due to wartime demand, during the years 1941 to 1945. Although the value of landed salmon actually decreased from 1942 to 1945, the total value of all fish landed in British Columbia increased steadily through the period 1941 to 1950. Due to the conditions of the war, it was necessary in some circumstances to change the type of product. We have assumed that Japanese Canadian fishermen would have adapted, as other B.C. fishermen did, to meet these changing war needs. As noted in the Canada Year Book 1943-1944-

"In general, the position of the fisherman has improved because his prices have risen more than his costs and there are fewer to share the return from the production, which has remained fairly constant."

The value of fish landed increased 35% over the five-year period 1941 to 1946 (see Schedule IV-11), indicating an average growth rate of 6% a year. The wage and salary index increased 37% over this same period. We have therefore assumed that the earnings of a Japanese Canadian fishermen would have increased at 6% per annum. We have not assumed any additional annual increase due to the reduction in the number of fishermen sharing the catch, as the actual reduction that would have occurred had the Japanese Canadians not been dispersed is unknown. The earnings over the period 1942 to 1948 have therefore been estimated as-

<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>
\$1,590	\$1,685	\$1,787	\$1,894	\$2,007	\$2,127	\$2,255

Sole proprietorship: income losses-

We have included these businesses as income losses because they provide an income to the proprietor, and that income is generally comparable with wages earned by people of similar ability and experience. If there had not been a policy of relocation and dispersal, it is reasonable to assume the Japanese Canadians would have continued to operate their businesses and would not have sold them.

Japanese Canadians in 1931 had 858 trading licences in Vancouver - one for every ten people, compared with one for every 21 held by other Canadians. By 1940, there were over 1,000 Japanese Canadians engaged in commercial activities.

Income for proprietors of medium-sized or larger businesses-

A small number of Japanese Canadians owned relatively large businesses. Their projected income loss figure from those businesses is included in the income loss figure for all businesses. To the extent their incomes were large, the loss we have calculated is understated. We have not attempted to calculate their loss separately, because-

- the number of businesses involved was no more than 50.

- our review of the Custodian files for these businesses did not reveal evidence of any potential incomes which would significantly change the overall loss we have calculated.

Military service-

It is difficult to speculate what would have happened if Japanese Canadians had not been uprooted. In particular, we do not know whether and to what extent they would have been on Active Service. Our assumptions as to the potential income of Japanese Canadians therefore do not reflect the economic advantages or disadvantages of being involved on Active Service.

Schedule IV-1

INCOME LOSS: METHOD OF CALCULATION

Potential income:

For each year-

1. Number of persons in each occupation-

Farmers
Fishermen
Lumber
Businesses
Other-
Men
Women

2. Multiplied by : Income in 1942, per person

3. Multiplied by : Factor to increase income, 1942 - 1949

Actual income:

1. Number of persons in each area-

I.H.P.'s and self-supporting projects
Prairies
Road camps
Internment
Other

2. Multiplied by : Income in each year, per person

Schedule IV-2

INCOME LOSS CALCULATION: ASSUMPTIONS

<u>Potential income: factors to increase income:</u>		<u>Factor</u>						
	<u>Basis</u>	1942	1943	1944	1945	1946	1947	1948
Farmers	Average increase in value of B.C. farm produce plus assumed 2% increase per year, for growth in acreage.	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fishermen	Average increase in value of fish landed for B.C.	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Lumber	Average increase in weekly earnings for lumber industry.	10.9	11.1	7.3	1.8	7.8	7.7	7.7
Businesses	Average increase in wage/salary index over the period.	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Other-men	Average increase in weekly earnings for all male wage earners in B.C.	14.2	4.1	4.1	(0.5)	3.6	9.1	8.8
Other-women	Average increase in weekly earnings for female wage earners in B.C. plus assumed 5% increase per year, in the number of women working.	6.4	3.2	12.9	1.4	4.8	13.8	10.0

Schedule IV-3

INCOME LOSS CALCULATION: ASSUMPTIONS

Actual income: factors to increase income:

1. I.H.P.'s-

1944/45 used as a base, where we have actual figures. Earnings for other years assumed to be the same in \$ per worker, except in 1942/43 it is assumed that 80% of male adults were employed (e.g. in construction of the camps).

2. Prairies-

1943/45 used as a base, where we have actual figures. 1942 sugarbeet earnings assumed to equal 1943 and 1944. Income from non sugarbeet work assumed to increase at the same rate as for income from people resettling in other provinces.

3. Road camp-

Rates used per table on page 39. Assumed that the average person worked 75% of the time.

4. Other-

People assumed to reach a 'normal' income, i.e. weighted average potential income of Japanese Canadians for that year, over 3 years-

Year 1	33-1/3% (50% for wage earners)
Year 2	66-2/3% (75% for wage earners)
Year 3	100%

Schedule IV-4

SUMMARY OF INCOME LOSS

	Income that would have been earned (Schedule IV-5)	Actual income (Schedule IV-7)	Loss
1942 (for 6 months)	\$ 5,241	\$ 1,577	\$ 3,664
1943	\$11,195	\$ 2,747	8,448
1944	\$11,995	\$ 4,354	7,641
1945	\$12,458	\$ 6,225	6,233
1946	\$13,267	\$ 9,430	3,837
1947	\$14,416	\$12,061	2,355
1948	\$15,613	\$12,637	2,976
1949 (Note 1)			<u>1,046</u>
			<u>\$36,200</u>

Loss in 1986 dollars is $36,200 \times 9.2 = \$333.0$ million.

Note 1: The loss for 1949 reflects the gradual recovery of Japanese Canadians who resettled in 1947 and 1948.

Schedule IV-5

CALCULATION OF POTENTIAL JAPANESE CANADIAN EARNINGS,
1942-1948 AND SUBSEQUENT YEARS
(Assuming no dispersal, relocation and resettlement)
(\$000's)

	Number in in workforce in 1941	1941	Total						
		Base average income	1942	1943	1944	1945	1946	1947	1948
			(\$000's)						
Lumber industry	1,839	\$1,100	2,247	2,497	2,679	2,727	\$ 2,935	\$ 3,161	\$ 3,404
Farmers	925	\$1,560	1,558	1,683	1,818	1,963	2,120	2,290	2,473
Fishermen	1,265	\$1,500	2,011	2,132	2,260	2,396	2,539	2,692	2,853
Self-employed	920	\$1,200	1,170	1,240	1,315	1,394	1,477	1,566	1,660
Other-									
Men	2,065	\$1,225	2,633	2,737	2,848	2,834	2,937	3,203	3,486
Women	1,307	\$ 640	863	906	1,075	1,144	1,259	1,504	1,737
	8,321		10,482	11,195	11,995	12,458	13,267	\$14,416	\$15,613

Note 1: For women, there is a 5% per year assumed increase in the numbers employed from 1941.

Note 2: The 1942 figure is for a full year. For purposes of Schedule IV-4, we have assumed the income was earned evenly over the year, so one-half of \$10,482,000, i.e. \$5,241,000 is the figure for July - December 1942.

Schedule IV-6

OCCUPATIONS OF JAPANESE CANADIANS, 1941
(Source: Sample of 1,360 Custodian files)

	<u>Number</u>
Millhand/logger	1,839
Fisherman	1,265
Farmer	925
Labourer	542
Self-employed	944
Cannery worker	255
Maids, domestics	308
Clerks	276
Gardening	265
Carpenters	181
Professional	160
Other employed	<u>1,361</u>
Total employed	8,321
Student	1,371
Housewife	3,411
Unemployed or retired	<u>1,349</u>
Total adult population (i.e. people over 16)	<u><u>14,452</u></u>

Note: The extrapolation from the sample, to arrive at this breakdown of the

Japanese Canadian population, is subject to estimating error. However, the numbers in this schedule for the major categories are corroborated by other evidence we have reviewed.

Schedule IV-7

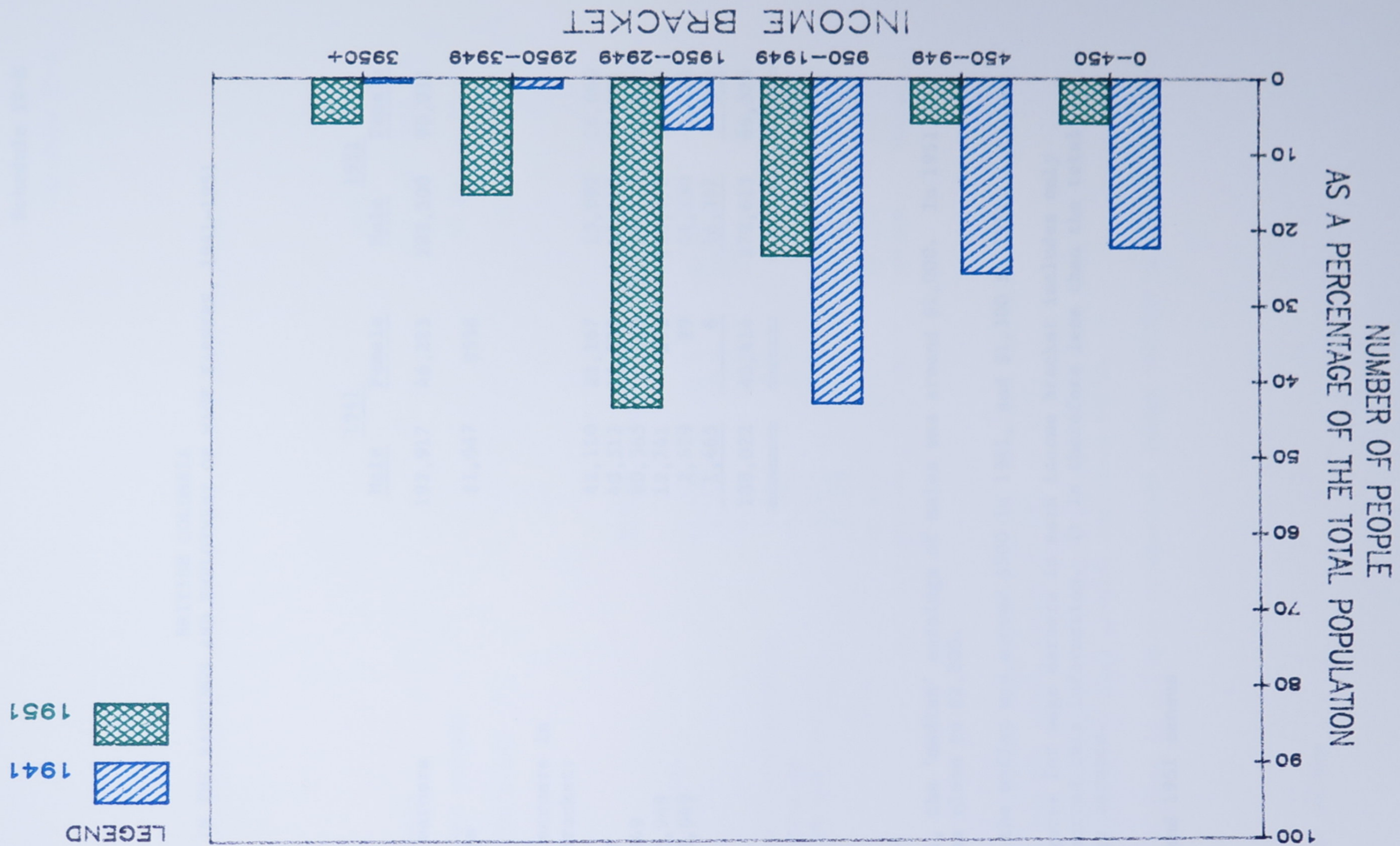
ACTUAL JAPANESE CANADIAN EARNINGS, 1942-1948
(\$000's)

	1942	1943	1944	1945	1946	1947	1948
	Total						
Interior housing projects and Self-supporting projects	\$ 800	\$1,290	\$ 600	\$ 552	\$ 390	\$ -	
Alberta and Manitoba	333	665	950	1,140	2,000	3,120	(
Ontario, Quebec and B.C. outside the Protected Area	231	662	2,744	4,503	7,040	8,941	(
Angler	-	-	-	-	-	-	(\$12,637
Road camps	213	130	60	30	-	-	
	\$1,577	\$2,747	\$4,354	\$6,225	\$9,430	\$12,061	\$12,637

Note 1: 1942-1943 earnings from IHP estimated so high, because of work in building camps.

Note 2: For 1948, all Japanese Canadians are assumed to be resettling.

SOURCE: 1941 AND 1951 CENSUS



NATIONAL ASSOCIATION OF JAPANESE CANADIANS

TRENDS IN THE EARNINGS AND EMPLOYMENT OF MALE WAGE EARNERS

Schedule IV-8

BRITISH COLUMBIA
TRENDS IN THE EARNINGS AND EMPLOYMENT OF WAGE EARNERS, 1941-1951

	1941		1951	
	Male	Female	Male	Female
Number of wage earners	192,917	46,223	283,300	90,031
Average earnings	\$1,047	\$558		
Number of wage earners in each income bracket:				
0 - \$450	42,110	21,167	15,992	16,660
\$450 - \$949	48,512	16,952	16,118	14,121
\$950 - \$1,949	80,565	6,969	63,764	42,270
\$1,950 - \$2,949	12,741	291	118,452	11,817
\$2,950 - \$3,949	2,629	29	41,930	1,413
\$3,950+	1,465	6	16,357	242
	188,022	45,414	272,613	86,523

Note 1: In 1941, the 'median' earnings of males was around \$1,000. In 1951, the median was close to \$2,200.

For females, the median was around \$500 in 1941, and \$1,300 in 1951.

Note 2: The figures for wage earners in each income bracket includes only those who reported this information. It is therefore less than the total number of wage earners.

Source: 1941 and 1951 census

Schedule IV-9

CHANGES IN THE OCCUPATION OF WOMEN IN B.C., 1941-1951

	<u>1941</u>	<u>1951</u>
Total wage earners	239,140	373,331
Total female wage earners	46,223	90,031
Women as % of the total	19.3%	24.1%

	<u>Number</u>	<u>% of women</u>	<u>Number</u>	<u>% of women</u>
Main occupation group:				
Personal service	14,608	31.6	14,260	15.8
Trade	9,140	19.8	20,837	23.1
Commercial	9,594	20.8	19,990	22.2
Food products - manufacturing	1,564	3.4	3,077	3.4
Other manufacturing	3,200	6.9	7,960	8.8
Transportation and commerce	2,379	5.2	5,920	6.6
Other	<u>5,738</u>	<u>12.3</u>	<u>17,987</u>	<u>20.1</u>
	46,223	100.0	90,031	100.0

These statistics are for wage earners only. However, the number of females who owned business was not large, either in 1941 or 1951.

The increase from 1941 to 1951 is large, in that the female wage earners doubled while the total number of wage earners increased 56.1%.

The increase occurred in all main occupations except for the relatively low paid personal service.

Source: Canada census

Schedule IV-10

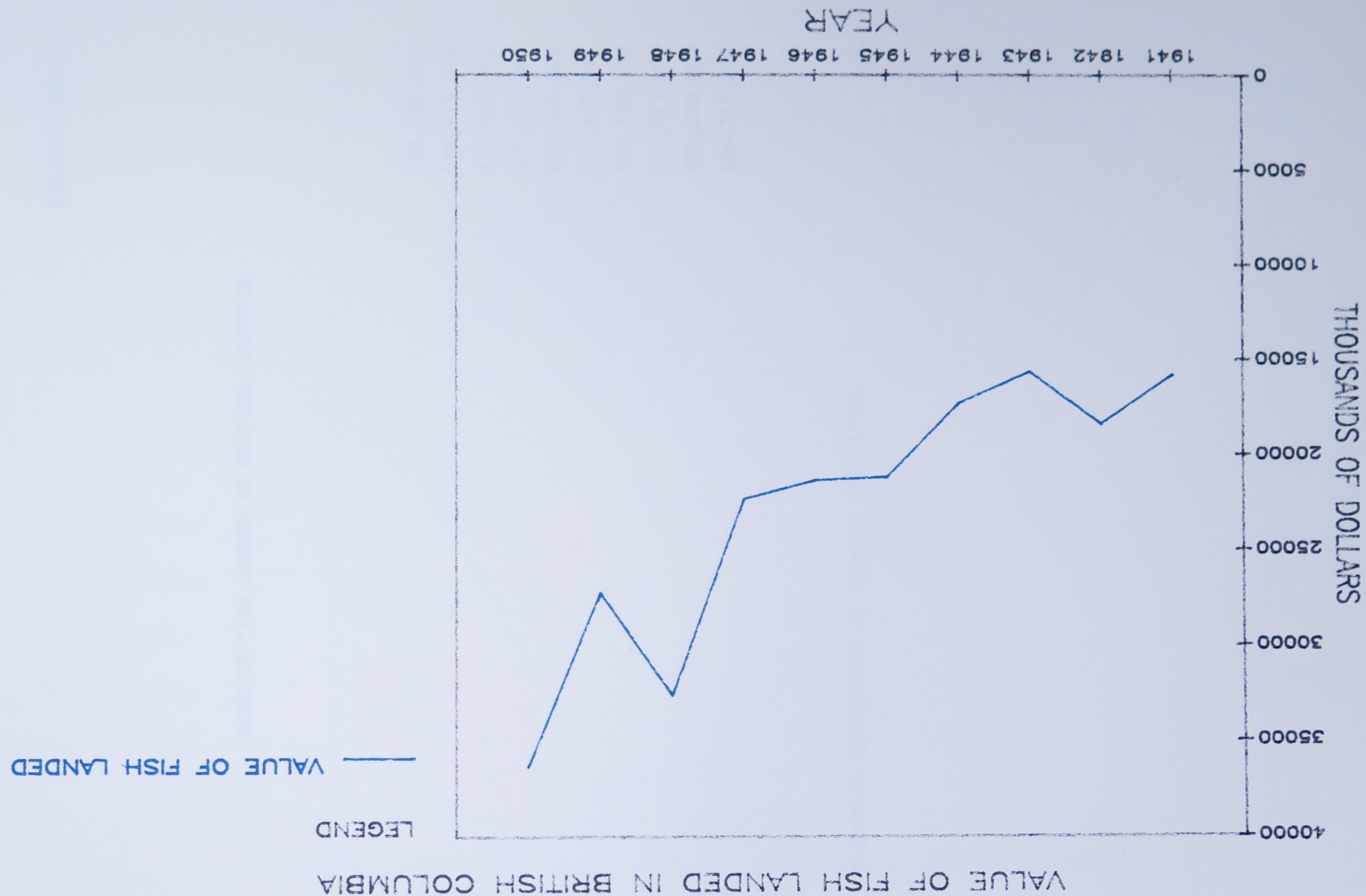
B.C. TRENDS IN OCCUPATION, 1941-1951

	1941		1951	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
Population 14 years and over	352,534	302,406	449,209	425,950
Labour force (total)	287,432	55,226	356,806	98,297
% in the labour force	81.7%	18.3%	77.2%	23.1%
Employers and own accounts	60,878	6,102	61,703	6,472
% of the labour force	21.1%	11.0%	17.8%	6.6%

The decline in the percentage male population in the labour force is explained partly by more retired people. This table shows the low participation of females, and also that there were few self-employed women.

Source: Canada Census

SOURCE: FISHERIES STATISTICS OF CANADA, 1941-1950



NATIONAL ASSOCIATION OF JAPANESE CANADIANS

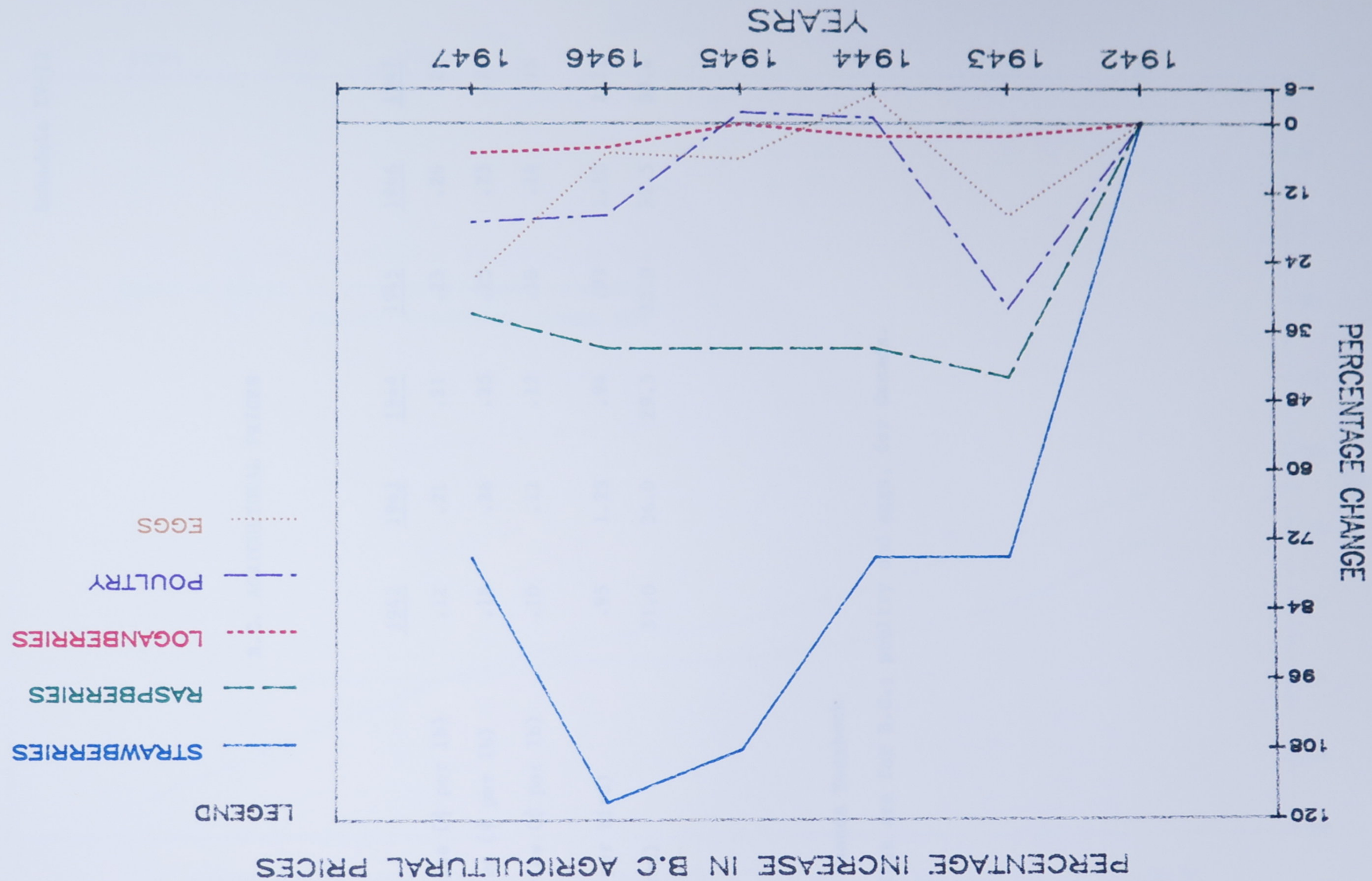
Schedule IV-11

VALUE OF FISH LANDED IN BRITISH COLUMBIA

1941	\$15,836,402
1942	\$18,415,044
1943	\$15,643,941
1944	\$17,333,347
1945	\$21,200,645
1946	\$21,372,034
1947	\$22,355,400
1948	\$32,643,600
1949	\$27,250,800
1950	\$36,345,200

Source: Fisheries Statistics of Canada, 1941-1950.

SOURCE: CANADA YEARBOOK (BERRY PRICES ARE FOR BC; POULTRY AND EGGS FOR CDA)



NATIONAL ASSOCIATION OF JAPANESE CANADIANS

Schedule IV-12

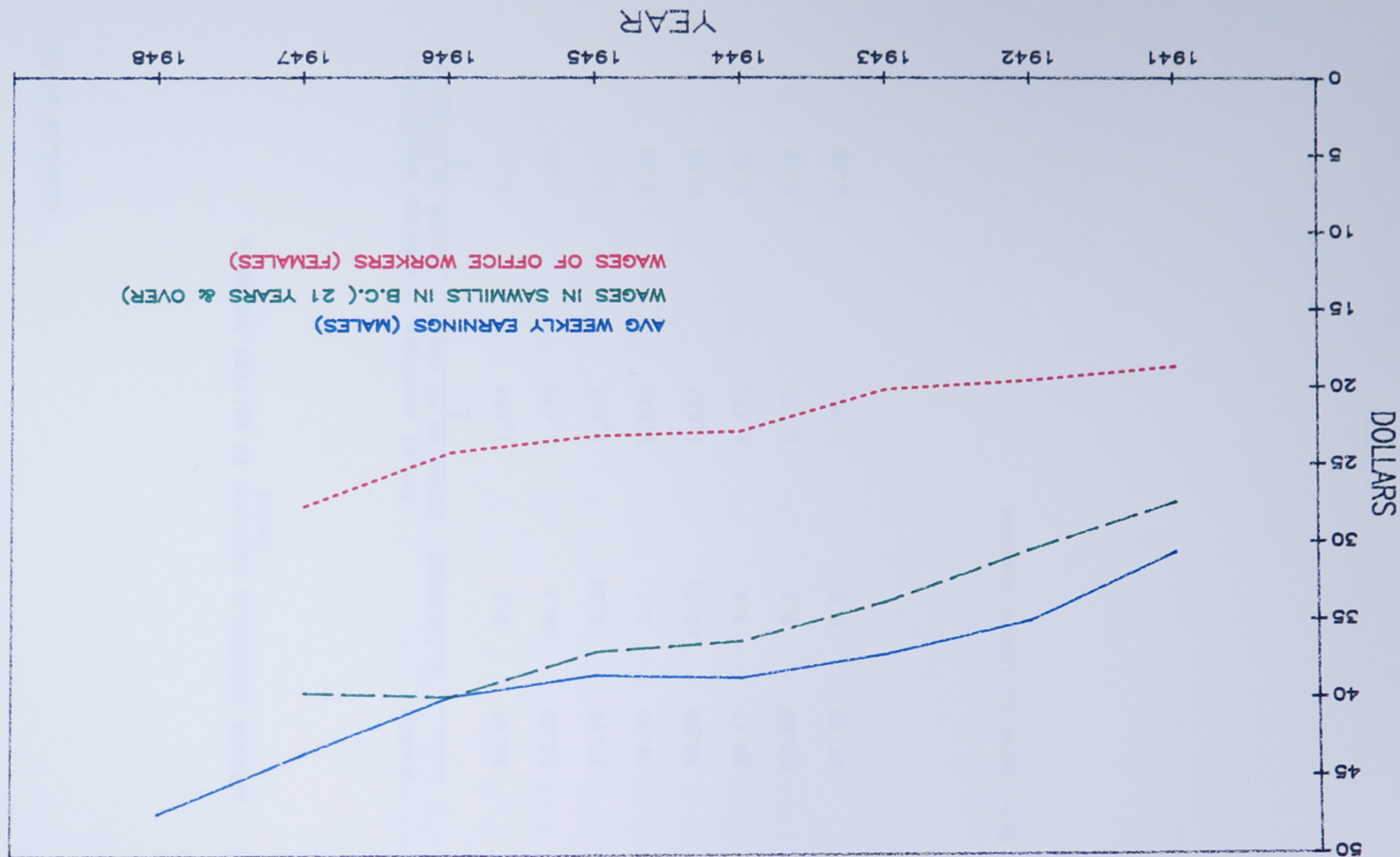
B.C. AGRICULTURAL PRICES

	<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>
Strawberries (¢ per lb)	.12	.21	.21	.25	.26	.21
Raspberries (¢ per lb)	.18	.26	.25	.25	.25	.24
Loganberries (¢ per lb)	.10	.12	.12	.10	.14	.15
Poultry (per bird)	.95	1.25	.94	.93	1.10	1.11
Eggs (dozen)	31.0	36.0	29.5	33.0	32.5	39.4

Source: Canada Yearbook

Berry prices are for B.C.; poultry and eggs, for Canada.

SOURCE: B.C. DEPARTMENT OF LABOUR REPORTS



NATIONAL ASSOCIATION OF JAPANESE CANADIANS
AVERAGE INDUSTRIAL WEEKLY EARNINGS IN BRITISH COLUMBIA

Schedule IV-13

AVERAGE INDUSTRIAL EARNINGS IN BRITISH COLUMBIA
MALES

	Weekly \$	% Increase	Annual earnings based on 42 weeks \$	Average hourly rate based on 44 hours \$
1941	30.67	9.1	1,288	0.70
1942	35.04	14.2	1,472	0.80
1943	37.19	4.06	1,562	0.85
1944	38.70	4.1	1,625	0.88
1945	38.50	(0.5)	1,617	0.88
1946	39.87	3.6	1,675	0.91
1947	43.49	9.1	1,827	0.99
1948	47.30	8.8	1,987	1.08

Source: B.C. Department of Labour reports

Schedule IV-14

WAGES IN SAWMILL INDUSTRY IN BRITISH COLUMBIA

	Average weekly wages		Average hourly wage	Average hours worked per week	Increase in weekly wages
	21 and over	Under 21			
1941	27.42	21.04	.57	48.4	-
1942	30.42	27.42	.63	48.44	10.9
1943	33.81	25.91	.70	48.47	11.1
1944	36.29	29.50	.76	47.48	7.3
1945	36.96	31.24	.78	47.46	1.8
1946	39.83	35.46	.90	44.02	7.8
1947	(average 39.57)		1.11	41.23	7.7

Source: B.C. Department of Labour reports

Schedule IV-15

WAGES OF OFFICE WORKERS - FEMALES

	<u>Average weekly earnings</u>	<u>Average hourly wage</u>	<u>Average hours worked per week</u>	<u>% increase in weekly earnings</u>
1941	\$18.71	\$.46	40.80	2.7
1942	\$19.55	\$.47	41.29	4.4
1943	\$20.19	\$.50	40.69	3.2
1944	\$22.79	\$.56	40.82	12.9
1945	\$23.12	\$.57	40.43	1.4
1946	\$24.22	\$.61	39.46	4.8
1947	\$27.56	\$.71	39.09	13.8

Source: B.C. Department of Labour reports

Schedule IV-16

WAGES IN THE FISHING INDUSTRY - FEMALES
(For experienced employees)

	<u>Average weekly earnings</u>	<u>Average hourly wage</u>	<u>Average hours worked per week</u>	<u>Increase in weekly wages (%)</u>
1941	\$14.37	\$.40	35.54	
1942	\$21.64	\$.53	40.67	50.6
1943	\$20.16	\$.51	39.58	(6.8)
1944	\$18.62	\$.51	36.28	(7.6)
1945	\$21.11	\$.60	35.22	13.3
1946	\$23.51	\$.63	37.49	11.4
1947	\$27.61	\$.73	37.84	17.4

Note 1: This table includes cannery workers.

Note 2: 1947 includes more occupations than do the figures for 1941-1946.

Source: B.C. Department of Labour reports

SECTION V - FARMLAND IN THE FRASER VALLEY

VALUE OF FARMLANDS:

To assess the value of this land, we reviewed in detail the evidence presented to the Bird Commission.

The sale of 741 parcels of farmland to the VLA for \$836,256 took place in 1943. The Custodian accepted this price based on the advice of the Rural Advisory Committee, the committee responsible for reviewing all real property sales by the Custodian outside Vancouver.

The Rural Advisory Committee did not have appraisals for this land, perhaps because it was under pressure from the VLA to accept the offer. The Director of Soldier Settlement ("DSS") had carried out appraisals on the land and the VLA offer was to some extent based on these but the Rural Advisory Committee did not have access to these appraisals. Municipal assessed values for the properties totalled \$1,250,000.

To check the VLA offer, the Rural Advisory Committee carried out 17 "spot" appraisals. However, these 17 properties were not necessarily representative; they did not cover all of the key municipalities involved (including Delta), and 6 of them consisted of three pairs of adjacent properties. These "spot" appraisals suggested the initial VLA offer of \$750,000 was too low, and the price was raised to \$825,000. (As other properties were later added or subtracted, the final price was \$836,256.)

The Bird Commission considered the evidence and increased the value from \$850,000 to \$1,530,000, an increase of 80%. This represents the Bird Commission's opinion of the value of this land in 1943, and we have found no evidence to contradict this estimate.

However, as with other real property, there was an increase in value after 1943. Farm prices had been low in the 1930s, stabilized in 1940-1942 and increased after that for several reasons-

- The population was increasing, and development along the Fraser Valley created a demand for industrial and residential land which increased farmland values.
- Wartime inflation doubled the price of crops over a short period, which increased the value of productive land.

The 'speculative' value associated with industrial and residential development was apparently not considered by the Custodian or by the Bird Commission.

The VLA, and the appraisers for the Director of Soldier Settlement, took a different view of the value of this land. They considered Japanese Canadian farms should be valued lower because they perceived the farms were less valuable than other farms in the area. The reasons include-

- Japanese Canadian farmers were said to buy logged over land and farm it close to exhaustion.
- Japanese Canadian farm buildings tended to be less elaborate than those of other farmers.
- The farms were tenanted after Japanese Canadians left so vacant possession could not be given by the Custodian.

It was felt that Japanese Canadians could make these farms pay where other people could not.

Other testimony given to the Bird Commission by a VLA representative included-

"The Japanese Canadian... generally started right at the bottom. He acquired land because it was cheap, and because it was cheap it sometimes wasn't very good, and he developed land on an elemental basis."

On the other hand expert evidence was given to the Bird Commission on behalf of the Japanese Canadians by a member of the Faculty of Agriculture at the University of British Columbia. His evidence was that the land owned by Japanese Canadians was comparable with other farmland.

It is difficult to conclude that the Japanese Canadians did have inferior land. We have concluded that the percentage increase in value of 'Japanese Canadian' farms from 1943-1948 would be the same as the percentage increase in value of other farms.

SUMMARY OF JAPANESE CANADIAN LANDS SOLD TO THE VLA:

The Soldier Settlement appraisals were (for 741 parcels)-

Land	\$398,251
Buildings	468,769
	<u>\$867,020</u>

The assessed value was \$1,255,703. There were 652 buildings, most of which the DSS said were substandard. The land included 9,859 acres, of which 3,959 acres were cultivated.

The DSS appraisals averaged at-

- ° \$719 per building
- ° \$100 per cultivated acre

FARM PRODUCTION:

The 1940-1951 period saw great increases made in productive acreage in British Columbia-

	Acres		Increase
	1940	1951	
Strawberries	2,367	4,001	69%
Raspberries	1,027	1,554	51%
Other fruits	<u>719</u>	<u>1,160</u>	<u>61%</u>
	<u>4,113</u>	<u>6,715</u>	<u>63%</u>

Similar increases were experienced in the numbers of hens and chickens and the production of eggs.

SECTION VI - OTHER REAL PROPERTY

NATURE OF PROPERTIES OWNED BY JAPANESE CANADIANS:

Properties in Greater Vancouver included a large concentration around Powell Street, Vancouver, although there were other properties scattered around Vancouver. Approximately 75% of the properties were residential.

Rural properties-

The 'rural' properties were less homogeneous. The Fraser Valley farmlands, sold as a separate block to the Veterans Land Administration, were good agricultural land.

However, many of the other 'rural' properties were much less valuable. There were, for instance, a number of clusters of Japanese Canadian properties in isolated places, such as-

- Hakoda Bay, a 60-acre fishing village divided into 11 lots, the houses accessible only by boat.
- Fraser Bay, 9 lots on Ucluelet Harbour used by fishermen.
- Lyche Estate, 20 houses, on which the Japanese owned improvements only, near Fraser Bay.

Vancouver Island and Gulf Island-

After the initial bulk purchase of Fraser Valley farmland, the VLA ultimately purchased a further 45 parcels of land for \$46,747. Most of this property was in the Gulf Islands, where 1,049.65 acres were purchased of which 112.69 acres were cultivated.

Property on the Gulf Islands, in particular, is now considered to be prime recreational property. It then included some large greenhouse farms on Mayne and Saltspring Islands, most of which were purchased by the VLA.

Other Gulf Island property included acreage on Saltspring Island, which was sold by tender.

Of 210 properties on Vancouver Island and the Gulf Islands, the breakdown by type of property was as follows-

	<u>Sold to VLA</u>	<u>Total sold by the Custodian</u>
Vacant land	6	36
Timber and wild land	1	4
Farmland	13	18
Houses	14	126
Rooming houses	0	4
Stores, etc.	<u>0</u>	<u>22</u>
	<u>34</u>	<u>210</u>

The Custodian's report on these properties reflected the opinion of the staff that there was great disparity between the attractive and unattractive property.

METHOD OF SALE BY THE CUSTODIAN:

The Custodian obtained appraisals for all of the 930 properties and sold the properties through public tender. The highest bid was accepted unless it was lower than the appraised value. In such cases the property was reappraised, resulting in an appraised figure equal to lower than the highest bid, or the bid was increased in order that the bid could be accepted.

There are several theories about the proper determination of loss on real property. The Bird Commission concluded that the property had been sold at fair market value at the time of sale, but that Japanese Canadians should be compensated for the commissions and selling expenses deducted from the proceeds of the sale.

A further consideration is that sale of the property over a short time period could have resulted in a temporary glut on the market which adversely affected market value.

It can be argued that for some Japanese Canadians, the real loss suffered was the difference between the proceeds they received, and the value of their property today.

We have not adopted this view for two reasons. First, it is not possible to assess how many Japanese Canadians took considerable years to get back into the property market. Second, the calculation assumes they would have lived in the same property or similar property from 1941 to 1986, and this is highly speculative.

We therefore concluded that a calculation of loss as the 1949 value less the actual proceeds is appropriate though it is very likely to understate the loss.

ALLOWANCE FOR GROWTH IN HOUSING STOCK:

Japanese Canadians owned 930 houses and approximately 800 farms in 1941 excluding any properties which were sold before registration of property into the Custodian. It is likely that by 1949, more of them would have owned real property and the properties would have been of higher quality. We have commented above on the community's economic progress.

The possible increase in the number of houses owned is relevant mainly where that increase could have taken place in 1942-1944. Thereafter, the increase up to 1949 is not so significant. By being relocated several people may have been prevented from buying a house in 1945 or 1946 because their savings were less than they would have been. But the economic loss they suffered through not being able to make that investment would be minimal, when measured in 1949.

The question of possible improvement in Japanese Canadian owned housing stock is more complex. Either by 'trading up' houses, or by making improvements, they could have increased the value of their property between 1942 and 1949. By being out of the housing market they were prevented from experiencing this increase in property values.

We have concluded that the method we used to estimate the loss - title searches of a sample of properties that were sold to calculate the increase in value from 1942 to 1949 - takes into account the possible improvement in housing stock. If we assume that the improvements to properties made by the new owners of the sampled properties between 1942 and 1949 are equal to the improvements which Japanese Canadian owners would have made during the same period, then there will be no distortion as a result of improvements.

This is a reasonable assumption to make in the absence of any evidence to the contrary.

PURCHASE OF PROPERTIES BY JAPANESE CANADIANS, 1941-1947:

After the registration process in 1941, Japanese Canadians were not permitted to own real property without a permit until restrictions were lifted on February 12, 1947.

From 1942-1945, BCSC files show that only 2 permits were given and these were for commitments made before December 1941.

It was in January 1946 that significant numbers of permits were issued. We reviewed the BCSC files and listed the frequency of permit issuance. By quarter, the figures were-

<u>1946</u>	<u>Total</u>	<u>B.C.</u>	<u>Ontario</u>	<u>Other</u>
January - March	8	3	3	2
April - June	35	1	22	12
July - September	90	13	52	25
October - December	77	15	44	18
<u>1947</u>				
January - February	10	3	4	3
	<u>220</u>	<u>35</u>	<u>125</u>	<u>60</u>

Note: This information was prepared by extracting details from permits contained in the Custodian's files. We do not know that all permits issued were filed; on the other hand, we do not know whether all permits resulted in an actual purchase.

In December 1941, Japanese Canadians in the coastal area of B.C. owned approximately 1,700 properties (not including any properties disposed of before registration). By February 1947 they owned approximately 220, or 13% of the original total. It follows that, on average, Japanese Canadians had clearly not reached their previous economic status.

The BCSC files suggest that 10% of Japanese Canadians in Alberta had the means to buy property in 1947. This estimate tends to corroborate the overall 13% total.

No records were kept after February 1947 because permits were no longer needed.

SECTION VII - FISHING ASSETS

In December 1941, the Royal Canadian Navy took into their custody over 1,300 vessels, of which 1,100 were owned by Japanese Canadians.

Transporting the vessels to New Westminster, and the winter weather conditions, caused considerable damage to a number of the boats. Boats were also damaged after being moored.

In January 1942, the Japanese Fishing Vessel Disposal Committee (JFVDC) was created. The purpose of the JFVDC was stated in its final report-

"The removal of this substantial part of the fishing fleet from active service, when the product was of vital importance to the food supply of the United Nations prompted the Government to appoint a Committee for the purpose of returning these vessels to active fishing in the hands of fishermen of other than Japanese origin..."

The type and number of vessels under the Committee's control was-

Type	Number of vessels
Seiners	68
Trollers	120
Gill-netters	860
Packers	148
Cod-fishers, etc.	141
	<u>1,337</u>

The first sale took place on January 25, 1942.

The JFVDC encouraged prospective purchasers to negotiate freely with the owners. In March, the JFVDC hired a qualified fishing vessel valuator. The price determined by this valuator was used to establish the "Suggested Negotiated Price". These valuations were made, assuming that "the missing equipment generally allowed by Naval Authorities was supplied....". If a Japanese Canadian fisherman did not agree to the sale price, the JFVDC would negotiate in his place. As long as the offer was close to the "Suggested Negotiated Price", it would be accepted. One hundred and fifty-two vessels were sold under the committee's "forced sale" plan.

Most of the vessels were sold to companies and individuals involved in the fishing industry. The Armed Forces also purchased a number of boats. The vessels purchased by the Armed Forces were selected based on trial speed runs and other inspections conducted in March of 1942. Based on the prices paid, it appears that the Armed Forces selected the larger and more powerful boats of those available for sale. See Schedule VII-3 for a summary of the method of disposal and gross proceeds.

Those 187 vessels not sold by the JFVCD by July 31, 1942, were turned over to the Custodian for disposal. These boats tended to be at least 10 years old and in many cases were considered obsolete. The vessels were again appraised, however this time it was on an "as is" basis. Ultimately they were all sold.

CALCULATION OF LOSS: FISHING VESSELS:

For the vessels sold by the JFVDC, we have calculated the average price received on each type of vessel. We then compared this price with the average vessel value for similar categories of boats, as reported by Fisheries Statistics of Canada, for the years 1942 and 1949. As can be seen on Schedule VII-2, it appears that the sale value of Japanese Canadian fishboats was generally slightly lower than the average vessel value. This is understandable, for on the following reasons-

- The boats were taken into the Navy's custody in mid-December. The usual time for fishermen to make the annual repairs to a boat is in the winter months, December to February. Therefore the boats seized had not yet been overhauled.
- The vessels were often damaged during transport to New Westminster or Prince Rupert. As well, they also sustained damage due to harsh weather conditions in January and February 1942. Although the JFVDC reconditioned the damaged boats, it is unlikely that they were returned to the condition they would have been in had the fishermen been able to maintain the vessels themselves.
- The sudden availability of over 1,100 fishing vessels would severely depress their market price.
- On the positive side, other fishing vessels were being removed from the market as they were requisitioned by the Armed Forces. However, Japanese Canadian owners were not allowed any appreciation in value due to the war.
- The main objective of the JFVDC was to "maintain essential fisheries production". Therefore, the committee would be trying to sell off the boats as quickly as possible.

As noted previously, Japanese Canadians were not allowed to re-enter the B.C. fishing industry until the spring of 1949, when Order-in-Council PC251 lapsed.

Consistent with the method used to calculate the loss on real property and farmlands, we have calculated the loss on the fishing vessels disposed of by the JFVDC, as the loss in purchasing power. Therefore, the loss is the difference between the cost of replacing the vessels in 1949 and the net proceeds received in 1942 (see Schedule VII-2).

In order to determine the value of the vessels in 1949, we have used the Fisheries Statistics of Canada, Capital Equipment data for B.C., to determine an average price for each type of vessel.

The loss on the vessels disposed of by the Custodian will not be as significant, as these vessels were generally old and of a poorer grade. The Bird Commission calculated an increase of 13.5% to compensate for the administration and selling charges made by the Custodian.

As we have no information regarding the average sale price per vessel of those disposed of by the Custodian, we have applied a single rate to the total proceeds in order to compensate for the lost purchasing power suffered over the years 1942 to 1949. Based on the Fisheries Statistics of Canada, it is evident that fishing vessels increased in value by at least 50%. This 50% increase applies to an average vessel. It would seem reasonable that older vessels would not have increased in value at as high a rate. Therefore, since the vessels disposed of by the Custodian were generally older than 10 years, we have used a lower rate of 30% to compensate for the lost purchasing power.

In total, we have calculated the loss on disposal of the fishing vessels to be \$10,350,000 in today's dollars. See Schedule VII-1 for the summary calculation.

Schedule VII-1

CALCULATION OF LOSS ON DISPOSAL OF FISHING VESSELS
(\$000's)

Value in 1949 of vessels disposed of by the Japanese Fishing Vessel Disposal Committee in 1942 values (from Schedule VII-2)	\$ 2,694
Cost of disposal incurred by the JFVDC	18
Administration and selling costs incurred by the Custodian	43
Increase in value of vessels disposed of by the Custodian due to changes in purchasing power	<u>96</u>
	2,851
Deduct sale price: Vessels sold by JFVDC	\$1,406
Vessels sold by the Custodian	<u>320</u>
	1,726
Loss in 1949 dollars	1,125
	<u>X 9.2</u>
Loss in 1986 dollars	<u>\$10,350</u>

Schedule VII-2

CALCULATION OF VALUE IN 1949 OF JFVDC VESSELS SOLD BY JFVDC IN 1942

		Japanese Canadian vessels Average gross proceeds	All vessels		Number of vessels	Gross value in 1949
			Average value in 1941	Average value in 1949		
Seiners	Public	\$ 5,696	\$ 6,742	\$10,121	53	\$ 536,413
	Armed Forces	\$10,961	\$11,544	\$17,292	14	242,088
Trollers	Combined	\$ 1,588	\$ 1,492	\$ 2,332	69	160,908
Gill netters	Combined	\$ 635	\$ 672	\$ 1,482	633	938,106
Packers	Public	\$ 2,276	\$ 1,505	\$ 4,921	94	462,574
	Armed Forces	\$ 6,779	\$ 6,742	\$ 6,121	26	263,146
Cod boats	Combined	\$ 810	\$ 672	\$ 1,482	61	90,402
						<u>\$2,693,637</u>

Source of Average Values in 1941 and 1949:

Fisheries Statistics of Canada
Capital Equipment - B.C.

Schedule VII-3

SUMMARY OF DISPOSAL OF FISHING VESSELS

	Sold by the Fishing Vessel Disposal Committee to		Returned to Owner	Sold by the Custodian	Total
	Public	Armed Forces			
Seiners:					
Number of vessels	53	14	1	-	68
Gross proceeds	\$ 301,796	\$ 153,460	-	-	
Average value	\$ 5,696	\$ 10,961	-	-	
Trollers:					
Number of vessels	57	12	5	46	120
Gross proceeds	\$ 75,300	\$ 34,290	-	*	
Average value	\$ 1,321	\$ 2,858	-		
Gill netters:					
Number of vessels	625	8	145	82	860
Gross proceeds	\$ 387,589	\$ 14,625	-	*	
Average value	\$ 620	\$ 1,828	-		
Packers:					
Number of vessels	94	26	9	18	147
Gross proceeds	\$ 213,924	\$ 175,650	-	*	
Average value	\$ 2,276	\$ 6,776	-		
Cod boats, etc.:					
Number of vessels	58	3	40	41	142
Gross proceeds	\$ 42,922	\$ 6,500	-	*	
Average value	\$ 740	\$ 2,167	-		
Number of vessels	887	63	200	187	1,337
Gross proceeds	\$ 1,021,531	\$ 384,525	\$-	\$320,385	\$1,726,441

Note: 200 vessels were returned to their owners, because they were not owned by Japanese Canadians.

* Information not available.

Source: Report by Mr. A. E. McMaster, Executive Assistant of the Japanese Fishing Vessel Disposal Committee.

SECTION VIII - BUSINESS LOSSES

BUSINESS LOSSES: INCOME:

We reviewed all of the business files available in the Custodian files. We have summarized below the review of two of these files. We were unable to conclude that a significant loss of "goodwill" was suffered. However, that is an area where the possible loss of economic growth of the community is difficult to assess. Had Japanese Canadians continued to operate significant lumber companies, for instance, they may well have participated significantly in the growth of the B.C. forest industry. We have not been able to quantify the possible effects of such growth.

Deep Bay Logging Company Limited-

This Company and the owner had timber which was sold, through tender, for \$40,000. As with other timber companies, the Custodian's files show that the liquidator believed the Assistant Timber Controller for British Columbia "requested that everything possible be done to resume operations in order to increase the supply of lumber urgently required for the war effort".

The \$40,000 offer for the timber alone was apparently considered "reasonable" by the owner.

The highlights of the appraisal were-

- 14 million FBM of timber, most of which is "costly to log and of only fair quality".
- \$2.00 per MFBM.
- Felled and bucked timber: 2 million FBM at \$3.00/MFBM.
- Timber was on crown granted lands, and was mainly fir with some hemlock and cedar.

We saw no evidence to suggest a significant loss was suffered on the sale of timber.

The Royston Lumber Company Limited-

At March 31, 1942, this Company had book equity of \$107,138, with share capital of \$46,000 and retained earnings of \$61,138. In addition, there were possible 'hidden' assets-

- ° Logs in woods and logs at the mill were not included on the balance sheet.
- ° The company's timber was shown at cost.

Offers for the company-

The best offer received was \$202,000 for the lands, timber and equipment, \$60,000 of which was cash. These assets were on the books at \$132,000.

The Custodian commissioned a valuation, which arrived at a value of \$231,000. The offer of \$202,000 was accepted.

Possible loss-

Based on our review of the files, the main area of possible loss would be on the timber. The highlights of the appraisal were-

- ° Uncut timber was estimated to be 45 million FBM, and valued at \$3.00/MFBM, or \$135,000.
- ° Present timber holding was inadequate to support the mill.
- ° Chief reason for Royston's success has been "the large supply of cheap labour that was available, mostly Japanese, who were only paid what the business could easily afford".
- ° The mill was not modern, and there was no mill pond for sorting.
- ° The Custodian's file notes-

"as your decision to sell the property was influenced by the request of the Assistant Timber Controller to have same placed in production...."

Conclusion-

The shareholders received approximately \$127,000, slightly above book value. We have seen no evidence that the price represented an unusual loss although the sale of property would be expected to result in a loss similar to that sustained on other real property sold at that time.

SECTION IX - OTHER PROPERTY

MOTOR VEHICLES:

Even if each vehicle was sold for only half of its value, the loss would be only \$160,000 in 1942, or \$1.5 million in today's dollars. Unlike real property, a motor vehicle is a wasting asset. By 1949, the motor vehicles owned by Japanese Canadians would have been depreciated in any event. To be deprived of them was therefore less of an economic loss, than a loss of comfort and convenience.

PERSONAL PROPERTY - CHATTELS:

It is a difficult area to assess because personal property often has a subjective value to the person who owns it, which exceeds the value to anyone else.

Our review of the Custodian's files underlines this. Much of the correspondence in the files concerns small items which, when sold by auction, yielded little. Personal effects are important for many non-economic reasons, perhaps particularly important to people who have been forced to leave their homes.

The loss relating to chattels should therefore be assessed in two parts.

First, there is a non-monetary loss resulting from the loss of use or enjoyment of items which may be of sentimental or other personal value.

Second, there is a monetary loss which results whenever such items are sold and have to be replaced.

The chattels sold by the Custodian realized \$276,000. We considered two main approaches to determine the loss-

- ° Selecting a sample of items and estimating a fair market value to compare with the proceeds. We rejected this approach as impracticable, given the diversity of items.
- ° Reviewing the chattels on a global basis, i.e. the likely amount per family in relation to the income levels of Japanese Canadians and in relation to their property holdings.

We concluded that the second approach is the most appropriate.

Based on our review of the evidence presented to the Bird Commission, we conclude that for chattels, the loss resulted not from the method of sale or from the way the auctions were conducted, but for two other reasons-

- Personal effects depreciate so quickly after their first use that being forced to sell them inevitably generates a loss.
- Identifying and storing the chattels before they were eventually sold was a complex job which was not done successfully, therefore many goods were lost, damaged or stolen.

SECTION X - EDUCATION

ELEMENTARY SCHOOL:

Outside British Columbia, Japanese Canadians could send their children to school with other Canadians (there were some cases where there was no room in the schools, but these were not large in number). In British Columbia, the special schools set up under the control of the B.C. Securities Commission had these disadvantages-

- ° They segregated Japanese Canadian children into an environment where English language skills were most likely to suffer.
- ° Because the IHP were new communities, it took time to establish proper facilities. Many of the Vancouver children did not leave until after the opening of school in the Fall of 1942, while those in Hastings Park (mainly from outside Vancouver) inevitably lost schooling time. The 1942-1943 school year appears to have been an extremely difficult one for Japanese Canadians.

The adequacy of the school buildings varied between projects, particularly in 1942-1943.

Stanford tests-

In 1943, 1944 and 1945, the children in IHPs were tested, using the Stanford Achievement Tests which were in common use in North America.

In summary, they showed the results which could perhaps be expected-

- ° The Japanese Canadian children scored low in verbal and use of language tests.
- ° There was a reasonably high number of people who were being held back a grade, or did not pass a particular grade. Ultimately, these children suffered a loss because they entered the workforce one year late. We have included this loss as an income loss, calculated in Section IV.

- ° Despite these problems, overall the Japanese Canadian children scored high on the tests.

Teachers-

Teachers in the camps were from the Japanese Canadian community. There were only two trained teachers among the Japanese Canadians, and pay was low, eventually reaching \$45 to \$50 per month. Their training consisted of a four week "summer school". In some cases, girls of high school age were teaching at the elementary schools.

HIGH SCHOOLS:

Japanese Canadians at the IHP, and self-supporting projects received no formal high school education. They were able to enroll in correspondence courses, and received some supervision on those courses. It appears the students did very well in these courses.

In other provinces, Japanese Canadians were able to attend high schools, with other Canadians, although in Alberta the family had to pay \$70 per year per child (compared with an average family income of \$1,000). Payments were also required in some parts of British Columbia.

We understand that most students took advantage of this opportunity. The cost to the families totalled approximately \$37,520 in each year 1942-1943, 1943-1944, 1944-1945 and 1945-1946, a total of \$150,080 in 1942 dollars, or \$1.5 million in 1986 dollars.

The number of Japanese Canadian high school age students in B.C. in 1942 was approximately 300. This number represents the only exposure to a possible education loss for high school students.

UNIVERSITIES AND COLLEGES:

University and college education was disrupted for all Canadians during the war. Enrollment dropped from 1942-1943 onwards but then ballooned in 1946-1947 with the influx of returning veterans who received various benefits under the Veterans Rehabilitation Act.

Enrollment levels were back to previous norms by 1949-1950.

Attendance at college and universities was much lower than it is today, and this is as true for Japanese Canadians as for other Canadians.

There were 60 Japanese Canadian students at the University of British Columbia in 1941-1942. After that, the British Columbian universities did not accept them. In any event, the two universities then existing were both in the Protected Area.

A few students were admitted to other Canadian universities, however, and 20 were enrolled at the University of Manitoba. Thus, while some institutions initially excluded the Japanese Canadians, there were still opportunities from 1943 onwards. The extent of education available in colleges and other training establishments is not well documented.

SECTION XI - OTHER LOSSES

LIFE INSURANCE:

Life insurance policies did not automatically vest with the Custodian when Japanese Canadians were registered. The Custodian did pay premiums, if funds were available, for those who turned their policies over. A number of the policies were cashed in for their cash surrender value.

In our sample of approximately 250 case files, 82 files contained some details on life insurance. The majority of these policies remained in the possession of the Japanese Canadians. The average policy consisted of \$1,000 in life insurance coverage.

In two files in our sample, we found that coverage had lapsed due to failure to pay premiums, resulting in the loss of proceeds when the insured died.

We cannot reliably calculate the overall loss, as the required information is not available. However, based on the results of our sample, we estimate that the loss due to lapsed policies, where the owner subsequently died, is \$124,000 in 1946 dollars, or \$1,141,000 in today's dollars.

OTHER:

The proceeds received by the Custodian for the sale of the property of Japanese Canadians, were eventually paid to the owners of the property. We have not factored in an amount for interest on these proceeds earned by the owners because the proceeds were in many cases reduced by expenses, claims against the property owner, and costs of sale. We have assumed these reductions, and any interest which may have been earned up to 1949, approximately offset.