Name of Claimant: NAGAI, Manjiro
NAGAI, Yoichi
NAGAI, Hidesaburo
7007, 7005, 7006

Case 72

Custodian File

REAL PROPERTY

Greater Vancouver		Rural (except V.L.A.)			V.L.A. (except Mission Village)			V.L.A. Mission Village			Total
Sale Price	5% thereof & 12.50	Sale Price	10% thereof	Charges 12.50 & Comm.	Sale Price	Total Award 80% of all Sale Prices: % of Total	Amount	Sale Price	Total Award 125% of all Sale Prices: % of Total	Amount	
		16000									5000.00

PERSONAL PROPERTY

Motor Vehicles		Boats and Boat Gear						
Sale Price	25% thereof	Sale Price	Nelson Bros. 23.5% of Sale Price	Other Sales 28.5% of Sale Price	Equipment charges paid to purchasers in error. Repay to owners	Amount of Claims for Boat Gear Declared & Not Found & Recorded Now Missing	45% of amount in next preceding column	

NETS

Total award for Nets plus Sale Price	Total Claim for Nets Sold, Declared Not Found and Recorded Now Missing	Percentage Total Award to Total Claim	Claim for Nets Sold Declared Not Found, & Recorded Now Missing	Apply % ratio to Claim	Deduct Custodian Sale Price	

MISCELLANEOUS CHATTELS

Claim for goods Sold By Auction	Sale Price of Goods Sold By Auction	Rebates of charges 30% of Sale Price	Ratio in % of Sale Price to Claim	Claim for goods Declared Not Found, Recorded Now Missing, & Sold Not Paid	Application of % ratio to amount in next preceding column	Sale Price of goods Sold by Tender	12% of Sale Price	
			46%	2055.42	945.49	400.00		945.49 201.50 1277.85

TOTAL RECOMMENDATION 7424.84

1540

JAPANESE PROPERTY CLAIMS COMMISSION

CASE NO. 72.

Vancouver, B.C.,

June 17th, 1949, 10:00 A.M.

IN THE MATTER OF THE CLAIM OF

MANJIRO, YOICHI and HIDESBURO NAGAI.

CONTINUATION OF PROCEEDINGS AT HEARING.

APPEARANCES:

D.T.B. BRAIDWOOD, Esq., and J. C. CAMPBELL, Esq., appearing for the Dominion Government.

ALFRED BULL, Esq., K.C., appearing for the Claimants.

THE COMMISSIONER: Yes, you may proceed, Mr. Braidwood.

MR. BRAIDWOOD: I will call Mr. Halbert Menzies.

HALBERT MENZIES, being first duly sworn, testified as follows:

MR. BRAIDWOOD: Now, my lord, I am again in a alightly confused position here because my learned friend Mr. Bull, not having been here before, he is probably not aware that Mr. Menzies has given evidence half a dozen times before us.

MR. BULL: I think that can be taken from the transc ipt and he has been qualified once and there is no use repeating all that, because we can always get it from the record.

MR. BRAIDWOOD: All right, that is fine.

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q Now, Mr. Menzies, you were a member of the Rural Advisory Committee.

A Yes.

Q And you advised the Custodian on the sale of lands, did you not?

A Yes.

Q And as such, did you become aware of the green house

properties near Haney, owned by the three Nagais?

A Yes.

Q Are you familiar with that property?

A I am.

Q Can you tell the Court the course of dealing the Rural Advisory Commitee took with respect to that property?

MR. BULL: Well, my lord, is that strictly relevant or not, inquiring into the conduct of the committee? It is a question of the value that we are concenred with here.

THE COMMISSONER: That is all, and I presume, regardless of the way the question is put, that is what Mr. Braidwood is seeking to get.

MR. BRAIDWOOD: Well, I thought your lordship would be interested in knowing what steps the Rural Advisory Committee took to determine value in their own mind, and then following on from that the sale and the price, and then following that Mr. Menzies' general observations as to the values in the district.

THE COMMISSONER: Well, I do not know just what your question is directed to and you might go on and re-frame your question.

MR. BRAIDWOOD: Q: Yes, I will put it this way and before you answer the question, just give my learned friend a chance to hear it and object if necessary. What steps did the Rural Advisory Committee take with regard to the greenhouses?

A We called in three appraisers, first of all -- local

men who were familiar with the district, and then two men who were expert -- the most expert men we could get on Chilliwack properties.

THE COMMISSIONER: You are now referring to Ansell and Eddie and Brown.

MR. BRAIDWOOD: And what did you do? Did you instruct them to appraise the properties?

A Yes.

THE COMMISSIONER: And we knownow they did appraise them.

A Yes.

MR. BRAIDWOOD;

Q Did you inspect the properties - that is the Committee?

A I am not sure whether the Commitee went on that property or not. I was on it several times myself.

Q Well, are youpersonally familiar with the property?

A Yes.

Q And were you at that time?

A Yes.

Q Now, can yougive us any information as to your idea of the value of that property at the time of sale?

A Yes, I can. I considered that the property itself would be valued at $25.00 an acre at the most. It is very rough land, as you know, and there is very little of it either level or cleared; and the building-- the dwelling house is a very large construction built to -- not only to accommodate a large family, but to accommodate the operation of the greenhouses which were adjacent. It is built of two storeys -- with a level upper story against

the hill and one walks out on to the greenhouse properties, and there is a frame building there -- I think it was valued at about $1600.00 atthat time, and there was some timber on the property.

Q Did the $1600.00 apply to the house?

A To the dwelling.

Q That was your opinion of the value of the dwelling?

A Yes.

Q Well now, go ahead and speak about the trees, please. A: I think there is about $700.00 worth of second growth timber.

Q Yes? A: I didn't know-- I didn't value the greenhouses at all. I did not know so much about the greenhouse values.

Q Can you give me any general information as to the condition of the greenhouses?

THE COMMISSIONER: Do you think that is necessary, Mr. Braidwood, from this witness. We have had it from several others.

MR. BRAIDWOOD: Very well, my lord.

Q Wasthere any estimate of value of the fruit trees?

A There was very little value to the fruit trees.

Q Now, you were on the property several times, you have told us,I believe, Mr. Menzies.

A Yes.

Q And following your being on the property and examining it, you, as a member of the Committee, became aware of the valuations of your appraisers, is that correct?

A Yes.

Q Now, can you tell us in your opinion, from your own personal knowledge and views of the Nagai property, whether or not your valuation of the whole premises would be greater or lesser thanthe valuations given to you by your appraisers?

MR. BULL: Well, before the witness answers that, do I not understand him to say he is not qualified to value the greenhouses?

THE COMMISSIONER: That is what I understood.

Q Had you formed any idea of the overall value of the property, independent of what you had been advised by these men whom you employed?

A No, I think I would say I had not, my lord.

MR. BRAIDWOOD: Perhaps, my lord, I might put the question this way:

Q After having examined the appraisals filed with you by the appraisers, did you feel that they represented a fair valuation of theproperty?

MR. BULL: Thatis subject to my objection also, my lord.

THE COMMISSONER: Q: You might ask the witness what action the Rural Advisory Committee took on the receipt of these appraisals.

MR. BRAIDWOOD: Yes, I will do that, my lord. I will develop it in this way:

Q Were you familiar with the market value of greenhouse prpperties in that area at the time of sale?

A Yes, to some extent.

Q What type of market was there?

A There was very little market for greenhouse properties

at that time. I had for some time been trying to sell smaller properties similar to that and I found it very difficult to sell.

THE COMMISSIONER: Will you pleae speak out. It is very difficult for me to hear you.

THE WITNESS: I found it very difficult to obtain offers for greenhouse properties at that time-- similar properties.

MR. BRAIDWOOD: Q: Now, in your opinion as a realesta e man, was this property readily saleable at the time the Custodian was dealing with it?

A No.

Q What steps did the Rural Advisory Committee take to dispose of the property?

A We advertised it along with other properties.

THE COMMISSIONER: Are you now referring to the general advertising, or was there special advertising done in respect to this particular property?

A If my memory serves me right, we just advertised it through the catalogues that were sent out.

Q And that was the only advertising you did?

A Yes, but they were sent to all the real estate agents in the district.

Q But there was not any special advertising of this property? A: Not that I remember.

MR. BRAIDWOOD: I think I can admit that the advertising was done only by means of this catalogue that was sentout, and I have given a leter to my learned friend to that effect.

Q These catalogues were distributed in the area, were they not?

A Yes.

Q Were there any other steps taken by the Rural Advisory Committee to attempt to sell this property?

A Not that I know of--not that I remember of.

Q Do youknow when it was first offered for sale?

A Yes.

Q When was that? A: The date?

I don't know when the catalogue was put out.

Q Do you remember the date of the first catalogue?

A Well, I think it was in the first catalogue, but I don't know the date.

Q And do you know whether any tenders were received on the property?

A Not at that time.

THE COMMISSONER: What does that mean? There was no response to the first advertising?

A I don't remember that we had any response on this particular property, on the first advertising, but myself and others connected with otherreal estate offices were endeavouring to find buyers for it, and as a real estate agent I interviewed several parties and had several parties looking at it. There was one particular party that I was working on to try to get an offer on it.

MR. BRAIDWOOD: That is, in your private capacity you were trying to sell the property, as a real estate agent? A: Yes.

Q And you tell me other real estate agents were also

trying to sell it. Have you personal knowledge of that?

A No.

Q And I think you told me that in your opinion the property was not readily saleable?

THE COMMISSIONER: We have had that.

MR. BRAIDWOOD: Q: Now, what about the-- I want to go to another line, my lord, that my learned friend opened up the last day, I think. Did the Committee ever consider the subdividing of this property? A: No, as a committee.

MR. BULL: I did not suggest that they should.

MR. BRAIDWOOD: Well, my friend introduced evidence of a real estate --

MR. BULL: No, that was only to bring out that there were potentialities there.

THE COMMISSIONER: The question is a proper one. You can pursue it if you wish.

MR. BRAIDWOOD: Q: Now, you were giving me your answer, I think, Mr. Menzies.

A The committee did not consider subdividing any of the properties for sale, as a means of selling them. I think that is an answer to the question.

Q And why was that? A: Well, we had a great many properties to sell and a great many different sizes, and to subdivide the larger properties would not help to sell the small properties, and we had plenty of small properties to sell.

Q In your opinion as a real estate man, would t is property have any potentiality from the point of view of subdivision?

A Nothing1944.

Q Not in 1944. Now,ithas beensuggested in evidence that thehouse on this property might have had some considerable value from the point of view of a suburban home for a city dweller. What is your opinion of that?

A I cannot see that, with its location.

Q What would your opinion be of the facilities of the house for another occupant?

A It could be remodelled to contain another occupant, but it was not an attractive structure for that sort of thing.

MR. BRAIDWOOD: Your witness.

CROSS EXAMINED BY MR. BULL:

Q Mr. Menzies, I have in my hand here a catalogue dated the 15th June, 1944, which has on page 7 the property in question. You don't suggest it was ever in a previous catalogue, do you?

A No, I would not suggest that.

Q Although this was not the first catalogue, it was probably the first one that had the Nagai property?

A It might be.

Q And that is the 15th June, 1944? Now, you are aware, I presume, that there is a part of this property which is much more attractive than the remainder for residential purposes, and I ref er now

to the eastern portion along the Tanaka Creek -- about 20 acres there.

A Yes, there is a portion along the creek.

Q And am I not right in saying that would be much more attractive from a subdivision point of view?

A Well, it is very broken -- it would only be suitable for summer camps by the river.

Q I understood fromMr. Merrick, who gave evidence, that while that may be so of the balance of the property, this particular piece of 20 acres is much more attractive and better situated for residential purposes, or are you familiar with that?

A I am quite familiar with it -- it slopes down towards Tanaka Creek, but in 1944 there was no attraction for that kind of homes. It came later.

Q It started in the early part of 1945?

A Yes.

Q And this sale was in 1945?

A Yes, but the access must be taken into account in regard to the value of the property.

THE COMMISSONER: Q: You say the access must be taken into account.

A Yes. It is a very peculiar property and is cut up by a ravine,and a glance at the map will show the road to get across the 80 acres you had to traverse back and forth along the property. The original allowances were unusual, and the road allowance had to be obtained across this property to give access to the east side of the valley.

Q That is the east side of the property?

A Yes.

MR. BULL: But the road is there?

A The road is there now and follows the contour of the property.

Q When was that road put in?

A Oh, it was a long time ago.

Q Long before the sale? A:Yes, long before that.

Q And I suppose roads follow the building of homes, don't they? That is your experience.

A Well, in this case the road would precede the building of homes because this was obtaining an access across the valley.

Q And that access was provided? Do I understand you correctly that access was provided?

A Yes, to the outside --

THE COMMISSONER: That is to say, it was available at or about the time this sale was made, is that correct? A:Yes, the road was there then.

MR. BULL: Q: I think Mr. Merrick suggested t that the 20 acres piece could readily have been sold at the relevant date for building purposes at $100.00 an acre. What would you say as to that?

A I would say none of it could be sold at that value at that time in any of that area.

Q Well, I am just putting to you what Mr.Merrick said. Youknow him, I suppose?

A Yes.

Q And he has had a long experience in the Fraser

Valley? A: He has been in Vancouver, operating out through the Valley.

Q Yes, specializing in Fraser Valley proerty?

A I don't know that he specialized in outside areas. I have known him for 30 years.

Q I understand from your evidence you have given today, that you, as a real estate man and a valuator, have only undertaken to value the land and the dwelling.

A That is correct.

Q You said something about some experience in greenhouse property, but I take it that any experience that you had in the sale of greenhouse property in that area was in connection with the greenhouse property of the Japanese.

A That is right.

Q And it was always in connection with the property owned by Japanese? That is to say, anything you had to do with it was in connection with the sales by the Custodian?

A No, I had experience in private sales before the Custodian took over. I was attempting to sell property.

Q All Japanese property?

A Yes, all Japanese property.

Q That was when the Japanese were forced to evacuate?

A Well, the Japanese probably anticipated evacuation. It was before the order was issued.

Q Thank you, that is all.

THE COMMISSIONER: Anything further, Mr. Braidwood?

MR. BRAIDWOOD: Well, my lord, my friend Mr. Campbell just

advises me that the witness has a map which might be helpful to the Court on that question of acreage. that came up the other day. Mr.Menzies has some information on that.

THE COMMISSONER: Do you know what thetotal acreage of this Nagai property is?

A Yes,it is 50 acres and a fraction.

Q And you got that information from where?

A It is a remnant of a quarter section, and I arrived at that acreage by eliminating the sections.

MR.BULL: Well, we will just say 60, and I think if there is any question that it is less than 60, it should be proven in the proper way.

MR. BRAIDWOOD: I am only referring to this map insofar as it may be helpful to the Court.

THE COMMISSIONER: I would like to see how Mr. Menzies arrives at these figures.

A I would like to show this map to you. I would like to explain it.

THE COMMISSIONER: The counsel have not seen it.

A No.

Q Well, perhaps you had better show it to counsel first of all.

A This is where a question arises as to the acreage. You see, this is the property here (indicating on map), and that portion on the map is shown as 70 acres, while the legal description is given here and it includes those 20 acres -- and which, when checked out will leave 55.45 acres, or something like that, but there was obviously a mistake in correcting the map

creating the map. The engineer showed that as 70 acres, and in the first map he omitted this line and the first map went out showing this as 70 acres, and then he noticed his mistake in bringing the map up to date and he put in this acreage here and he put in 70 acres on the balance.

MR. BULL: The 20 acres in that property is not going to affect it very much.

THE COMMISSIONER: Well, that is sufficient. I have hard your explanation and I do not think I need to look at it further.

MR. BRAIDWOOD: Well, unless my learned friend wants to examine him on it.

(Witness aside)

THE COMMISSIONER: Is that all the evidence you have in this case?

MR. BRAIDWOOD: Yes.

THE COMMISSIONER: Does counsel wish to present argument now?

MR. BULL: I would like to dispose of it.

MR. BRAIDWOOD: I am prepared to argue it now.

THE COMMISSIONER: I will call on you, Mr. Bull, first.

MR. BULL: I don't think there is much question of onus in this matter.

THE COMMISSIONER: I have never considered it so. This is an inquiry rather than a trial.

MR. BULL: Now, referring to the two appraisals that have been given in evidence -- that is, by Ansell and Eddy, with regard to both of them, one has only to look at these in two different aspects. Now, the first one is this, that the Committe unquestion-

ably relied on these, when they decided to sell, but as there is no charge of malfeasance or anything of that kind against the Custodian, or any of his deputies, there is no importance in considering them from that point of view. I mean , it must only be considered now as evidence onthe question of values, if your lordship follows what I mean.

THE COMMISSIONER: Yes, I do.

MR. BULL: Now, that being so -- I am dealing first with that of Ansell, and I have this comment to make. It is dated April 12th, 1944, and you will recall Mr. Ansell said, "Oh well, that would not be a valuation in 1945."

Now, he practically through that out of the window there. He said there was such a change in the situation between 1944 and 1945. Now, that is my first comment.

Now, consequently I submit that on his own evidence he is not qualified to appraise this ~~exi~~ class of property. This is a ~~s~~pedialized property in which he has had no experience, and I think admittedly so. He has had a long experience on the Council of the Rural Municipality and he has been on the Tax Sale Committee. That committee would deal with lands which the owners did not think worthwhile paying taxes on.

THE COMMISSIONER: I do not think you need labour that. Mr. Ansell is not a very highly qualified valuator for this property.

MR. BULL: I am not suggesting that he is even pretending

to be more than he is, but I submit he is not qualified to value this kind of property, and I point out also that as far as the land alone is concerned, $1400.00, that that would be inadequate if your lordship accepts the evidence of Merrick asto the potentialities.

And, of course, in deciding on the market value of property, according to the Cedar Rapids vs. Lacoste (Makosk(?)) case, one must place a value on any potentialities that exist at the time, and that must be taken into consideration, and I do not think it can be denied, as Mr. Merrick states, that that 20 acres is worth $2,000.00.

Mr. Aim Ansell has valued the timber at $600.00, whereas we know in 1944 444,000 feet were taken off and returned a net of over $2200.00 to the Japanese who bought it.

? 1945 See transcript p 45

Now, when it comes to the valuation of the greenhouse equipment, Mr. Ansell said he valued that on the cost of reproduction depreciated, and he had no figures and no notes, and of course comparing 12,000 with the detailed evidence of Mr. Skelding of the Universal Appraisal Company, who is expert in these matters -- when it comes to measuring the properties and the buildings and finding out what has gone into them, and applying the cost at a certain date to this property -- without any cross-examination on that, I submit his figures must be taken as correct.

Now, the reproduction cost of those greenhouses

= -- I am not referring to this total of $31,000.00-- because that includes land values and fruit trees and the drainage system-- which is $49,000.00, and that doesnot fit in with Ansell on the basis of reproduction.

THE COMMISSIONER: Nomore does it fit in with other witnesses as to what the property was capable of producing.

MR. BULL: That is quite so, and I submit insofar as Ansell has undertaken to value all these properties for all these reasons, I think not very much attention should be paid to his evidence.

Now I come to Mr. Eddy. Mr. Eddy has had experience with greenhouses, but he is a florist and Ihave no doubt he is very experienced and a very good grower of flowers, and he does not pretend, as far as I can follow his evidence, to be able to appraise the value of a greenhouse of this nature in any logical or understandable way.

Now, in the first place his valuation of $15,000.00 only includes the land on which the greenhouses are situated: That is the five acres, and he has allowed nothing for timber and he has allowed nothing for fruit trees. He says it is an undesirable situation because it is so far from the railay station, but it was pointedout in cross-examination that that was not a drawback now, because the modern system of transporting produce of that kind is by truck right into town; and the fact remains, whether it is an undesirable situation

or not from that point of view, this property has, according to Mr. Snow, always has been first in the market with early tomatoes, so it could not have been very much of a drawback.

Now he also says he arrives at his valuation on the cost of reproduction and depreciated, and there are no figures again. And he maintains that is the proper way to value, and he has given no figures.

If we followed that theory of reproduction, annually depreciated, of course $15,000.00 is completely out, and I refer to the evidence of Skelding on that point.

So I submit, without any suggestion of negligence or anything of that kind against these people who are carrying out their duty, that this property was sold at considerably below its then market value.

Certainly a lot of money must have gone into that place, according to Mr. Skelding, and it did produce in the one year, for which we have the figures -- my figures are $22,000.00 -- on the basis of 4500 crates of tomatoes at $2.75 and 5,000 cucumbers at $2.00 --that is $22,000.00.

Now, that is a big revenue for a property that is only worth $15,000.00. In other words,you produce off that land in one year, or off that property, 25% more than its total value.

THE COMMISSIONER: Did not Mr. Snow say the profits in the two years that he had to do with the operation were nominal?

MR. BULL:I don't think he dealt with profits. You see, he did not operate it . It was Perkins.

THE COMMISSIONER: He was associated with Perkins for the first two years, wasn't he?

MR. BRAIDWOOD: Yes, they were in partnership.

MR. BULL: But the actual operation was done by Perkins.

THE COMMISSIONER: The note I have is this-- just at the conclusion of Snow's evidence: "During our operation we made a small profit annually - that is to say, a nominal profit."

MR. BULL:Well, of course, you have that also from Perkins, I think, in more exact figures of what he had made.

Now, as I said in opening, I read your lordship's judgment on this question of values and I would like to cite to your lordship, without reading it-- just to make a reference to the case, of the King vs. Woods Manufacturing Company, which is in 1949 Exchequer Court Reports at page 9. This is also the president(?) of the Exchequer Court, and a great many of the earlier cases, including Tom Ross & Sons case, are referred to.

This is a factory property. I think it was a textile mill at Hull -- which was one of those taken over by the Dominion Government along the river-- an expropriated by the city, and on the first expropriation that was entirely land at or near the property, and no difficulty was experienced in arriving at the value of that as land, because comparable sales were available and evidence

was given by experts as to value; but when it came to valuing the land with the factory on it, a different situation arose and in that case several witnesses were called on both sides to give the cost of reproduction new and to give evidence of depreciation, and the learned Judge devotes a great deal of his judgment to a consideration of those figures, and in deciding which he would accept, so he certainly took that into consideration in arriving at the market value.

And then, of course, he had evidence of real estate men-- valuators. Mr. Sherwood was one, and he is well known down there -- in these river front properties, and I think he is doing a lot of work for both sides-- for the Government and the owners, and there was no evidence of comparable sales of factories, and all these valuators could do with regard to the cost of reproduction new and depreciated value was to say what they would have advised clients to ask for it if they were the owners and they were consulted. That was the only way they could value it. And I submit this is a comparable situation here. Your lordship has to be guided, I submit, by the evidence of what went into this property, and as it is not possible to get evidence of sales of comparable property, your lordship has to arrive at what the market value was, in consideration of all those factors, including the cost of reproduction, depreciated. And I submit if you do that, and you consider the

matter in the light of all the evidence, and particularly this evidence of Mr. Perkins, who now has been on the property for four years, and who definitely testified that in his opinion it was worth $30,000.00, and he has the courage of his convictions because he bought a quarter interest, I think, in '48 on the basis of $30,000.00-- and he paid $7500.00.

THE COMMISSIONER: In 1948?

MR. BULL: In 1948,my lord. And mindyou, my lord, there would be three years additional deprecation. That is the ordinary depreciation, and there has been no evidence before your lordship of any particular, or special maintenance -- that is in the way of reconstruction or anything of that kind. AndI submit that is very cogent evidence, indeed -- what a man who has been on there since 1942, I think it was when he first went on there, under lease -- that is seven years -- and at the end of five years he has decided to invest his own money in it on the basis of value of $30,000.00, and that is a figure, I do suggest to your lordship, as being the true market value at the date of this sale.

THE COMMISSIONER: I suppose you would agree, Mr. Bull, regard should also be had to the earning possibilities of the property?

MR. BULL: Well, there is a little difficulty. You have Merrick's evidence of what it would be earning -- on the basis of $16,500.00 valuation, at a rental

of $1900.00, that was earning 10%. Well, the rent was increased to $2500.00 a year, and is now $2500.00, and that would increase it, and that is a high return for property of this kind, or I would say of any real estate. In fact, Government bonds are selling at 3% and all interest rates are low, and I would suggest that 5% on property of this kind is a very good return. And then if you are considering the earning capacity of this property-- while we have not been enable to produce any books of account of the Nagai property or any precise evidence as to what they earned, nevertheless you have the evidence of Snow, that he was a good producer and was the first in the market, and he must have been doing well. I mean, if we had his records available, I think they would show-- it was a family operation -- the Nagais doing their own work there and that they were probably making a very good thing out of this property. And I think consideration should be given to that.

And what Mr. Snow said as to his making a nominal profit while he was in it should not be given undue weight, because after he retired Perkins continued on, and I say it could not have been very bad or he would have disassociated himself from the lease, or he would not have bought an interest in it later, and the fact that he bought an interest in it suggests that there was much more than a nominal profit to be had in that property.

And there is another question about the drop in production. You will remember what Perkins said,-- the Japanese always changed his soil every year. And he didn't one year and he noticed quite a falling off, and in two greenhouses he changed them and he found it came back to normal, and then he was going to rotate them.

THE COMMISSONER: I think it is quite probable that the Japanese operation was more profitable than Perkins's.

MR. BULL: Yes, and now you havegot someone else there who apparently sees it is just as good a thing as when the Japanese had it, because he has put his money into it.

THE COMMISSIONER: At one stage of these proceedings Mr. McMaster was thinking of providing the income tax returns. I do not know whether he has forgotten that.

MR. BULL: I remember the comment he made on that at the time. I would not like to put too much faith in that, my lord.

MR. BRAIDWOOD: My lord,I do not know that we should leave that point without an explanation. If my friend reads the transcript, he can see that he could get the records, but I think the best evidence to be given to the Court, and my learned friend can get it very simply, is by getting it from the Income Tax Department.

THE COMMISSIONER: Mr. McMaster was very much inclined to disparage those returns.

MR. BRAIDWOOD: Well, if one form of evidence is dis-

paraged, we can produce the other and I am trying to be helpful to you, my lord. It is not contradicted that Perkins valued the property at $10,000.00 by the time Ansell went up there.

Now, my friend has established that Perkins was a man who knew greenhouse property and he was so interested that he further bought this property himself and he put straight faith on Perkins, and if it was worth $10,000.00 during the period Ansell was there, your lordship should pay very strong attention to that, and when I put the question to Perkins --

THE COMMISSIONER: Was he not a prospective purchaser?

MR. BRAIDWOOD: No, he was a tenant at that time. He did not become a purchaser until four years after that, and he was being questioned and Ansell relied on Perkins' knowledge, and they spent four or five hours together one afternoon and he gave him a lot of information, and Perkins knew the property very well at that time.

Now my learned friend has said that Perkins has bought a quarter interest for $7500.00, and I do not see that that is very relevant, because that was in 1948, and that is a high increase in real estate value at that time, and I submit it is a very poor guide in assisting us in coming to a decision on these matters.

And furthermore, I think it is common knowledge the whole production picture, as far as the greenhouse property is concerned, has changed from

1944 to 1948 and the position is entirely different.

I might point out, my lord, that Perkins, who my learned friend is relying on, told us what a poor show he was getting out of these properties -- something in the neighbourhood from zero to a $2500.00 return in a year, and my lord, I can hardly think that is such a highly profitable business.

MR. BULL: He pays a rental of that?

MR. BRAIDWOOD: No, he gets an income of that. He owns a quarter interest and he is not paying rental to anyone now.

MR. BULL: My learned friend is not putting that seriously-- he is paying $ 2500.00 a year rental and he receives as owner one-quarter of that, and I do not think my learned friend should make a statement like that.

MR. BRAIDWOOD: Well, I am prepared to have the transcript looked into.

THE COMMISSIONER: It will be available to you.

MR. BRAIDWOOD: Perkins said he earned from zero to $2500.00 from the property. Your lordship should look at what the property was producing, and my friend has brought before your lordship this figure of $2500.00.

In the first instance, Mr. Show had no notes either, or no records, and he admitted in cross-examination it was his own recollection only as far as he was concerned, and it was only an estimate and it might have varied one way or the other.

And I think my learned friend should give the

Court a clear picture. The $2500.00 was the gross return, and all expenses had to come out of that, and your lordship has no specific detail of what the property was earning, except Snow said he was earning a very small return when he was onthere with Perkins, and as a matter of fact, he dropped out. And in cross-examination I brught that out again, that there was not a high return, and Perkins himself said there was not a high return on the basis I put before your lordship. And I submit the $2500.00 figure must be taken along with the expenses involved therein, and we will find out whether or not there was a good return.

Now, I may be mistaken in this, my lord, but my recollection of Merrick's evidence was not that the return was 10%, but his evidence was if someone would give 10% he would not advise them to sell the property. I think that is my recollection of Merrick's evidence.

THE COMMISSIONER: I made no note of that feature of his evidence, but anyway I shall read this transcript before I come to any conclusion on it.

MR. BRAIDWOOD: Now, my friend has cited to your lordship the Woods' case and which is in line with your lordship's decision on fair market value as set down in your reasons.

I am not going to make any particular comment on that, except to say this: While your lordship can look at the Woods' case and take into account the rulings set down therein, your lordship has

among other things to consider, on your own ruling, what makes fair market value in this case.

THE COMMISSIONER: I suppose you would concede, would you not, in view of the unusualcharacter of ~~xxx~~ this property, all that is helpful in the evi- ~~dx~~ dence is the replacement value and the earnings of the property?

MR. BRAIDWOOD: No, my lord.

THE COMMISSIONER: Except you have the evidence of these experts on which you rely.

MR. BRAIDWOOD: Well,I go further, my lord--taking the evidence of a man like Menzies on the general proposition that the property was not saleable in the open market, and it was difficult to move.

THE COMMISSIONER: Would that factor not guide you to consider the other factors that I have mentioned to you?

MR. BRAIDWOOD: Yes, your lordship, it does do that. There is no doubt about that whatever, although my learned friend started out-- at page 2 of the transcript, by saying he did not think the replacement method had any value whatever, and he so advised his client.

MR. BULL: No, Mr.McMaster said that, and I do not think he would be held to that if it was wrong.

MR. BRAIDWOOD: I submit a claim was made on that basis and it is, of course, within your lordship's province to take the evidence of experts and find out what has gone on.

Now, with regard to the evidence of Merrick,

my lord, I was not too impressed with that, and I submt the evidence of Mr.Menzies is far more substantial,inasmuch as Menzies is an expert in the area and knows the property well and has been on it many times and knew what could or could not be sold in the area; and I am speaking now with special reference to the subdivision or prospective subdivision, and the value of the house as a summer home or weekend lodge, or something like that. And I submit in both instances Menzies feels Merrick was not correct in his belief in those matters, and I would ask your lordship to take the evidence of Menzies on that for the reasonsthat I have indicated.

I think your lordship is entitled to look at the evidence of the experts as we have produced them, who acted on behalf of the Custodian, and particularly this man Eddy, who, I submit, is a very well qualified greenhouse man, and this property was sold as a greenhouse proposition and Eddy was well qualified to investigate it.

I think the evidence shows he had considerable experience in fruit growing, as well as flowers, and anyway, he knew the construction of greenhouses, and had built them on many occasions, and knew what could or could not be done with them, andknew what the economic situation was, and I think we are all agreed that this was a non-economic propsition in view of the scattering of the greenhouses.

And I submit the cost is very important -- inthe maintenance of five separate greenhouses at a considerable distance apart,and not easy access to one another at certain times of the year.

THE COMMISSIONER: What was the sale price, $16,500.00?

MR. BRAIDWOOD: $16,400.00.

THE COMMISSIONER: That was for the whole of the property?

MR. BRAIDWOOD: Yes.

THE COMMISSONER: That was on the sale to Chinese purchasers, was it?

MR. BRAIDWOOD: And I would submit, my lord, because of the type of construction involved here and the uneconomic use, or rather the uneconomic construction of the greenhouses, and the lay out of these greenhouses, and the condition of the heating plant-- and we had some evidence from Mr. Eddy as to his feeling that the heating plant was not in too good shape-- and because of the nature of the terrain, and the access, that this property would not be readily saleable on the market and your lordship should take that into consideration.

Now, there is one other poit that my learned friend did not deal with,and I don't know whether it was an oversight or wheter he has abandoned it. But anyway, no evidence has been given on goodwill, and there is no proof of goodwill. The fact of early tomatoes coming on theVancouver market is not evidence that the business had goodwill in the ordinary sense of the word, so if it was sold it would carry with it trade accounts and friendly

relations with customers that would build up goodwill, so I submit there has been no goodwill shown there and your lordship must look merely at the physical nature of the claim.

I perhaps might mention in closing that I think Skelding's evidence should be looked at very carefully. There is no doubt about it he is a man who has had some practical experience in appraising, although in cross-examination he could not recall any other greenhouse properties he had appraised, and I must say it was obvious he only saw it a few months ago and much of his report is based on conjecture.

THE COMMISSIONER: There is no evidence of the detailed cost, is there?

MR. BRAIDWOOD: No, but there is evidence that tends to reflect on the evidence of Skelding. He has given a number of buildings other than greenhouses--that is, dwellings and a garage and water system and a boiler house -- certain valuations which seem to me to be out of line with the comments about those structures by witnesses who have been on the property and seen them. And I submit, my lord, that perhaps Mr. Skelding, who is a professional appraiser and who has admitted his other appraisals were for insurance purposes, he may be mistaken, although, as your lordship says, there is no definite evidence there, of course.

And my friend made some point that Mr. Ansell -- a year's difference from the time of

appraisal to the time of sale -- and that, of course, is not true of Mr. Eddy's appraisal, which was much later, and I submit Mr.Eddy, as a greenhouse man, is an expert on which your lordship can rely, and on a sale more within three months from the time of Eddy's appraisal, and I do not think there is any proof that there was a substantial profit in those three months.

THE COMMISSIONER: Eddy did not attempt to value anything but the actual greenhouse property and the five acres on which the greenhouses stood. Is that not correct?

MR. BRAIDWOOD: That is true in one sense, but in one sense he did. If you look at the last paragraph of Exhibit 12, Eddy says --

THE COMMISSIONER: Have you Exhibit 12 there, Mr. Secretary?

THE SECRETARY: I think the reporter has that. Shall I go down for it?

MR. BRAIDWOOD: I think I have a copy, my lord. Yes. I have another copy of it here. Eddy says there, "The above valuation does not include the acreage attached, which I consider of no value to a greenhouse proposition, because of its rough nature."

THE COMMISSIONER: That is overlooking the other potentialities?

MR. BRAIDWOOD: Yes, but it was being sold as a greenhouse business. My learned friend is relying on this as a greenhouse business, and Eddy says after looking it over, "I think there isno value added to the property."

MR. BULL: I would just like to say a word in reply, my lord. My learned friend mentioned goodwill. "Goodwill"is not an apt expression to cover what he means. It is"going convern value," and not goodwill, and that is always taken intox consideration in valuing any property: That is, when it is sold as a going concern.

No particular mention has been made ofthat, but I would think that that would always be considered when one is considering the question of market value.

Now, dealing with the question alleged to have been made by Perkins to Ansell in 1944 that this property was only worth $10,000.00, I have this to say: He probably has no recollection of having said it, and if he said it is not a statement made under oath. It may have been caused by one of many reasons. He might have been in a bad humour that morning and he might have been disgusted with the place, or he might have been secretly thinking all this time that he might ultimately become a buyer. I do not think that deserves a great deal of attention, particularly in face of the fact that he later onbought on the basis of $30,000.00.

Now, my learned friend in commenting on the 4500 crates of tomatoes and the 5,000x crates of cucumbers taken off in one year spoke of it as an estimate, but that is not an estimate. That is in the evidence of Nagai.

THE COMMISSIONER: Yes.

MR. BULL: That is in the evidence.

THE COMMISSIONER: Yes, your own production.

MR. BRAIDWOOD: My lord, the use of the term "goodwill" comes only through my learned friend --

THE COURT: We are not quarrelling on it, as to whether we call it goodwill or going concern value.

In any event, I would like to examine the transcript before reaching any conclusion in regard to this claim.

That is all in connection with this, Mr. Bull.

MR. BULL: Yes, my lord.

THE COMMISSIONER: Thank you, Mr. Bull.

(Concluded).

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

E. Bligh

Deputy Official Stenographer

JAPANESE PROPERTY CLAIMS COMMISSION

CASE NO. 72.

Vancouver, B. C.,

June 15th, 1949.

IN THE MATTER OF THE CLAIM OF

MANJIRO, YOICHI and HIDESBURO NAGAI.

PROCEEDINGS AT HEARING.

ORIGINAL.

IN THE MATTER OF THE "INQUIRIES ACT"

PART 1, REVISED STATUTES OF CANADA, 1927, CHARTER 99.

JAPANESE PROPERTY CLAIMS COMMISSION

B E F O R E

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

Vancouver, B. C.

June 15th, 1949.

IN THE MATTER OF THE CLAIM OF

MANJIRO, YOICHI & HIDESBURO NAGAI

CASE NUMBER 72.

APPEARANCES:

D.T.B.BRAIDWOOD, Esq., and J. C. CAMPBELL, Esq.,	appearing for the Dominion Government.
A. BULL, Esq., K.C. and R. J. McMASTER, Esq.,	appearing for the Claimants.

A. W. WATSON, Esq.,	Secretary.
D. F. CHRISTIAN, Esq.,	Official Reporter.

MR. BULL: My lord, I appear with Mr. McMaster in this case of the Nagai brothers. Apparently it is case number 72.

THE COMMISSIONER: Are you calling witnesses this morning.

MR. BULL: I did propose to, my lord.

MR. BRAIDWOOD: My lord, I think we had better get straight where we are going this morning for your lordship's convenience. This case was heard by your lordship at Kamloops in part, when one of the claimant's gave evidence, and my learned friend Mr. McMaster introduced certain exhibits. Mr. Hunter at that time appeared on behalf of the Dominion Government. We are going ahead this morning, and my learned friend, Mr. McMaster and I have been discussing this case and perhaps Mr. Bull will agree that what we are here to do today is to take evidence on the real property only, and that is the chattels involved in this matter which come under the discussions Mr. McMaster and I have been having. Mr. McMaster and I have come to a meeting of minds on this and today's inquiry is directed towards the real property. I wonder if my learned friend would agree that is so. That is subject to this qualification, that there were some chattels included in the sale of the real property, for instance these greenhouses -- I am not referring to that -- but what we have been treating as real chattels are not in question here and we are not leading evidence on that.

Is that correct?

MR. BULL: Yes.

MR. BRAIDWOOD: Then I understand my learned friend Mr. Bull is to introduce some evidence as to the real property , and I have advised Mr. McMaster I am calling certain evidence also in respect to the real property.

THE COMMISSIONER: Very well.

MR. BULL: I presume it won't be necessary to refer to the claim or the evidence which has already been put in. I presume your lordship is fairly familiar with that?

THE COMMISSIONER: Yes, I have tried to refresh my memory on it.

MR. BULL: I have read with considerable interest the written argument on the question of the proper basis of ascertaining market value and the judgment which your lordship gave, and it was kind of interesting to me, I just finished several months of argument before Mr. Justice Wilson where these questions arose, and while our basis was quite different there, still the other side, the B.C. Power Commission, did make a submission and strenuously argued on the question of market value. So I want to start off on the right foot. I gather from your lordship's judgment that your lordship thinks that in ascertaining the market value under the terms of this reference the Exchequer Court cases would apply, generally speaking.

THE COMMISSIONER: That is my conclusion.

MR. BULL: I find there two cases have been used in the Exchequer Court on market value and used interchangably. That is subject to any view your lordship might have.

THE COMMISIONER: That is my reading of the recent decisions of Mr. Justice Thorson and the cases he relies on.

MR. BULL: There is a case decided since that judgment was given. That is the Wood Manufacturing Company, where there is no change from the principles previously stated, except in the Woods case they did have voluminous evidence of cost of reproduction and depreciation as a guide for market value, and I propose to call evidence along that line this morning. I don't think that what your lordship in that judgment about replacement value would tie your hands at all in consideration of the matter again and in the light of the Woods case. I don't say it is an independent test --

THE COMMISSIONER: I gather that Mr. Justice Thorson doesn't think very much of the decision of his brothers Angers in the Spencer case, for which I must have set some responsibility.

MR. BULL: No. I think he thought that case was taken as an independent test.

THE COMMISSIONER: I quite agree. I think it is another factor which may be looked at.

MR. BULL: I don't think the picture would be complete unless you did know what the reproduction value was and the extent of the depreciation up to the time

of the sale.

THE COMMISSIONER: There has been some evidence on replacement, and I think the Japanese witness called acknowledged that his claim is based on replacement cost.

MR. BULL: I will have expert evidence on the cost of the production as of the date of the taking, which is the relevant date, and depreciation to that time. Apart from that I have evidence from Mr. Snow and Mr. Perkins, both of whom were concerned in this property. Mr. Perkins was there with Mr. Snow and Mr. Perkins is now on the property and has been for some years, so that your lordship will get some direct evidence from them. I would like to call Mr. Snow first.

GEORGE HERBERT SNOW, a witness called on behalf of the Plaimant, being first duly sworn, testified as follows:

CROSS EXAMINATION BY MR. BULL:

Q Mr. Snow, where do you reside now?

A Vancouver.

Q You are also a farmer, aren't you?

A Yes.

Q Where is your farm? A. Cloverdale.

Q You spend considerable time there?

A Yes.

Q What has been your occupation during the last forty years? A. In the fruit and vegetable business.

Q In Vancouver? A. Yes, and Victoria.

Q Have you ever had any interest in greenhouses?

A Yes.

Q As an owner? A. Part owner, yes.

Q And you are quite familiar with the greenhouse business are you?

A From the selling end, yes.

Q And you know the property in question here belonging to Nagais, about five miles from Haney?

A Yes.

Q You have known that for some years, have you?

A Yes.

MR. BULL: I don't know whether this has been before your lordship or not, the presentation of these claims, but I would like to get it for the record.

Q As I understand it the main object of the greenhouse business such as this is to supply to the local market all the tomatoes and cucumbers?

A That is correct.

Q What was the name of your firm prior to the time the Nagais ceased to have any interest in it? A. The Hothouse Sales Agency Limited.

Q Vancouver? A. Vancouver and Victoria.

Q I understand you handled the Nagais tomato and cucumber crops for a number of years?

A That is correct.

Q That was prior to the evacuation?

A Yes.

Q Are those records still in existence?

A No, they are not.

Q I see in Nagai's statement that in 1941 he shipped 4500 crates of tomatoes. Could you verify that? A. No, I wouldn't be able to say definitely, but I think that is approximately the amount he did ship at that time.

Q And five thousand crates of cucumbers?

A In that neighborhood, yes.

Q I understand -- and correct me if I am wrong -- that the price to the shipper at that time would be about $2.75 per crate of tomatoes. Is that right? A. Yes .

Q And $2.00 for cucumbers?

A Approximately.

Q Were his products early on the market?

A Yes, the products from Haney are the earliest on the Coast.

Q They are the earliest on the Coast?

A Yes; earlier than Victoria.

Q And in the Haney district, how was Nagai, Where did he come in? A. He was generally first.

Q Have you any knowledge as to whether Nagai was carrying on a successful operation or not?

A He always appeared to be quite prosperous.

Q You know nothing about his standing?

A No.

Q I believe they have a lot of their own families round there every year?

A That is possible.

Q Some question has been raised about the heating plants.

THE COMMISSIONER: Before going into that, could I have the figures once again of the production.

MR. BULL: 4500 tomatoes at $2.75; 5,000 cucumbers at $2.00; about 19,000 gross.

MR. BRAIDWOOD: I am not questioning my learned friend, but he is reading from his notes and I have different notes. I may be quite wrong. I wish the reporter would read the answer to that question

(Relevant questions and answers read)

MR. BULL: Q: Will you deal with the heating system in these greenhouses of Nagai. You are familiar with that heating system?

A Yes. There were five heating plants.

Q And that has been criticized?

A There is a lot more labour to five than there is to the general run where they have one or two for the same amount .

Q It has been said that is a detriment to the economical operation of the greenhouses as such? A. From the labour standpoint it would be.

Q Are there any advantages in your opinion?

A Well, if they have trouble with one, at least the other four will probably operate, whereas if there is only one heating system and it goes out then the whole works stop.

Q To your knowledge is there any great volume of trading in greenhouses in British Columbia?

A No.

Q I mean from your experience would you say a greenhouse would ordinarily come on the market for sale? A. It would in the closing of an estate or if somebody has been unsuccessful -- an unsuccessful operator.

Q Is there any reason for that?

A Well, it is a specialized business, and most of the growers are elderly people. The younger element have not come into the business of growing either tomatoes or cucumbers.

Q Am I right in saying that you mean to suggest a person who goes into that business goes into it -- A. It is a lifetime proposition.

Q Is Haney a suitable place for this business?

A Yes.

Q What was your first connection with this property after the Japanese came into the war?

A We leased it and operated it for two years.

Q How did you come in contact with it?

A I think through the Custodian's office.

Q And you entered into a lease?

A Yes.

MR. BULL: I think that is in, isn't it?

MR. McMASTER: The first one isn't.

MR. BULL: Well I think that should be given a number.

THE COMMISSIONER: Exhibit 6 is a lease dated October 27th, 1943.

MR. BULL: This is dated the 15th December, 1942.

(LEASE MARKED EXHIBIT No. 9)

MR. BULL: Q: This is a one-year lease of the property, excepting the dwelling house thereout sufficient space to be reserved for the use of the lessor in storing chattels and effects, and the rental is $1900.00. So you had a lease for 1942-1943 and 1943-1944, is that right?

A Yes.

Q What would you say about the rental of $1900.00?

A It was sufficient.

Q Would you say it was a fair rental?

A Yes.

Q Were you ever approached by anyone on behalf of the Custodian or by any agent, with a view to your buying the property?

A No.

Q No suggestion was ever made to you by anyone that you might buy it at a certain sum of money?

A No, just once there was a comment made in the office -- I don't know who by -- that it might be purchased for $13,000.00. We said we weren't interested.

Q Why? A. We didn't wish to purchase any of the Japanese property.

THE COMMISSIONER: Would you enlarge upon your answer, Mr. Snow?

A On that answer?

Q Yes. What reason had you?

A Well, we had always worked with the Japanese. We didn't feel at any time that we wanted to purchase anything, even at a low price while the trouble was on. We wanted to keep clear of it all.

THE COMMISSIONER: I see.

MR. BULL: Q: So as a business transaction you gave it no serious consideration?

A No.

Q Mr. Perkins, the present occupant of the property, I think was in your employ for some years, wasn't he? A. Yes.

Q How many years? A. Well, —

Q He was brought up in this business, wasn't he?

A Yes.

Q Did he know anything about the greenhouse business?

A I don't think a great amount at that time. I think we were both gamblers.

Q Did Mr. Perkins have an undisclosed interest in this lease with you?

A Yes.

Q And I think you dropped out at the end of the second year and left it to Perkins to carry on?

A Yes.

Q And he is still there?

A Yes.

Q Apparently there was no lease for 1944 although they apparently carried on without any. You know of no third lease?

A No.

THE COMMISSIONER: Q: You were out by that time, I take it, Mr. Snow, were you?

A Yes, my lord. We have handled a crop since.

THE COMMISSIONER: I appreciate that.

MR. BULL: Q: You ,knew Mr. William C. Brown, didn't you, who made an appraisal of this property?

A Yes.

Q To your knowldge was he ever in the early tomato business at Haney?

A In Hammond, I understahd.

Q That is in the same district?

A Yes.

Q And he got out of that business?

A I understand they went back into flowers and cut out the tomatoes and cucumbers.

MR. BULL: Mr. Brown I understand is not going to be here, or I would have asked him this question.

MR. BRAIDWOOD: No. I told my learned friend that Mr. Brown is not going to be here today. I may have to ask for an adjournment. I haven't been able to get Mr. Brown today.

THE COMMISSIONER: You are calling him?

MR. BRAIDWOOD: Yes, at a date to suit your lordship and counsel's convenience.

MR. BULL: Q; Could you give his lordship the price of cucumbers and tomatoes in 1945?

A Not from memory.

Q Could you say whether they would be higher prior to the evacuation?

A Yes, they were higher.

Q To what extent, do you know?

A Well, I am of course, speaking from memory. I haven't been very active in the last two or three years in the business, but I think it ran somewhere in theneighborhood of $5.00 and last year under the austerity they were up around $7.00.

Q And what were cucumbers?

A Cucumbers went up in proportion too. I believe some were in the neighborhood of $3.50.

MR. BRAIDWOOD: My lord, I don't know what my learned friend is trying to get at, but I don't see how it can be helpful to your lordship.

THE COMMISSIONER: What was the date of the sale of this property?

MR. BULL: February 1945.

MR. BRAIDWOOD: Going up to '47 and '48 is not going to be helpful to your lordship.

MR. BULL: No. That was only thrown in. I don't think the witness thought it would. But the 1945 price I submit would be quite relevant.

Q When are the first tomatoes delivered?

A From Haney, around March 15th.

Q And I think the sale was made in February?

A Yes.

CROSS EXAMINATION BY MR. BRAIDWOOD:

Q You have been in the business of selling vegetables and fruits on the wholesale and retail market, is that correct?

A No, just wholesale.

Q Have you ever been a grower as such?

A Yes, but not of tomatoes and cucumbers except we have had an interest in greenhouses that grew them.

Q I am speaking of you personally. Have you been a grower? A. No.

Q Do you mean you are in the selling end, wholesale point of view. Is that your business?

A Yes.

Q You had actually no experience in the actual growing of vegetables?

A No, but on our own farm at Cloverdale we have grown large quantities of outdoor vegetables.

Q You told my learned friend that the records were no longer in existence of your dealings with the Nagai family, is that correct?

A Yes.

Q What is the explanation of that?

A Oh, from time to time the records I presume were destroyed. There was no need to keep them as far as we were concerned. We moved a couple of times and each time we destroyed all the old stuff.

Q Then you have no accurate record as to what transactions you entered into with the Nagai

people at any time? A. No, not now.

Q And anything you have given us today as to amounts or prices is purely from memory?

A That's right.

Q And you haven't consulted any record or note to find out those figures?

A No.

Q And the last dealings you had with the Nagai people were when?

A Previous to the evacuation.

Q And was that in -- A. 1942.

Q Your last dealings would be in 1942 then?

A Yes.

Q Do you know how many crates of tomatoes the Nagais sent you in 1940?

A No, but there was very little difference in the years we handled their crops. There might be a variation sometimes of 500 up on tomatoes and 1,000 down on cucumbers and the next year the reverse.

Q But in any event that is merely recollection on your part? A. Yes.

Q How did you pay the Nagai's, by cheque?

A Yes.

Q Did you send them any document as to what you bought from them?

A Yes, there would be slips showing what the cheques covered.

Q Which of the Nagai family did you deal with personally? A. I wouldn't know

his first name. I could identify him if he was here.

Q When buying tomatoes and cucumbers for the Vancouver and Victoria market, did you buy solely from the Nagai's?

A Oh, no.

Q You bought from many people, did you?

A Yes.

Q And you say the produce from Haney are the earliest on the market, is that correct?

A Yes.

Q Were you ever on Nagai property prior to the evacuation? A. Yes.

Q Do you know what conditions prevailed then in so far as labour was concerned?

A The only help I saw there were Japanese.

Q Do you know whether they were or not, members of the Nagai family?

A Only from what Nagai said, that the majority of his staff were from the families.

THE COMMISSIONER: I think you will find in the transcript that Nagai himself said his family supplied most of the labour.

MR. BRAIDWOOD:Q: When you were on the property, can you describe the buildings. That is, prior to the evacuation?

A You mean the physical condition of them?

Q Yes. A. No, I couldn't.

Q Do you know how many buildings there were?

A No.

Q Do you know what condition the buildings were in that you could see there?

A They were always very clean and looked like well kept.

Q Do you know how large the greenhouses were?

A No.

Q Were you ever in the greenhouses?

A Yes.

Q What do you know about the heating system of the greenhouses?

A I know they had five heating plants, I understood. I don't know anything about their condition.

Q You wouldn't know how large the greenhouse was?

A No.

Q Do you know how many crates of tomatoes were shipped to you in 1941?

A No.

Q You gave a figure of about 4500?

A For 1941 was that?

Q Yes. A. Yes, that is approximate. It was purely from memory.

Q I am trying to see what you remember of these greenhouses. You must have some idea whether they were 20 or 100 feet long?

A No.

Q Didn't you observe what you saw?

A Yes, but I was conducted through them by Mr. Nagai and I was more interested in the condition of the tomatoes and cucumbers.

Q You don't remember much about the physical

condition then? A. Except the places appeared to be well kept. There was no weeds and the condition of the tomato plants and cucumber plants seemd to be very good.

Q That is plants, not the building?

A Well I didn't see any broken glass or anything that might have looked defective. I would have remember it if I had.

Q Do you remember the general construction of the greenhouses? A. No, but I do remember one or two greenhouses I thought were particularly well built. Those were, I understood from Mr. Nagai, the latest addition to the plant.

Q How does it come you haven't any idea of the physical size of those greenhouses?

MR. BULL: Is this likely to be very helpful?

MR. BRAIDWOOD: I am trying to see what the witness does remember.

THE COMMISSIONER: I think it is fairly clear that when speaking of a matter of which he knew six or seven years ago, his memory is not very clear.

MR. BRAIDWOOD: Q: With regard to the heating system, could you describe to his lordship what type of heating system was there?

A No. I understand they were all sawdust burners at that time.

Q You were told that?

A Yes, by Mr. Nagai.

Q You don't know much about the heating system?

A No.

Q You do know they were independent heating systems?

A Yes.

Q If you had been in the greenhouse business, what type of heating system would you have used?

A Well, if I had been practical, I would have used the best heating I could get, but I am not a practical grower.

Q Do you think that the use of five independent heating systems was economic?

A I wouldn't think so when you were stoking them in the winter months. You pretty near need a horse out there to go from point to point.

Q Why? A. Well, they have to be replenished every so often and there was quite a distance between them.

Q You didn't think much of the heating system from an economic point of view?

A Not if I had to stoke them personally.

Q You told my learned friend about the market for greenhouses, do you recall that?

A Yes.

Q What would you say about the market for greenhouses in February 1945. Were there many prospective purchasers?

A I never met any.

Q Would you have known if there was any market for greenhouses at that time?

A Once in a while you would see advertise in the Province or Sun or one of the eastern floral

where property would be advertised. It's very rare you see them.

Q It's very rare you see them?

A Yes.

Q Would you know if there were any prospective purchasers for greenhouses?

A No, because I wasn't interested in buying.

Q You didn't know of any, in any event?

A No.

Q Would you say if you were given a greenhouse in February 1945 to sell of the approximate description involved here, whether it would have been difficult or easy for you to sell?

A I don't know.

Q Do you think you would have found an anxious purchaser for it?

A I don't know, I can't answer that question.

Q However, you did see fit to lease and operate the accommodation for two years, is that right?

A Yes.

Q Why did you drop out?

A We had a lot of other interests and preferred them to growing .

Q Were you making money in the operation?

A I think there was a small earning on it. I don't know how much.

Q You had been familiar with other greenhouses growing tomatoes? A. Yes.

Q Would you say you would be doing better with your Nagai property than some of the other

greenhouses you were familiar with?

A There wouldn't be very much difference between the Nagai ones and the ones in Victoria from an earning standpoint.

Q Did you make more money in the Victoria ones than the Nagai one?

A I can't tell you.

Q Did you feel that your costs were higher or lower in the Nagai operation?

A I think the costs at Haney would be less than Victoria, because they were using sawdust burners then and in Victoria they were burning coal.

Q Looking at the economic picture at Haney, did you make any suggestion that would have cut your costs?

A No. I am not a practical grower.

Q You told my learned friend you didn't purchase any Japanese property after the evacuation?

A Yes.

Q Why didn't you?

A As I said before, we didn't wish to have anything to do with them, with any Japanese property, while the war was on.

Q Why, what was your reason?

A Well, we just didn't want to.

Q Did your firm have an opinion as to the value of the Japanese properties generally speaking?

A I don't think so.

Q Would I be correct in inferring that perhaps you

felt the Japanese properties weren't worth purchasing.

THE COMMISSIONER: I think you had better confine your impression to the particular property we are concerned with. Generalities are not very helpful.

MR. BRAIDWOOD: I have only one further matter to discuss.

Q Are you acquainted with H.M. Eddie?

A Yes.

Q You know what Mr. Eddie's occupation is?

A Yes.

Q What is it?

A I think he is the best grower of roses in British Columbia.

Q What would be your opinion of Mr. Eddie's knowledge of greenhouses?

A From a rose standpoint I would say it was very good.

Q Is there much difference in greenhouses between flowers and vegetables?

A There is a difference in growing them, a big difference.

Q Do you know if Mr. Eddie ever engaged in the growing of greenhouse vegetables?

A I don't.

Q Do you know William C. Brown?

A There are two or three Brown's. Is this the father of Joseph Brown?

Q William C. Brown who resides at Haney and is

one of the participants in Brown Brothers?

A It would be his father.

Q This is the one at Haney. Are you acquainted with him?

A Yes.

Q Do you know his experience in greenhouse operation?

A I think when the Japanese were in there, they were growing tomatoes at that time and cucumbers and later on they went over to flowers and other produce.

Q What would be your opinion of Mr. Brown's knowledge of greenhouses?

A The length of time he has been in it I think very good.

Q Do you know a man named William Ansell?

A No.

Q Did you have any dealings with Stenhouse on the Nagai property?

A No.

Q You didn't have any dealings?

A No.

Q So your dealings were with the Custodian or his representative?

A Yes.

THE COMMISSIONER: Any re-examination?

MR. BULL: No.

THE COMMISSIONER: Q In answer to a question on cross-examination, you referred to your own

operation of these greenhouses as having shown

a small profit annually?

A Yes.

Q Just what did you mean by that? Was that purely a nominal profit?

A Just a nominal profit.

(Witness aside)

MERWYN GLADSTONE PERKINS, a witness called on behalf of the Claimant, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BULL:

Q I understand you are at the present time in possession of the Nagai property at Haney?

A Yes.

Q And have been since the lease was made by the Custodian to Mr. Snow which is Exhibit 6 in these proceedings?

A 1942.

Q Prior to that time, I understand, you had been working for Mr. Snow, is that right?

A That's right.

Q And I think you were specializing in the banana end of the business at that time?

A Yes.

Q Had you many greenhouse experience prior to 1942?

A Three years, when I was younger.

Q Before you joined Mr. Snow?

A Yes.

Q Coming down to the middle of October or the 1st November, 1942, when Mr. Snow took a lease of the Nagai premises, you took possession of the place by arrangement with Mr. Snow ?

A Yes.

Q And subsequently Mr. Snow dropped out?

A That's right.

Q And you continued on after the sale to the three Chinese in February, 1945?

A That's right.

Q And you continued on as the tenant, I believe?

A That's right.

Q And what rent did you pay?

A The first year $1900.00. After that it went up to $2500.00.

Q When was it raised to $2500.00?

A They took over in 1945 and I think it was in February of the following year she jumped to $2500.00.

THE COMMISSIONER: Q: 1946? A: 1946.

Q They increased it?

A Yes. The lease changed in October.

MR. BULL: Q: And since that time you have been paying $2500.00? A: Yes.

Q I believe in 1948 you bought a quarter interest from the Chinese, didn't you?

A My wife did.

Q I mean you negotiated that and took it in your wife's name?

A Yes.

Q And that was on the basis of what valuation?

A $30,000.00.

Q When you took over in 1942, did you find it necessary to make any particular changes?

A A few.

Q Were they of a major or minor nature?

A Minor.

Q You might relate some of them, will you?

A There was as I understand -- in Japanese operations, a white man taking it there had to be a change of pumps, and furnaces, and hoppers and fire hazards, which I couldn't really run.

Q What would you say, roughly, you spent in making all those minor changes?

A Around $500.00.

Q Apart from that did you have any additional expense, that is extraordinary expense outside the ordinary maintenance?

A No, just the replacements from year to year, that's all.

Q I believe that before the Chinese purchased this property, one of the sawdust bunkers burnt down?

A Yes.

Q And there was insurance on that?

A Yes.

Q And I believe you received from the Custodian $600.00 out of the insurance to replace them, is that right?

A That's right.

Q And that was done? A: Yes.

Q After the sale to the Chinese I believe there was another fire? A: Yes.

Q And what was done about that?

A Through arrangement with the Chinese I replaced a coal bunker.

Q What is youropinion as to whether this plant is expensive or inexpensive to run?

A It is an expensive plant to run.

Q Due to what particularly?

A It is so spread from place to place; it is scattered.

Q It is decentralized?

A That is correct.

Q That has reference to the heating system, I believe? A: That's right.

Q And for no other reason except the heating?

A Yes. In placing your labour from one house to another they lose 10 to 15 minutes getting from one place to another. It counts up in labour charges.

Q There are some advantages , of course, to it?

A Yes.

Q What are they, in your opinion?

A Well, if a place gives you trouble, you only lose your one house, and if ~~it~~ a disease breaks out you have it localized, whereas if they were all centralized you would have trouble in all your houses.

Q Have you any personal knowledge of any arrangement

made by the lessor to the Chinese with regard to taking the timber off this property?

A I know they took it off. As regards what they received, I don't know.

Q Do you know who took it off?

A Yes, Ed Matson.

Q The fruit trees on the property had been let go prior to your coming on there, is that right?

A Yes.

Q What would you say from your knowledge of this property, and from your knowledge of greenhouses, generally, was the fair value of this whole property including the greenhouses in February, 1945?

MR. BRAIDWOOD: My lord, my friend must qualify this man as an expert if he is going to lead this type of evidence.

MR. BULL: I think it is a question of weight.

THE COMMISSIONER: Yes. I will hear him.

MR. BULL: Q: Do you think that was a fair vadue you paid last year?

A In 1945 with the prices I considered it a fair value.

THE COMMISSIONER: Q: When did you buy the quarter interest? A: Last year.

Q 1948? A: Yes.

MR. BULL: Q: Do I understand you to say that in 1945 you would still consider that a fair price?

A Well, in 1948 this was. In 1945 the war was on and conditions were different.

Q Have you figured out exactly what you are making out of the property now? That is after allowing wages to yourself, and the rent, maintenance, payment on your truck, and other necessary out goings?

A There was not a very big profit over and above your labour charges.

Q What do you allow yourself for wages there?

A Some years very low, and other years I may be get $1500.00 or $2000.00.

Q And still leave you a small surplus?

A Yes.

Q How would the ~~maxkimm~~ production you get or have got compare with what Nagai got out of the property?

A They got a better production than I do, because I have it on a yearly lease and they changed soil which I didn't do because of the fact I didn't know how long I was going to be there. So their production was over mine.

Q Did you find from your experience that the reason your production went down was because you didn't change the soil?

A Yes.

Q Did you find conversely that in 1948 when you changed the soil your production went up?

A Yes, this year has improved.

Q And I believe you are going now to alternate annually in changing the soil in your greenhouses?

A Yes.

M.G. Perkins,
In Chief.
Cross-Exam.

Q Your experience has shown that the Japanese were right? A: Yes.

Q Are you pretty early in the season with your tomatoes?

A Around the first.

CROSS-EXAMINATION BY MR. BRAIDWOOD:

Q When did you first become familiar with this property? A: 1942.

Q You had never seen it prior to that time?

A No.

Q So you don't know what the Japanese did prior to that time? A: No.

Q Anything you have told my learned friend is what you have heard, is that correct?

A Yes.

Q You said you had three years experience in greenhouses, is that correct?

A Yes.

Q Where?

A At Haney and Hammond.

Q And what did your experience consist of?

A Tomatoes and flowers.

Q Had you ever owned a greenhouse?

A My mother did.

Q When did she own a greenhouse?

A 1914.

Q You thought this was an expensive plant to operate? A: Yes.

Q And, further, that you made substantial changes

I think you told us? A: Yes.

Q Do you consider the income you are getting from this property now to be satisfactory to you?

A No, it should be better.

Q And you toldm y learned friend that in 1948 you purchased a quarter interest for how much -- $7500.00, is that right?

A That's right.

Q When you went on the property as a tenant, were there some chattels on the property?

A Yes.

Q What was the arrangement concerning those chattels?

A They were to stay there under the Custodian.

MR. BRAIDWOOD: I am not dealing with valuation, but merely as to the credibility of the witness.

THE COMMISSIONER: All right.

MR. BRAIDWOOD: Q: Did you at any time agree to purchase those chattels?

A No.

Q Has the Custodian ever made a claim against you for those chattels? A: Yes.

Q For how much?

A I don't remember.

Q I suggest about $2500.00?

A It might be. They come up with the claimat one time.

Q I suggest more than one time you have discussed the Nagais with the Custodian's representative

and have refused to pay anything into the Custodian in connection with these chattels?

A No.

Q And I suggest to you that the Custodian has made a demand for $2500.00 against you and you have refused to pay that?

A No.

Q Let me remind you that you are under oath?

A And I suggest that you, in return, lodged a claim with the Custodian against the Japanese in the amount of $1277.00, is that right?

A I can't give you the figures but --

THE COMMISSIONER: Q: We are not concerned with the exact amount. Is it approximately correct?

A In that neighbourhood.

MR. BRAIDWOOD: Q: Why have you lodged the counter-claim? A: I feel it is up to them to keep that property up. I put no claim in for reflueing and one thing and another.

Q Reflueing what? A: The furnaces, which was really the landlord's job.

Q So you did a lot of work on the property which you didn't charge the custodian for?

A That's right.

Q Did that improve the property?

A It was necessary for the operation of the property.

Q And the position now is the custodian claims you owe him quite a deal of money and you are

claiming as a set-off against that certain expenses which you claim you laid out ?

A It was just a matter of adjusting figures.

Q But I suggest that isn't paid, is that right?

A I haven't paid.

Q Have you discussed this matter with Mr. Reid of the Custodian's office?

A Yes.

Q On several occasions? A: Once or twice.

Q Wasn't there one occasion when someone came out to your premises as you indicated?

A What was that ?

Q You indicated someone came out to see you once, and discussed the matter with you?

A Weid, Brown and Anderson came out there once.

Q And you don't feel that you should pay the Custodian the money the Custodian is asking you for?

A Not in full.

Q Are you willing to pay anything?

A Yes.

Q How much? A: That is a matter to come up between Mr. Reid and myself.

THE COMMISSIONER: I do not think it interests me very much.

MR. BRAIDWOOD: Q: Have you been on the property ever since the Chinese took over?

A Yes.

Q Do you know what they have done to the property since they took over, what physical improvements they have put in?

A None, as far as I know.

Q No changes? A: No, not to my knowledge.

Q And you have been on the property the whole time?

A Yes.

Q Did you ever discuss this property with Mr. Eddie, the value of the property?

A I don't recall because it was four or five years ago he was outthere, and whether I discussed the value, I couldn't say.

Q Did you ever discuss the value of this property with Mr. Brown?

A He was there at the same time.

Q Did you discuss the value of the property with him? A: I wouldn't say whether I discussed the value of the property with him or not.

Q Did you ever discuss the value of the property with William Ansell?

A He was around there. Whether I mentioned it, I wouldn't say.

Q I suggest to you that at one time you told Mr. Ansell the property was worth $10,000.00 at the most; is that correct?

A I can't remember that far back.

Q Do you deny it?

THE COMMISSIONER: Just a moment. Would you fix the time for the witness?

M MR.BRAIDWOOD: I put it at one time, and I will call Mr. Ansell to establish the time.

THE COMMISSIONER: You are not instructed now.

MR. BRAIDWOOD: Q: I am instructed it was April, 1944, when a conversation took place with Mr. Ansell in which you informed him that the property was worth $10,000.00 at the most. Is that correct?

A I don't recall it, but I wouldn't contradict it.

MR. BULL: He was a buyer at that time or a potential buyer.

MR. BRAIDWOOD: There is no suggestion of that, my lord. He was a tenant.

THE COMMISSIONER: Any re-examination?

MR. BULL: No, my lord.

(Witness aside)

GEORGE WILBUR SKELDING, a witness called on behalf of the claimant, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BULL:

Q What is your occupation?

A I am with the Universal Appraisal Company.

Q That is a company having an office in the Yorkshire Building in Vancouver?

A That's right.

Q Which is engaged in the appraisal business, is that right?

A That's right.

Q How long have you been with them?

A About 15 years.

Q And prior to that what was your experience?

A I was with the General Appraisal for a period.

Q And in all how many years' experience have you had in appraisals?

A About 17 years.

Q And you were asked to examine and make an appraisal of the Nagai property near Haney?

A Yes.

Q And when did you receive those instructions?

A I received those instructions towards the end of May of this year, and I went out to the property May 31st of this year.

Q How many visits did you make to the property?

A One visit.

Q Had you had any previous experience in the appraisal of greenhouses?

A Yes.

Q You have only made one visit?

A Yes.

Q And I think you have made a report of the cost of reproduction as of a certain date?

A 1944.

Q And that was at no particular time in 1944?

A I think it was about towards the latter end of 1944. We were using prices we used about

A August or September, 1944.

Q The sale here was made in February, 1945?

A Yes.

Q You might identify this as your revised figures

of the appraisal?

A That's right.

(APPRAISAL MARKED EXHIBIT 72-10).

Q There are how many greenhouses?

A Six.

Q And you have set them out with the years in which they were built and their respective sizes, is that correct?

A Yes.

Q And what is the total area under glass there?

A I didn't figure it out. It's easy to figure out.

Q It's something over 42,000 square feet, isn't it? A: It is considerably more than that. Somewhere about 60,000 feet approximately.

Q Whatever that is, it is easily calculated?

A Yes.

Q In arriving at the new replacement value asof 1944, what steps did you take? What examination did you make and what prices did you apply?

A We went in and measured up the various buildings, made our notes as to the construction, the foundations, took off the quantity of glass in the buildings, the lumber in the buildings, and made our notes as to the physical depreciation at the particular time I was there the 31st May, 1949. Then we priced the quantity of material on the prices were were using the latter part of 1944 and from that we got our figure.

In the last five or six items on the list you

have there, we didn't take off great detail because of the boilers -- there is considerable question about their actual value. We have a value there of $1500.00 on them. I questioned very much whether you could put the installation in as it now is for less than $10,000.00 or $15,000.00. The water system, the drainage, we approximated that. The same applies on the fruit trees. The land value we based on the value he had paid for the land originally and from the best information we could get as to what land was worth in that area.

THE COMMISSIONER: Q: Were there about sixty acres?

A About that. Timber is an item we didn't take in at all because there was no timber there.

MR. BULL: Q: And the dwelling house at $750.00, how did you calculate that? You haven't given the cost new of that?

A I have my notes on that.

Q I am interested in that because there will be evidence of a much higher value?

A The prices we were using in 1944 -- that building is built just a little different from the usual dwelling construction--was $2748.00.

Q You depreciated that down to $750?

A Yes.

Q Why? A: Because it isn't a residential building in the true sense of the word. It is built different and it is not completed at all.

Q You mean it is a Japanese building?

A Well, it is built of planking with siding on the outside and shiplap lining. It is not built the way we build buildings.

Q Referring back to the statement as to boiler house No.4, you treat as noticeable items?

A Yes.

Q And you have applied varying percentages?

A Yes.

Q How did you arrive at those?

A By the actual physical condition.

Q That is observed depreciation. A: Yes.

Q Not simply taking a certain percentage each year?

A No.

Q From your inspection of the property would you say that is the proper percentage of depreciation in each case?

A Applicable to this time, yes.

Q Thethe water tanks.

A These water tanks I have put in at the present value for the simple reason they are all horizontal boilers being used as water tanks and there is no use working to a new price.

Q What about the fruit trees? They weren't there when you made this valuation?

A Definitely.

Q I thought one witness said they disappeared?

A There are lots of fruit trees there.

Q And the water system and drainage system, what about that?

A We couldn't see those at all. That is all buried. What we saw were the outlets and where the pumps had been in the water system and we estimated as closely as we could, and the new replacement figure on that water system works out to $3430.00, so we had depreciated that heavily.

Q You have all your work notes there in case my friend wants to cross-examine?

A Yes.

Q Does this sum of $31,964.40 represent the reproduction cost new less depreciation as of the date shortly before February, 1945?

A No, this depreciation is at May, 1949.
I found this which may be helpful. I couldn't find any evidence of any major repairs being made, and it is my idea that in 1945, in all probability the value would be possibly 10% or 15% higher than it is here.

Q That is because there would be less depreciation?

A Yes.

Q About 10% more? A: 10 or 15% more.

Q That would bring it up to the neighbourhood of $34,000.00 or $35,000.00?

A Yes.

Q I understand then that your value of the cost of reproduction new less depreciation as of the date just prior to the sale in 1945 would be this sum of $31,964.40 plus a percentage of

10% or 15%? A: That's right.

MR. BULL: If you have all your reports there, my learned friend can cross-examine you, if he wishes.

CROSS-EXAMINATION BY MR. BRAIDWOOD:

Q When you told my learned friend about the value in 1945, that was speaking strictly on the t theory with which you were working, that is the new replacement cost less depreciation?

A Yes.

Q No other theory entered into your calculations?

A Yes.

Q You visited these properties on May 31st, is that correct? A: Yes.

Q And in company with someone else?

A Yes.

Q How many hours did you spend on the premises?

A I was there the biggest part of one afternoon.

Q How many hours, would you say?

A I had a man with me and we were there possibly three hours.

Q Is this a scattered property?

A Yes.

Q And you have noted the material which you have given his Lordship by filing it with the Commission, is that right?

A Yes.

Q You do admit you didn't observe the drainage

system; that is correct?

A Yes.

Q You have told his Lordship that you were very familiar with greenhouses, is that right?

A I have made different appraisals.

Q How many? A: Well, I did all Brown Brothers in 1944.

Q For what purpose did you make that appraisal?

A For insurance purposes.

Q Yes. A: And I have done other greenhouses in various other connections with other properties.

Q Can you name another one?

A They are not really greenhouse properties in this sense that they are parts of other properties -- hospitals, and so on, or homes.

Q Was this the only major strictly greenhouse property other than the Brown property you have appraised? A: No, I wouldn't say it was, but I can't just recall who they are, because we have done them over a period of years.

Q How many appraisals of greenhouses -- when you made appraisals of greenhouses were they all for the purpose of placing insurance on the property? A: In a great many cases we couldn't state.

Q Were you given any instructions how to appraise the Nagai property?

A No.

Q What particularly were your instructions?-- to decide what?

A What the properties would be worth in our estimation in 1944-45.

Q Worth for insurance or for sale on the market?

A Well, we don't maybe look at the valuation in quite the same way you do. If anyone asked us to advise them on properties, what they should pay for the property, we would hit a value the same as we have here, $31,964.40, and we would suggest to the buyer that he buy it for as much less than that as he could. It depends how badly the other fellow wanted to sell.

Q That would be your top price then?

A Yes, but we would suggest to our client not to pay more than that.

Q Have you any experience in buying and selling greenhouses? A: No.

Q You don't know what prices they were selling for in the area? A: No.

Q Do you know if they were selling?

A I don't think they sell very much. Any person in the greenhouse business, I understand, they build them pretty much for themselves.

THE COMMISSIONER: Any re-examination?

MR. BULL: No.

(Witness aside)

HAROLD D. CAMPBELL, a witness called on behalf of the claimant, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BULL:

Q Mr. Campbell, you are a chartered accountant practising in the city of Vancouver?

A That's right.

Q I think you acted professionally for the Chinese who purchasedthe Nagai property, didn't you?

A Yes, through the Custodian's office.

Q And you were asked to produce an agreement which was made in or about June, 1945, from the Chinese to Matson in respect to the timber on the property?

A Yes.

Q And you couldn't find that?

A No. I explained to Mr. McMaster that so far as I was aware a copy of that agreement ought to be with Williams and Rae and a copy might be also at Haney because the people who owned the property had the records out there later. I know of it, of course.

Q I think in the result the situation is this, that while you personally didn't have the agreement you knew all about it?

A Yes.

Q And you knew how much this timber realized?

A That is it.

Q That is what I want you to say to his Lordship.

A The agreement was dated June 15th, 1945, and my records show that the total amount realized

was approximately $2,224.00 on the timber.

Q That would be the net result to the owner?

A It was sold on a stumpage basis, yes, five dollars a thousand. It was estimated before the timber was sold there would be approximately 500,000 feet. I got the records from the Forest Branch at the time and that shows footage board measure 444,970 feet. That was after everything was cleaned off the land as far as the timber was concerned.

Q I was really interested in the net result. It was the figure you mentioned?

A Yes.

MR. BRAIDWOOD: I haven't any questions. Unfortunately my learned friend didn't inform me he was calling Mr. Campbell, so I wasn't prepared.

THE COMMISSIONER: Do you want time to cross-examine?

MR. BRAIDWOOD: I think not, my lord.

(Witness aside)

FRANK JOHNSON MERRICK, a Witness called by the Claimant, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BULL:

Q Mr. Merrick, you are in the real estate business?

A I am.

Q With an office at 630 Howe Street?

A Yes.

Q And you are quite an oldtimer in Vancouver in that business?

A Forty years.

H.D. Campbell.
F.J. Merrick,
In Chief.

Q Have you specialized in any particular district in that time? A: I have specialized in farm land mostly; Surrey, particularly.

Q Would that cover most of the Fraser Valley?

A Yes.

Q Have you on receipt of instructions inspected the tract of sixty acres or more which formerly belonged to three Japanese named Nagai?

A Yes.

Q That lies about four miles from Haney?

A That's right.

Q And it is intersected by the Kanaka Creek, isn't it? A: Yes.

Q What is the general nature of the land?

A It is rolling country.

Q Sloping which way? A: To the south mostly, and east.

Q And you inspected the greenhouses?

A I did.

Q And the other buildings?

A I did.

Q How many acres did the buildings including the greenhouses occupy out of the whole sixty acres?

A I imagine five acres would contain all the buildings.

Q How much frontage is there on the north side of the road?

A Roughly 1300 feet.

Q What road is that?

A I think No. 15.

Q And what is the frontage on the south side of the road?

A Around 1200 feet.

Q You examined that house?

A Yes.

Q And what did you think of that?

A It was three thousand square feet, very heavy construction, 12 or 14 beams across, no joists, just heavy beams--the type of house you would find in the Caribou.

Q What have you to say about the greenhouses?

A I am not an expert, but they seemed to be in good shape with cement foundations. There didn't seem to be any broken glass. They had a peculiar soil, a mixture of clay.

Q No broken glass? A: No.

MR. BRAIDWOOD: How can this be helpful to us? This is what the man saw on recent inspection.

MR. BULL: Unfortunately he couldn't see it before.

THE COMMISSIONER: I will hear the evidence. It is a matter of weight.

MR. BULL: Q: You haven't seen the property prior to your visit recently?

A No.

Q Although you knew the district generally?

A Yes.

Q And you have been informed, I presume, that the sale was made by the Custodian in February,

1945? A: Yes.

Q And that is the date which I wish you to bear in mind in giving your evidence. Assuming a client of yours owned that property in February, 1945, and wished to obtain the best out of it in the way of purchase price, how would you have advised him to go about it?

A If I had been selling I would have sold the land with the greenhouses as one unit, and the unit with the creek and the balance of the land as another. The land is approximately half a mile long. The greenhouse is here (indicating). On the east side is 20 acres, and land and both sides of the creek and road. That land should have been sold separate.

Q That 20 acres? A: Yes.

Q That is intersected by Kanaka Creek?

A Yes.

Q Is that desirable property?

A Yes.

Q What would your opinion have been, going back to February, 1945, of the value of that 20 acres?

A No difficulty selling it for $100.00 an acre. You would have found a buyer for 20 acres.

Q And that is far removed from the greenhouse property? A: Yes.

Q What about the balance of the land apart from the 20 acres and the five acres occppied by the building?

A The balance could have been sold in small

holdings, five acre blocks, probably.
A man would be justified in paying $30.00 an acre bedause it is facing on the road.

Q You have in mind a sale to a man who had subdivided? A: Yes.

Q And you think a fair price to ask would be $30.00 an acre? A: Yes.

Q I take it you are now referring to the 35 acres exclusive of the greenhouse five acres?

A That is correct.

Q I suppose there was in February, 1945, a condition described as a market for greenhouse property?

A Greenhouse property is specially built and not a general commodity that is bought and sold. They don't change hands very often.

Q And still everything must have some value?

A Yes. The value should be done through an appraiser. No real estate man has any right to put a value on physical assets of that kind.

Q But you are aware, are you not, that the property was rented in 1942 for , I think, three or four years at $1900.00 per annum and since 1946 at $2500.00?

A Yes. I have a copy of the lease.

Q Is that any guide?

A I would say a man having land rented at that time to give him a net return of 5%, I would make the value on that basis.

Q Supposing that same client owned this in 1945

what would you have advised him to ask for that property?

A I wouldn't have advised him to sell it if making 10%. If he owned it, I would advise him to sell the land he was not using on which he was paying taxes. If a client had that greenhouse at any time on a rising market, I ~~would~~ don't think I would have advised him to sell it.

Q But supposing in spite of that advice he wanted to sell, what would you advise him to ask for it?

A I would have given my appraisal on his valuator.

Q Have you had an appraisal given by Mr. Skelding--

A It depends how badly he wanted to sell. I understand some of those growers, they form a company and come back in for some portion of it.

Q You mean the seller comes back in?

A Yes. It takes quite a bit of money to handle one.

Q But with all that information available to you, if you had to give that advice to a client in 1945, what would you say he should have asked for it? A: I wouldn't want to put a price on it outside the land without having technical knowledge.

Q But if you had before you this cost of reproduction? A: The only thing I could value would be the land ~~x~~ on which the greenhouses stood. There is a road in there. I know what the building is worth. The

greenhouses, I would have to get tebhnical knowledge of the valuation in order to arrive at a proper selling value for the owner.

Q What did you value the house at?

A According to the information I have, that house has 3,000 square feet. The lumber in that alone-- I don't think any insurance company would turn down three thousand dollars or thirty-five hundred dollars insurance on it and not figure they were over-insured.

Q In other words, that is your idea of the value?

A Yes.

MR. BRAIDWOOD: My learned friend should put the time. I take it the witness is speaking of the present day.

MR. BULL: Q: I want you to relate these things back to February, 1945.

A If they built a modern house in Vancouver today-- in 1928 or 1938 they multiplied the scale by three and a half; today they multiply it by eight and a half. So that the lumber in that house alone wouldn't take long to figure. I say the house is worth $3000.00 at any time.

Q There is four years depreciation since 1945 which would make some difference?

A Well, that type of house there is not much depreciation.

Q But you are not able to put into figures the value of that property in February, 1945?

A I would rather exclude the greenhouses.

Q I think you say that with regard to the greenhouses you would find out what the reproduction cost was?

A Yes.

Q There are two things I want you to consider. I don't want to coax this witness but I would like him to consider the rentals coming in on that property at the time of sale and Mr. Skelding's evidence that the cost of reproduction at or about the time of sale was in the neighbourhood of thirty-four thousand or thirty-five thousand dollars.

A I imagine he would be conservative because glass was difficult to get in 1945 and also pipes.

Q But would that information enable you to give any opinion as to the market value?

A I wouldn't want to give a value on the greenhouses at all.

CROSS-EXAMINATION BY MR. BRAIDWOOD:

Q These values you have given, are they values based on your knowledge today or in 1945?

A 1945.

Q You were familiar with the area in 1945?

A In 1945 the market was good for sub-division land.

Q For sub-division land?

A Yes.

THE COMMISSIONER: Q: When you mention the dwelling

being worth $3000.00, do you mean to convey by that statement that it would be possible to find a purchaser for that dwelling at that price?

A Well, from my standpoint, that house right down to the river, you had a weekend place you could keep full. If you get the picture, the appeal it has to people who want to get out of the city Sundays. Every Sunday they go out to camp on one side of this creek.

Q You think it could have been sold in 1945 for $3000.00?

A Yes. That big house, 3000 square feet, covers as much ground as alot of these auto camps and it is a pretty spot to draw people and yet very close in. That place has possibilities. I may be a dreamer, but that is the way I see it.

THE COMMISSIONER: Do counsel wish to re-examine?

MR. BULL: No.

THE COMMISSIONER: That is all you have then, Mr. Bull?

MR. BULL: Yes.

THE COMMISSIONER: What have you, Mr. Braidwood?

MR. BRAIDWOOD: I have two witnesses this morning, and as far as I am concerned I will be very short, and my learned friend will want to cross-examine them.

THE COMMISSIONER: We will recess for a few moments.

MR. BRAIDWOOD: Would it be convenient to sit until

one o'clock because I think we can finish it?

THE COMMISSIONER: Yes.

(PROCEEDINGS RESUMED AFTER SHORT RECESS)

MR. BULL: That is all the evidence I have, my lord.

MR. BRAIDWOOD: I propose to call two of the three appraisers we had, and my first will be Mr. Ansell.

WILLLAM HENRY ANSELL, a witness called on behalf of the Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

MR.BRAIDWOOD: Before I proceed with Mr. Ansell, my learned friend Mr. Bull has not been with us before on this Commission and perhaps he is not as familiar as we are with some of the witnesses. Mr. Ansell has appeared on another occasion before your Lordship, and it is for your Lordship to say whether I should qualify him or not.

THE COMMISSIONER: I think perhaps you had better.

MR. BRAIDWOOD: Q: Where do you live, Mr. Ansell?

A Haney.

Q How long have you lived in Haney?

A For 45 years.

Q And what is your occupation?

A Farmer.

Q And have you farmed at Haney for that period of time?

A Yes.

Q What has been your experience at Haney insofar as

real property is concerned?

A I have bought and sold considerable. I owned 80 acres at one time and I have bought different parcels of land and sold them again, and also I actedon the Municipal Council for practically thirty-three years, 20 of those as head of the department for tax sale lands.

Q And you were on the Municipal Council for 33 years? A: Yes.

Q Did the Municipal Council deal with real property matters in the Haney area?

A Yes.

Q And for about 20 years, you say, you were Chairman of the Committee?

A They used to call it then for disposing of the tax-sale lands.

Q And as such did you come into contact with transactions in real property in Haney for that period of 20 years?

A Yes.

Q What dates would they be?

A I was 25 years when I went there. I am 70 now.

THE COMMISSIONER: Q: How long is it since you have been on the Council?

A Four years.

MR. BRAIDWOOD: Q: Have you had any other experience in real property in Haney?

A No, not outside of some of my own and sometimes advising others to buy and sell, but never as

a business.

Q You have sold and purchased properties in the area, you mean?

A Yes.

Q I understand you were employed by the Rural Advisory Committee; is that correct?

A Yes.

Q What was your employment there; what were you to do?

A You mean in the Municipality?

Q By the Rural Advisory Committee. Were you not employed by the Rural Advisory Committee of the Custodian?

A Yes.

Q When were you so employed?

A That was, I believe, I got notice about the 1st April, 1944.

Q And what did you do on behalf of the Rural Advisory Committee?

A I appraised the property. They sent me certain property to appraise, asked me to appraise it, and I did so, and sent the results to them.

Q Did you make many appraisals?

A I think somewhere around 40.

Q And that was in the Haney area?

A Haney, Mission and Ladner. I believe some in Surrey, too.

Q Now, you are familiar with the property which is the subject matter of this particular claim,

the Nagai property at Haney, is that correct?

A Yes, my property joined on it and I have known it since I was a boy and know every foot of it. I think I could find my way in the dark.

Q It has been given in evidence as about 60 acres, isthat correct?

A It was my idea as seventy.

Q Did you receive instructions from the Rural Advisory Committee in 1944 to appraise this property? A: Yes.

Q And did you do so?

A I did.

MR. BRAIDWOOD: My lord, I am going to put in now the appraisal which was actually made and then I might refer to it. I think my friends have a copy. Is that correct?

MR. BULL: Yes.

MR. BRAIDWOOD: Q: What is that document?

A That is my appraisal.

Q Of the Nagai property? A: Yes.

(APPRAISAL MARKED EXHIBIT 72-11)

Q When you received your instructions to appraise this property, what course of action did you follow?

A Well, the first request for an appraisal was this greenhouse, and I had not had very much experience in the greenhouse business, and I went over to see it, and I met Mr. Perkins over there. He was the tenant, I believe, at that time. I went over to examine it and I asked him whether

I might examine the building, and he said, yes, and he said he would come along and show me through, and in the course of conversation he asked me after I had gone throughout what I thought about the price, and I said, "That's one thing we are not allowed to mention the price to any outsider; it goes to the Board". And he said, "I wouldn't consider the place is worth more than $10,000.00 at any time". Well, of course, I didn't know at that time so I went to work to find out what the cost of glass was and Mr. Perkins gave me the figures at that time as $5.50, I believe, for one kind of glass, and $7.50 for the other. I think the Japanese glass was the cheapest. I examined the greenhouses and they appeared to me to be in first-class shape. In fact, they were almost as good as any greenhouse I had appraised in Olney. The only thing is, they are up on a hill and you can only get at them by a winding hill, and it's hard to get close to them. There is a lot of labour in moving the contents of the buildings both in and out, and it's in hilly country, and I found that one of the heating plants was propped and it looked very dangerous to me. It is back of the house, and it looked very dangerous, that it might give way at any time. It was propped with quite large timbers with a lean on it of three feet, and it was on

the side of the hill, and there seemed to be a pressure out and it didn't look very good, although it is standing yet. Maybe I was more afraid of it than might be reasonable; but as far as the greenhouses were concerned, I valued the equipment and I valued what I could find out about construction. I know quite a lot about cement by doing it myself and by doing the other side of the hill, which has been done with a machine, so I think I would get a fair figure for the cement work, and the buildings are all on cement as far as I could see, and it was just a matter of the cost of construction. I didn't take into account anything in the nature of growing vegetables or of flowers or anything in the greenhouses because I didn't think that was called for, and I gave, as near as I could, a figure for the actual construction value of the greenhouses. As far as the house is concerned, it is a very large house but it is more like a barn than a house. There is no convenience in it at all. It is more like a barracks. That's about all you could say. I imagine it would be very cold in the wintertime because it is almost impossible to heat. There was only a stove to heat it and it is like all the rest of the Japanese houses: it is more or less thrown together. I don't think you could find but one Japanese house I appraised but what the door

frames would be one inch to one and a half inches out, and the windowframes the same.

THE COMMISSIONER: Q: Was that the case with this building?

A All of them. They are put up in a hurry. About 30 to 40 Japs go to work co-operatively, and put the buildings up, and consequently it is not put up to scale or true in any manner.

MR. BRAIDWOOD: Q: Did you find that true of the Nagai building?

A Yes.

Q Did you value the land?

A Yes. I might say there are about 12 to 15 acres on the south side of the 15th road. 15th road used to go on the south side but they put a new road around on the north side of it, and that is a good piece of property. That is more or less level but the rest of the property outside of from where the greenhouses are -- the small piece the greenhouses are on which is, I suppose, six or eight acres -- it's almost impossible to do anything with it. There is a big canyon runs through it, and it drops down a good one hundred feet. They couldn't get a horse up. Well, a horse might climb up but you couldn't get an auto up.

Q You also looked at the timber?

A Yes.

Q And you gave a value?

A I gave a value on the fir on the property,

$600.00. They took out all the soft wood, but --

THE COMMISSIONER: Q: What estimate of it did you give -- 200,000 feet?

A Yes.

Q The evidence this morning is to the effect that over 400,000 feet was taken off.

A Yes. I went through it but I imagine there was almost as much alder and maple as fir.

MR. BRAIDWOOD: Q: And you appraised the property at $15,500.00?

A Yes.

Q Do you know anything about the market for greenhouse properties in the Haney area?

A At that time, no. The only thing I know offered for sale, it was almost impossible to sell it. Mr. Perkins told me the greenhouse business was so uncertain it was hard to set a value on the property.

CROSS-EXAMINATION BY MR. BULL:

Q I understand, Mr. Ansell, that by occupation you are a farmer and have always been a farmer?

A Well, I might say I have worked in the woods maybe five or six years.

Q Having lived in the Haney area for 45 years you became a member of the Council?

A Yes.

Q And were on the Council for many years?

A Yes.

Q And were on the tax-sale committee for some years?

A Yes.

Q And in that way you came in touch with sales of tax-sale lands?

A Yes.

Q That is lands that the owners had failed to pay taxes on, and they were put up for sale; no purchasers were found and they reverted to the Municipality, is that right?

A Yes.

Q And that is the kind of land you had to deal with as a member of the Committee?

A Yes.

Q You were never in the real estate business?

A No.

Q You had no training as a valuator of real estate?

A I wouldn't say that.

Q Except, as you said, the transactions you had yourself in land, buying and selling?

A Yes.

Q And as the owner of land there, you had a general ideaof the value of the acreage there?

A Yes.

Q Isn't it true that in the last few years there has been a great development up back of Haney in the way of settlers on small acreage?

A In some places, yes.

Q I say behind Haney?

A Well, to the north.

Q Well, behind Haney would be to the north?

A Yes.

Q There has been a great development in the last few years? A: Yes.

Q A great many settlers have come in there and bought five and ten acres?

A Yes.

Q What have they paid for their land?

A All kinds of prices.

Q $100.00 an acre?

A Some of them, yes.

Q Some higher than that? A: Yes; some lower.

Q And a lot of them were in the chicken business?

A Yes.

Q Where they don't need exceptionally good fertile land? A: Yes.

Q And for property for the purpose of raising chickens they have paid as high as what figure?

A I know one person paid as high as one thousand dollars an acre.

Q For lands generally in the vicinity of the Nagai land?

A No.

Q I mean it is behind Haney? A: Yes, but as far as the Nagai land there has been very few sales up there.

Q You, I suppose, had never had to deal with a greenhouse property before in your life, had you?

A No.

Q And this was the first appraisal you made for the Custodian? A: Yes.

Q Had you ever seen a greenhouse before?

A Yes.

Q I mean for the purpose of growing early tomatoes?

A Yes. I had been in Nagai's greenhouses time and time again.

Q You had known them?

A Yes, I knew them as well as my own brother.

Q This was your first appraisal and you knew nothing about greenhouse property in the sense of fixing a value? A: No, not when I started.

Q And when you made this valuation this was the first you made?

A But I took good care to find out all I could about it.

Q How much time did you spend on the making of your appraisal? You were paid $15.00. How much time did you spend?

A The first time I went there I was with Mr. Perkins for five hours. I wasn't satisfied then. I went back again and I spent more than eight hours going over the property and going around measuring up the greenhouses. I spent about a day and a half there.

Q You spent about a day and a half there altogether mostly with Mr. Perkins?

A No, I spent about five hours with Mr. Perkins.

Q How did you spend the rest of the time?

A I came over. I didn't go to Mr. Perkins the second time. I measured up the greenhouses and wentover the property to make sure everything was all right.

Q You measured up the greenhouses?

A Yes.

Q Have you got the calculations you made?

A No.

Q I gather from the way your appraisal is made out that in valuing these different items, particularly the greenhouses and equipment, you adopted the basis of the reproduction cost, did you?

A No, not altogether. I took, as near as possible, the cost of the material at that time, which would be practically the reconstruction cost at that time, less depreciation. Some of those greenhouses had been up quite a long while.

Q We have the age. Four were built in 1936, three in 1938, three in 1939, and three in 1941. So they weren't very old.

A No.

Q You say you did proceed in appraising the greenhouses and equipment on the cost of reproducing those things, and you depreciated them. Is that right?

A That's practically right.

Q Did you take the date of your calculations as of

April, 1944? A: Yes.

Q And the cost at that time?

A Yes.

Q And what did you find the cost of reproduction of these greenhouses to be according to your calculations?

A I gave the cost about $12,000.00 for reproducing the greenhouses and equipment.

Q You say you figured itout by applying cost of glass and cement, cost of labur and that sort of thing, that the greenhouses would cost $12,000.00 to build?

A And the equipment.

Q Would cost that to build?

A Yes.

Q And that is why you put down $12,000.00?

A Yes.

Q And your opinion is in April, 1944, all those greenhouses could have been built and equipped for $12,000.00? A: Yes.

Q And you are going to stand by that, are you?

A Yes.

Q And you have no notes?

A No.

Q With regard to the land, you have got 70 acres? I always thought there ware only 60. Where did you get the 70?

A In my information from the Board it was 70 acres.

Q And you value that at $20.00 an acre?

A Yes.

Q Are you familiar with the 20 acre piece divided by the Kanaka Creek which Mr. Merrick spoke of this morning?

A There is no Nagai land on the other side of the creek.

Q You are as sure of that as of the cost of reconstruction?

A There is some Nagai land on the other side of the Creek but not belonging to this 70 acres. There is only a smallportion of this land that boarded on Nagai--on Kanaka Creek. There isn't over 200 yards, I think, borders on the Kanaka Creek.

Q How much land borders on the Kanaka Creek of the Nagai property?

A Of that 1500 acres on the south side, there is about 150 to 200 feetm on the Kanaka Creek.

Q Is that the piece you speak of as having a special value?

A Yes.

Q Do you agree with Mr. Merrick that the value for residential purposes was about $100.00 an acre?

A It might be.

Q So that would make $1500.00, is that right?

A At the present time it might.

Q What about 1945? A: It wouldn't have been in 1944.

Q What about 1945?

A Well, real estate values were going up, almost doubled from 1944 to 1945.

Q That property is in the same condition now as it was then?

A It is a little worse.

Q It would be a little better in 1945?

A Yes.

Q And it was just as attractive then as it is now for the purpose of building?

A Yes, but at that time it wasn't as good.

Q And you say 15 acres --

A I think about 15.

Q You say that would be worth about $1500.00?

A It might be today.

Q I thought you said in 1945 there wasn't much difference?

A There was a lot of difference between 1944 and 1945.

Q I am now speaking of 1945 when the sale was made.

A Well it was worth a lot more in 1945 than when we appraised it.

Q So your whole appraisal with regard to the land bears no relation to the situation in 1945?

A No. I would say property was selling for a quarter to one-third more in value.

Q In 1945?

A: Yes.

Q And where did you get this $20.00 an acre for the balance?

A Well the balance of that property, I don't think you could find an acre or very little more -- with the width or the depth of 100 or 150 feet-- there is a big gulley goes through 100 feet deep, and it is steep. When you come to the top there is only a narrow spot. It is almost impossible to do anything with it.

Q It is all right for chicken raising?

A No. A chicken might get short-legged going up there.

Q What do you mean, that this 40 acres is completely unuseable? A: It is practically unusable. I don't think five acres is usable. It is 100 feet deep.

Q It is a ravine? A: Yes.

Q People are sometimes very fond of building homes on ravines.

A But you would have to have a lift or something to come up out of it.

Q And you say there was no road for a motorcar to go to these greenhouses?

A They have a winding road around the edge of the ravine.

Q I understand there is a winding road serving all these greenhouses by motorcar?

A But they can't get behind them.

Q I suppose if they go up to them, they also come back from them?

A Yes, but you have to carry everything.

THE COMMISSIONER: I have had the advantage of

examining this property myself, Mr. Bull. I made an inspection.

MR. BULL: Yes, I understood that, my lord.

Q With regard to the timber, you have heard the evidence that in 1945 the sale of this timber produced something over $2200.00 in stumpage to the owner.

A Yes.

Q I suppose that leads you to believe that your valuation of $600.00 for the timber was wrong?

A Well, it wasn't so bad. Timber was the same as everything else. I was dealing in timber myself at the time, and in 1944 I could get timber for $2.50 a thousand I had to pay $5.00 for in 1945.

Q Your valuation of $12,000.00 for the greenhouses and equipment depends entirely on the correctness of your estimate of the cost of reproducing those buildings?

A Yes.

Q How did you calculate the amount of glass in the greenhouses?

A I took the size of the greenhouses and it's easy enough to figure it out. I couldn't tell you now how much there was, but I mean it was all figured.

Q And you don't know now what figures you applied?

A No, but it is a matter -- a third-class student could figure the glass out.

Q I am instructed that the glass alone in the

greenhouses at the time of the sale would have cost in Vancouver over $5200.00?

A Perhaps it would, at the time of sale, but it is the same as everything else -- almost doubled in price in a year's time.

Q Between 1944 --

A I imagine it would go up one-third as much as property was going up. Everything else was going up. I just took the figures I got, and it is just a question of whether my figures are right or wrong, that's all.

THE COMMISSIONER: Q: Your appraisal was made in April, 1944? A: Yes.

THE COMMISSIONER: Any re-examination?

MR. BRAIDWOOD: No, my lord.

(Witness aside)

HENRY MATHESON EDDIE, a witness called on behalf of the Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q What is your occupation, Mr. Eddie?

A Nursery man.

Q How long have you been engaged in that business?

A Fifty-five years.

Q Where? A: Four thirty-five years in Canada.

Q And you are familiar with the conditions in the area of Haney, British Columbia?

A Yes.

Q And you are familiar with the Nagai property we

are discussing today?

A Yes.

Q The greenhouse property, is that correct?

A Yes.

Q In your experience as a greenhouse man what type of greenhouse have you been interested in?

A I have been interested at different times in all sorts of them for growing flowers, vegetables, and so on.

Q And you have had greenhouses of your own, haven't you? A: Yes.

Q Many times, I suppose?

A Yes.

Q Have you ever purchased greenhouses from any person? A: No.

Q Have you constructed your own greenhouses?

A Yes.

Q Have you any personal knowledge of any sales of greenhouses by other parties than yourself?

A Yes, I have heard of other sales of greenhouses.

Q Is it correct that, as has been given in evidence today, there isn't much market for greenhouse property, it is a very difficult thing to sell? Is that correct?

A Yes.

Q You still operate greenhouses?

A Yes.

Q Were you familiar with the Nagai greenhouses prior to the date of the Japanese evacuation?

A Well yes, I was familiar with the country.

I lived there years ago so I knew the property before.

Q Had you been on the property?

A Yes.

Q And had you inspected the greenhouses prior to evacuation?

A No.

Q But you had been on the property?

A Yes.

Q On November 25th, 1944, you made an appraisal of the Nagai property for the Custodian, is that right? A: Yes.

Q Where did you receive instructions?

A From the Custodian.

Q And what were you instructed to do?

A I was asked to value the greenhouse property. I forget the exact instructions I got.

Q And as a result of your instructions, did you make an appraisal?

A Yes, I did.

Q And is this document dated November 25, 1944, your appraisal?

A Yes, this appears to be my appraisal.

Q Is that your signature at the bottom?

A Yes.

(APPRAISAL MARKED EXHIBIT NO. 72-12).

Q Now, as a result of your instructions from the Custodian, did you go to the property?

A Yes.

Q Will you tell his Lordship what took place inso-

f far as your examination is concerned? By the way, before coming to that I notice on the document which I have just filed as an exhibit some ink notations on the bottom. I don't believe those are yours, are they?

A No.

MR. BRAIDWOOD: I believe they were made some time during the course of the matter in the Custodian's office by an employee, and I would direct your Lordship's attention only to Mr. Eddie's typewritten appraisal.

MR. BULL: Perhaps we had better put in a fresh copy, if that is so.

MR. BRAIDWOOD: If my learned friend would care to have the copy I have given your Lordship marked as an exhibit, and admit it is a true copy, I would be perfectly content.

THE COMMISSIONER: Under the circumstances I think it might be better.

MR. BRAIDWOOD: Then I take it my learned friend is admitting the copy I have filed which is identical t to his copy.

MR. BULL: Yes.

MR. BRAIDWOOD: Q: As a result of your instructions, you went to the property?

A Yes.

Q Would you tell his Lordship what your investigation consisted of?

A Well, your Lordship, as instructed by the Custodian, I went over there for the purpose of

valuing the property. I looked over the greenhouses and estimated their value upon the cost of construction at that time. I also estimated their value upon the condition they were in at that time, and upon the whole general set-up, as to the desirable or undesirable position in which the greenhouses were built, and also their location from the nearest railway and the condition of the roads between the greenhouses and the railway station.

I think, roughly, that was about how I based my values. I am sorry our files for 1944 were lost in the floods last year and I have no record whatever of my figures at that time.

Q You were on the property for how long?

A Oh, possibly three or four hours.

Q And you investigated all the greenhouses?

A Yes.

Q Did you do any measuring?

A Oh yes, I must have done.

Q And did you see the land surrounding theproperty? A: Yes.

Q I note you made no allowance for the timber on the property. Can you tell his Lordship why you didn't do that?

A I just valued it from a greenhouse standpoint, and I would just include the land that was occupied by the houses, a matter of perhaps five acres.

THE COMMISSIONER: Q: Let me understand your answer

to that. You didn't place any value then on the land other than the five acres?

A No.

MR BRAIDWOOD: I think since Mr. Eddie's documents have been destroyed, my learned friend won't mind if he has a copy of his own appraisal before him.

Q I note in the last paragraph of Exhibit 12 you state, "Taking the thing as a whole, considering the good condition of the houses, set off by the uneconomic heating arrangement, remoteness from transportation facilities and the most undesirable nature of the terrain I am of the opinion that a fair present day value would be $15,000.00.

"The above valuation does not include the acreage attached which I consider of little or no value to a greenhouse proposition because of its rough, undeveloped nature."

In view of your answer to his Lordship to the last inqiry, that confirms what you have said here, is that correct?

A Yes.

Q Did you take into account the fruit trees?

A No.

Q What have you to say concerning the general location of the greenhouses geographically?

A Well, to just put it in as few words as possible, I can hardly imagine a more undesirable place to build greenhouses than where they were built; the contour of the land and the long

distance from the railway stations where the soft fruits had to be transported, and the rough nature of the gravel roads.

Q What have you to say about the soil present on the property?

A Most undesirable from a greenhouse standpoint. That is a matter of very considerable consideration. I would say he was a very considerable distance away from the source of supply of fresh new soil, which is an important matter in connection with greenhouses, especially in the production of tomatoes. The soil has to be renewed and to dig it out of the bush it is very unsatisfactory soil to use.

Q What have you to say as to the general condition of the building?

A The buildings were in pretty fair condition. The greenhouses were, but if I remember right, there was a sawdust bin just about tumbling down but the greenhouses themselves were pretty fair. The heating equipment was very crude.

Q What do you mean by that?

A The boilers were heating the greenhouses

Q They were crude, you say?

A Yes, old fashioned, not up to date at all.; and the fact that each house was heated individually was also a very serious drawback.

Q It has been given in evidence there were five heating plants. What have you to say as to that

in the economic operation of a greenhouse proposition?

A Well there is very little to be said in support of it. About the only thing I could think of would be that having small units like that diseases or pests could be confined to a small area, but from any other standpoint it is most uneconomic.

Q And what have you to say as to the scattered location of the greenhouses?

A Well, they were practically scattered on a series of hog backs, difficult to get to, costly to operate.

Q Did you consider this was a good greenhouse proposition from the point of view of sale to another operator?

A No, certainly not.

Q As a result of your investigation I see you placed a present day value of $15,000.00, on the property, is that correct?

A That was the value of the greenhouses and the land they were standing on in November, 1944.

Q I note from the evidence given by one of the claimants that there would seem to be some method of heating here that was somewhat different to that followed in greenhouses? Did you observe anything to that effect?

A I don't remember, no.

Q You don't know if there was a market for greenhouses in November, 1944?

A I don't remember what the conditions were at that time.

CROSS-EXAMINATION BY MR. BULL:

Q How long did you spend on this property in November, 1944, when you made your appraisal?

A Well, going on my memory I would say three or four hours.

Q You had no previous experience in making appraisals of any property, had you?

A Yes, I have had some experience.

Q Were you ever in the appraisal business?

A No.

Q Were you ever in the real estate business?

A No.

Q Were you in any business except horticulture, growing flowers?

A No, flowers and vegetables.

Q But mostly flowers, isn't that right?

A No, I have been growing vegetables as well.

Q Last year you were knighted somewhere in Portland for growing a particulr rose or something?

A That's right.

Q You were a Knight of what?

A I am going to get a great opportunity, your Lordship, to do some advertising.

Q There was some particular flower you excelled i in?

A A rose.

Q So most of your experience has been growing

flowers?

A I wouldn't say that. I am in ageneral line of nursery stock.

Q And you have grown early tomatoes in greenhouses?

A Yes.

Q Where? A: Not for mysdlf.

Q Where? A: In Vancouver.

Q Working for someone?

A Y es.

Q Who? A: The Royal Nurseries.

Q Where was that place?

A I am getting to be an oldtimer. That was out at Magee. Perhaps you don't know where that is.

Q Yes. That was many years ago?

A Yes.

Q You were an employee then?

A Yes.

Q But where did you get your experience as an appraiser?

A Well, I have built greenhouses for myself.

Q You actuallydid the work yourself?

A No.

Q You had it done for you?

A Paid for it.

Q You did it by letting a contract?

A We did it by our own men, because I had lotsof

experience in the Old Country before I came out here in building greenhouses.

Q Did you ever in your life make a valuation of any kind of property?

A There was another property I valued for the Custodian. I don't know whether before or after.

Q Apart from those two, did you make any other valuation?

A No.

Q And you spent about four hours there?

A Yes.

Q What time of the day did you arrive there?

A Some time in the morning, I expect.

Q Did you examine the soil?

A Yes.

Q At how many different places?

A Well, just generally all over.

Q And you say it was very undesirable for greenhouse purposes?

A Yes.

Q I understand that clay is a very necessary soil for greenhouse use, isn't it?

A Yes, but it has to have quite a lot of other material added to it.

Q You are aware that there is a good supply of the proper kind of clay on this property?

A Yes, but it was just newly cleared from the bush, and there were lots of undesirable insects

and organisms in soil that is newly cleared from bush.

Q Are you aware that Nagai had no difficulty in getting very good production in the years prior to evacuation?

A I don't know.

Q He couldn't have had any difficulty with soil conditions if he was able to produce something like 4500 crates of early tomatoes, and 5000 crates of cucumbers from that property?

A I don't remember now.

Q And you realize he was the first on the market with his tomatoes?

A It might be early all right.

Q Earlier than Vancouver, Victoria and all other places? A: Yes.

Q So he had no difficulty, apparently?

A Apparently not.

Q And the greenhouses, although built on precipitous ground, were built in such a way they got lots of sun? Are you aware of that?

A Yes.

Q You spoke of the undesirability of the land because of its distance from the railway station?

A Yes.

Q Are you under the impression the produce was all shipped by railway?

A I am not sure but they had to be transported over those rough roads.

Q They were trucked into town?

A I don't know.

Q I understand they are. So your criticism about the distance from the railway wouldn't be valid if they were trucking them into town?

A You mean Vancouver.

Q Yes.

A That is still further.

Q What about that? A: Rough roads.

Q Where would you have the greenhouses?

A The closer to the market, the better.

Q The closer to the market depends on various circumstances, taxes and that sort of thing?

A Yes.

Q And the price of land?

A Yes.

Q I think I will leave that question of undesirability. You say your valuation of $15,000.00 only covered the five acres the greenhouses were on?

A Yes.

Q It didn't cover the timber?

A No.

Q It didn't cover the fruit trees?

A No.

Q Or the dwelling house?

A Yes, the dwelling house came in.

Q We can eliminate all the land except five acres, the timber and the fruit trees?

A Yes.

I beg your pardon, the fruit trees might have been in it. I don't remember. If they were planted close to the buildings, probably they were.

Q Well, that is very indefinite. Then I understand you to say that your valuation of the greenhouses was based on the cost of reconstruction?

A Yes.

Q What is your full figure of the cost of reconstruction?

A Ihaven't the figure now.

Q Have you any idea?

A No, I couldn't say at this time. I don't remember the size of the house .

Q You mean the cost of construction at the date you were making your valuation?

A Yes.

Q You arrived at the cost of reproducing them and then you depreciated them to the date you made your valuation?

A Very likely.

Q You have no idea what your cost of reproduction was? A: That is a long time ago and I have other things on my mind.

Q You thought that was the proper way to arrive at the value?

A Exactly.

Q And you still think so?

A I still think so.

(Witness aside)

H.M. Eddie,
Recalled.

THE COMMISSIONER: Is that all your evidence?

MR. BRAIDWOOD: Yes, my lord.

MR. BULL: My learned friend, Mr. McMaster, has another question he wants me to ask.

THE COMMISSIONER: All right.

H.M. EDDIE, resumed stand, testified further as follows:

MR. BULL: Q: In making your estimate of the cost of reconstruction, Mr. Eddie, I understand you went out there with one or two of the Brown brothers? A: Yes.

Q And I notice in his appraisal that you found that the scale for all of each of the five units was 8640 square feet? Would you agree with that?

A Yes, we discussed the thing very throughly.

Q And did you make your estimate on the basis of 8,640 square feet under glass in each of the five separate units?

A If that is what Mr. Brown has, I have no doubt that is correct.

Q And you agree with the figure of Mr. Brown?

A Yes.

MR. BRAIDWOOD: You went out with Mr. Brown and you examined the property together?

A Yes.

Q Were you in agreement on the valuation of the property?

MR. BULL: I object to that, if Mr. Brown is going to

give evidence.

THE COMMISSIONER: Mr. Brown will have to speak for himself. Had you proposed to call Mr. Harold Menzies?

MR. BRAIDWOOD: No, my lord, but I will, if your Lordship wishes it.

THE COMMISSIONER: I think he might be helpful. He has appeared on one or two other cases previously, Mr. Bull, and as far as I cangather he has a very wide knowledge of property values inthe Fraser Valley. I would like to ask Government counsel to call him.

MR. BRAIDWOOD: I will, my lord. In connection with Mr. Brown, as I understand it, he went out with Mr. Eddie. I will call Mr. Brown if my learned friend wishes him, or your Lordship wishes him. Hemade an appraisal. To my mind I don't think Mr. Brown can do anything to forward the case one way or another as far as I am concerned, and on my own instance I am not proposing to call him, but if your Lordship wishes him or my learned friend wishes to cross-examine him, I will subpoena Mr. Brown.

THE COMMISSIONER: Has his appraisal been put in?

MR. BRAIDWOOD: No.

MR. BULL: If it is not in, I have no desire to have him.

THE COMMISSIONER: I do not see it in the Secretary's file.

MR. BRAIDWOOD: I take it it is your Lordship's wish

to call any evidence that would be helpful?

THE COMMISSIONER: It is for you to determine which witnesses you wish to call. I will not hesitate to indicate to you that some witnesses might be called if I think it desirable. As far as Mr. Brown is concerned, if Mr. Bull does not want him, I do not.

MR. BRAIDWOOD: Since we are having Mr. Menzies, in any event, I might possibly bring Mr. Brown in, in which case I will advise my learned friend. When would your Lordship care to hear Mr. Menzies?

THE COMMISSIONER: I am in your hands. Any time you can get him.

MR. BRAIDWOOD: I will get together with my learned friend to see if we can find a suitable time to hear Mr. Menzies.

MR. BULL: I would like to keep next week open. Apart from that I think there will be no difficulty, my lord. Are you going to be sitting all June on this?

THE COMMISSIONER: I expect to be.

MR. BULL: Then there will be argument.

THE COMMISSIONER: I would like to have argument in this case particularly.

MR. BRAIDWOOD: Would my learned friend tell me whether he intends to lead argument on the actual value of the reproduction cost because Mr. McMaster has not advised me that issue was to be brought up.

MR. BULL: I have nothing to add to what I said this

morning.

MR. BRAIDWOOD: Is your Lordship prepared to hear further evidence on the question of fair market value, or is your Lordship going to stay with the decisions given?

THE COMMISSIONER: I think we will let the fair market value argument stand as disposed of.

MR. BULL: I think your Lordship reserved in the judgment you gave --there was always a reservation that might not apply to specialize properties such as this?

THE COMMISSIONER: That is correct.

MR. BULL: It is conceivable that in certain kinds of properties it is quite impossible to prove fair market value in the ordinary sense.

THE COMMISSIONER: And I am afraid this is one of them. These cases are going to be very difficult. I think we have all recognized that from the outset.

MR. BRAIDWOOD: There will be several others of these, too, my lord.

THE COMMISSIONER: Yes, I appreciate that.

MR. BRAIDWOOD: I will advise my friend when Mr. Menzies will be available.

THE COMMISSIONER: Very well. What have you for tomorrow?

(Discussion re further cases)

MR. BRAIDWOOD: That is all I have today.

(Proceedings adjourned sine die)

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

Deputy Official Stenographer

CASE NO: 72.

JAPANESE PROPERTY CLAIMS COMMISSION

Kamloops, B.C.,
February 12th, 1948.

IN THE MATTER OF THE CLAIM OF
MANJIRO, YOICHI and HIDESABURO NAGAI.

PROCEEDINGS AT HEARING.

Original.

CASE NO: 72.

IN THE MATTER OF THE "INQUIRIES ACT"

PART 1, REVISED STATUTES OF CANADA 1927, CHAPTER 99.

JAPANESE PROPERTY CLAIMS COMMISSION

B E F O R E

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

Kamloops, B.C.,

February 12th, 1948.

IN THE MATTER OF THE CLAIM OF

MANJIRO, YOICHI and HIDESABURO NAGAI.

PROCEEDINGS AT HEARING.

APPEARANCES:

J.W.G. HUNTER, Esq.,	appearing for the Dominion Government.
R.J. McMASTER, Esq.,	appearing for the Claimant.

A. WATSON, Esq.,	Secretary.
D.J. HANFORD, Esq.,	Official Interpreter.
G. HAMBLETON, Esq.,	Official Reporter.

MR. McMASTER: Might I have the claim form, Mr. Secretary, please? (Handed to Mr. McMaster).

MANJIRO NAGAI, one of the Claimants herein, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. McMASTER:

Q Mr. Nagai, is the first signature on the claim form your signature, and did you make that declaration?

A Yes, I did.

Q And do you recognize the other signatures as your brothers' signatures? A: Yes.

Q And did they make the declaration at the same time?

A Yes, that is correct.

Q Have you authority from your brothers to make this claim on behalf of yourself and them?

A Yes.

MR. McMASTER: My lord, with respect to the claim in the claim form, and the large volume of material that is attached thereto, as will be explained by the claimant, the attached documents and the statements of cost are based on replacement value in 1940, when the property was sold. I have advised him that that is not a proper basis to determine the fair market value. Frankly he states that he is not an expert in the value of such premises and that he will be forced to rely on your Lordship's judgment in the matter, with such assistance that counsel is able to give and such evidence as we are able to call to establish the value.

In those circumstances, not being able to

say what the value should be, I am not applying to reduce the claim or increase the claim or otherwise, and I would ask to leave the filing of the claim as it is, subject to whatever proof we are able to give as to the real fair market value of this property at the time it was sold.

THE COMMISSIONER: I take it the values shown on the claim are replacement cost calculated as at November, 1945.

MR. McMASTER: Yes, my lord, there may be a few exceptions with regard to some items but in the main that is the situation and I am not relying on that information as part of the claim.

Q Witness, did you instruct me to prepare a statement, this statement which I now produce to you with respect to your claim?

A Yes, I did; that is right.

Q Is this your signature on the last page of it?

A Yes.

Q And are the statements contained therein true to the best of your knowledge and recollection?

MR. McMASTER: I file that, my lord, as Exhibit 1.

(STATEMENT MARKED EXHIBIT NO. 1)

THE COMMISSIONER: This is the real estate statement.

MR. McMASTER: It includes, my lord, land and premises, greenhouse business and equipment and chattels. I would like to refer, briefly, to parts of this statement, my lord. I don't think it is necessary for the Reporter to take down what I have to say; it is all contained in the statement.

THE COMMISSIONER: Yes, go on.

MR. McMASTER: First of all, the land. (Reading).

"Land: 60 acres more or less . . . . . Each year I used to give my statement and receipts to an accountant and have him prepare my income tax form".

THE COMMISSIONER: Apropos of that would the claimant be prepared to have his income tax return for the three years preceding evacuation --

MR. McMASTER: Well, my lord, I would want to see them and I am going to endeavour to get in touch with the accountant and see if I can obtain those. I think on that subject, my lord, I will be able to call evidence in any event as to what this man's actual production was in 1942.

THE COMMISSIONER: Yes, but you are not meeting the point so far as the income tax returns. It appears to me that that might very well show what the real value of this business was, and if he were prepared to submit his return , or a copy of them, we could thus get probably the best possible evideme of the value to him. Your reluctance to accede to that suggestion leaves open the guess, shall I say, that you are not satisfied that the returns were fully made or that they do truly reflect the value of the business.

MR. McMASTER: My reluctance, my lord, is not through a any knowledge I have as to what those returns are.

THE COMMISSIONER: Oh no, I quite appreciate that.

MR. McMASTER: But my reluctance is that having had a

fair amount to do with primary producers and farmers, with all due respect to them, I would suggest that their income tax returns don't always represent what somebody looking at it somewhat objectively might consider their proper income.

THE COMMISSIONER: Yes. The tax auditors don't stand for that kind of thing.

MR. McMASTER: That is true, my lord, but I think, nevertheless, with respect to the Income Tax Department, that the actual fact is that the returns by farmers quite often are, shall we say, inadequate.

THE COMMISSIONER: I will leave that thought with you; there is what appears to me to be the best possible evidence of real value and, of course, the Government is not permitted to produce such returns against the will of the taxpayer.

MR. McMASTER: Do I understand, my lord --

THE COMMISSIONER: I am simply throwing it out as a suggestion.

MR. McMASTER: But I want to get this point clear; if I am unable to obtain the copies, do I understand that if we consent to it the Crown can obtain those for us.

THE COMMISSIONER: I think so, beyond any question.

MR. McMASTER: Very well. Thank you, my lord. (Continues reading). The claimant points out that lumber valued at $127.00 , he believes, was destroyed in the fire that took place on the premises. I might state that I will be able to call independent evidence on that. With the

exception of the lumber, if it is going to involve, let me put it this way, a long series of cross-examination and documents and arguments, we aren't going to press anything in excess of the lumber. And I take the responsibility that it will be our obligation in regard to the fire and the lumber to establish that it was there and was burned.

THE COMMISSIONER: Referring particularly to the fire, what benefits did the claimant get from insurance carried on the place?

MR. McMASTER: I think I drew your attention to that before. One of the buildings was not insured, the other building that burned was insured, and $1000.00 was collected, $600.00 was paid to the claimant to re-build, and I understand the other $400.00 was credited to the claimant's account.

THE COMMISSIONER: Yes, I see.

MR. McMASTER: But that only covered the building. Mr. Shears, is that right?

MR. SHEARS: That is correct.

MR. HUNTER: Actually that is not quite accurate, although the effect is the same.

THE COMMISSIONER: There was no insurance on the chattels. I presume it was insurance on buildings, is that right?

MR. HUNTER: On buildings, my lord.

THE COMMISSIONER: No insurance on contents. Well, that doesn't affect this situation at all then.

MR. McMASTER: (Continues reading). (Page 8, Exhibit 1). "My solicitor has been advised . . . . . therefore

this counterclaim would appear to be unjustified".

THE COMMISSIONER: How am I concerned with the subject of that paragraph? I don't think I have any jurisdiction to even consider that.

MR. McMASTER: I haven't considered that aspect of it, my lord.

THE COMMISSIONER: He may have, undoubtedly he would have, a right of action.

MR. McMASTER: That is a matter of account, my lord. My submission there is that the lease provided that the tenant would repair it so that it is a matter in the first instance between the Custodian and tenant that the Custodian put in, and then in the second instance between the claimant and the Custodian as to an adjustment of accounts.

THE COMMISSIONER: But in any case outside of the terms of reference.

MR. McMASTER: I think possibly so, my lord. (Concludes reading statement). I think all the matters in that recapitulation that I have dealt with are covered by that statement and as I have indicated, if there are matters there which the Custodian says never came to him and is relying on any arrangement that was made under this Power of Attorney between Snow and the claimant, if it is relatively small we aren't going to press it with great vigour.

Just one thing.

Q Witness, I wonder if you would be good enough to

identify these pictures. Are these all pictures either of your former premises or the greenhouse and contents?

A Yes, that is every one.

Q And they were taken approximately when?

A Well about, that would be about 2 to 3 weeks ago.

Q Two or three weeks ago? A: Yes.

Q In 1948? A: Yes.

Q And were you personally there when they were taken?

A Yes.

MR. McMASTER: My lord, these pictures are pictures showing the greenhouses and the water tower, and the pictures taken in the greenhouses showing some of the piping system as an indication of the extent of the piping system.

Would you like to see those, Mr. Hunter? (Handed to Mr. Hunter).

THE COMMISSIONER: I had a view of this property so I have some conception as to what it is.

MR. McMASTER: Yes, my lord. I thought they would be of assistance and would put them in as one exhibit.

(PHOTOGRAPHS MARKED EXHIBIT NO. 2).

MR. McMASTER: Your witness.

MR. HUNTER: It is submitted, my lord, that this property was sold for its fair market value. It is submitted that those items which have been sold to the purchaser of the property and/were part of the consideration for the real property were included in the sale at their fair market value. It is further submitted that those items for which the

tenant states he will be responsible and the prices which he states he will pay are the fair market value.

THE COMMISSIONER: Well what is the Government's position in that regard? The Government made the bargain with the tenant presumably. Do you concede that the claimant may look to you for the sum payable?

MR. HUNTER: It is our submission, my lord, that the Custodian did not make the bargain.

THE COMMISSIONER: Who do you say did?

MR. HUNTER: It is submitted that Mr. Stonehouse, the attorney of the claimant, under his power of attorney, made the lease and that the only thing the Custodian did thereafter was to renew it.

THE COMMISSIONER: I see.

MR. HUNTER: I might add that as a question of fact, it is the intention of the Custodian to collect these amounts and to render the account therefor to the claimant.

MR. McMASTER: My lord, I wonder if I might ask my friend whether he meant to say that he is contending that Stonehouse made the lease on behalf of these claimants or is he limiting himself to say that Stonehouse made certain arrangements concerning supplies on behalf of these claimants.

THE COMMISSIONER: As I understand it, the position taken was that Stonehouse had made the lease under the terms of his power of attorney, namely, as agent for the claimant.

MR. HUNTER: That is correct, my lord.

THE COMMISSIONER: That is the situation, isn't it?

MR. McMASTER: That is what we submit, my lord.

THE COMMISSIONER: All right.

MR. HUNTER: It is submitted, my lord, that goodwill does not attach to a business of this type and that the profits accruing therefrom were entirely a question of management and operation.

It is submitted that this property is not a property of standard construction and accordingly is not aproperty that can be operated satisfactorily by the average person who would be interested in a greenhouse property.

THE COMMISSIONER: By that I take it you mean by an average greenhouse operator?

MR. HUNTER: Quite, my lord. It is agreed with my friend that included in the sales price of $16,400.00 were items totalling in value, items of personal equipment --

THE COMMISSIONER: What was the price again?

MR. HUNTER: $16,400.00, my lord -- were chattels -- as far as I know they were all chattels, there might be some fixtures there, I am not sure -- totalling $601.50, and that was inclusive of the $16,400.00.

It is also agreed with my friend that there is $1,001.00 -- I think that is correct, my lord-- owing by the tenant and admitted to be owing by him. When I say "the tenant", I shall have something to say on that in a moment, my lord.

Another question of fact which we shall endeavour to make clear is that the tenant, who was originally

Mr. Snow, never operated these premises but they were operated by Mr. Perkins. The arrangement, which we shall endeavour to show, apparently was that Perkins sub-leased from Snow and I presume there was some arrangement between them whereby Snow received the crops. Snow is in the business of wholesale vegetables. I think that was actually the arrangement. When the property was later sold, Perkins stayed on, and, as far as I know, is still the tenant.

THE COMMISSIONER: Yes.

CROSS-EXAMINATION BY MR. HUNTER:

Q Mr. Nagai, could you tell me whose signatures those are? A: That is my brother -- must be because it is "Y".

Q And who is that? A: That is myself.

Q That is yours? Those are the signatures of your brother and yourself?

A Yes.

Q And you wrote that letter, the two of you?

A Well, must be, somebody write it.

Q Somebody wrote it? A: Yes.

Q At your request? A: I guess must be.

Q Do you read English? A: No, I can't.

Q I see, but you think your daughter or somebody, your sister, wrote it, do you?

A Well, must be.

MR. HUNTER: This is a letter dated May 28th, my lord, from the claimant and his brother to the Custodian.

THE COMMISSIONER: May 28th, what year?

MR. HUNTER: 28th of May, '42, my lord.

"We, the undersigned, hereby state that we have arranged with Mr. and Mrs. C.H. Stonehouse to live on our premises as caretakers for the duration. We have given him (C.H. Stonehouse) power of attorney over all our property."

I would like to put that in.

(LETTER MARKED EXHIBIT NO. 3).

MR. HUNTER: My friend has admitted that this is a copy of a power of attorney, my lord, and I would like to file it. It is dated 13th of April, 1942.

MR. McMASTER: Here is the original if my friend would let me have the copy.

MR. HUNTER: In that case we will file the original, my lord.

MR. McMASTER: That is admitted.

MR. HUNTER: It is admitted. This is a general power of attorney, my lord, gives rather wide powers. It is from the three Nagai's to Charles Howard Stonehouse, and is dated the 13th of April, '42.

(POWER OF ATTORNEY MARKED EXHIBIT NO. 4).

MR. HUNTER: This is correspondence, my lord, to which my friend has no objection. It pertains to the power of attorney and the lease. I would suggest that the four letters here go in as one exhibit, and I would like to read them, but I see no reason for them to go into the transcript.

THE COMMISSIONER: Very well.

MR. HUNTER: (Reading). That seems to show what occurred,

my lord, and I am afraid it is up to your Lordship to form your own conclusions.

(LETTERS MARKED EXHIBIT NO. 5).

MR. HUNTER: I have nothing definite in the file, my lord, to show what the first lease was. It is my understanding that it was made by Mr. Stonehouse. We have here a copy of a renewal that was made on the 27th of October, '43, with George Herbert Snow. It is made actually by the Custodian. I don't know whether you want that.

THE COMMISSIONER: I think it had better be put in since we have the other.

MR. HUNTER: Lease dated 27th October, '43, from the Custodian to George Herbert Snow.

(LEASE MARKED EXHIBIT NO. 6)

MR. HUNTER: There is nothing in that to indicate that it is a renewal, but obviously it must be, because the first lease was made the prior year.

THE COMMISSIONER: The first lease was to Snow, was it?

MR. HUNTER: According to the correspondence there it indicates it was made to Snow. I haven't seen it so I can't definitely say, my lord, but I believe it was. Do you know, Mr. McMaster?

MR. McMASTER: I am advised that is so, my lord, but I understood the Custodian made the arrangements so we will have to get some facts.

THE COMMISSIONER: Was there any correspondence between the Custodian and the claimant relative to the renewal of the lease?

MR. HUNTER: There may be on the main file, my lord;

there is nothing here.

THE COMMISSIONER: That might be helpful.

MR. HUNTER: Do you want these appraisals, now, my lord, or do you wish to wait until we produce the appraiser?

THE COMMISSIONER: Does counsel wish them in now?

MR. HUNTER: I don't know whether they are of any assistance or not. I don't have any objection. They have to go in sooner or later, anyway.

THE COMMISSIONER: I think it would be better if they did not go in until later. I think it would be better if we do not have them filed now. Presumably they will call for a good deal of explanation.

MR. HUNTER: Oh yes, they are rather sparse, my lord. The appraisers themselves will have to give the evidence.

THE COMMISSIONER: There is this about it: The only reason I could see for putting them in now is that they are going to be available to counsel for claimants for the purpose of cross-examination of the appraisers.

MR. HUNTER: They have copies.

MR. McMASTER: I have copies, my lord.

MR. HUNTER: Q: Mr. Nagai, I judge from your file here that you and Mr. Brown were supposed to be competitors, is that right?

A Well, the way I figure, he is not very honest. Well, anyway, we don't get along extra good.

Q You are not too good friends now?

A Well, I didn't feel anything against to him but then the way he writes that statement, well, don't look like very kindness to us, to me.

Q Do you think he was being dishonest in that statement?

A Well I won't say for dishonest, but then his opinion and my opinion is different, the way I figure.

Q It is just a difference of opinion?

A Yes, but that is about all.

Q Now when you described the method by which you operate these greenhouses, and apparently you had good results with them, but that is your theory of operation, isn't it? A: Yes.

Q And other people have other theories?

A That is right.

Q Some of which are quite successful?

A Yes.

Q And what is suitable to you may not be suitable to someone else? A: Well that has always happened.

Q Yes. Now, apparently you were able to produce crops or tomatoes, say, earlier than the average operator so that you could get them to market earlier, is that correct? A: Yes.

Q Now that was due to -- let me see how many factors -- was it due to planting them earlier?

A Planting early and getting a crop early.

Q And I presume keeping your hothouses at the desirable temperature? A: Yes.

Q And good soil? A: Yes.

Q And proper attention? A: That is it.

Q And by doing that you were able to produce a crop ahead of the normal person? A: Yes.

Q Well now, providing you were operating a normal, any

adequate greenhouse, that is one where you could keep the temperature adequate and providing you operate it according to your rules, could you have produced crops that early?

A Well, I guess I need an interpreter for that part of it.

MR. McMASTER: I didn't follow it myself. Could we have the question simplified?

THE COMMISSIONER: I experienced some difficulty myself. Perhaps you would re-word your question.

MR. HUNTER: I will re-word it.

Q If you were operating a greenhouse of some other construction, but one in which you could maintain a proper heat, by using your methods of operation, could you produce an early crop? Perhaps that is obscure, too, is it?

MR. McMASTER: I am afraid it is.

MR. HUNTER: I will try and shorten it, if you like.

Q If you had any proper greenhouse could you produce an early crop? A: Any proper greenhouse?

Q Anyone that you could keep at the right temperature?

A Well the way I figure, that is the only way to get the proper temperature. If it is any other person, hanging the heating pipe up on wall, that don't give equal heat. It is plenty warm enough on wall but in the middle of the greenhouse it wouldn't get the same heat. Heat what you want. So that is why, the way I figure, that is the only system to grow early crop.

Q Well aren't you saying, in effect, that you believe that your system was the one that adequately heated a greenhouse? A: Yes, that is the only system.

Q Well now, are you going to be dogmatic about that or are you going to admit that there may be other systems that could do that?

A What that mean?

Q (Question Interpreted).

A Well, maybe some other system but then I don't know.

Q Well there are people all over the world raising things in greenhouses with, I presume, different systems of engineering and heating.

A Yes.

Q And succeeding in their operations?

A Yes, maybe.

Q Well I put it to you that there are bound to be quite a number of them, is that not true?

A Well, it is maybe doing, but then it is no want to bring a crop out early as I can.

Q Yes. Well I put it to you, though, that you are a particularly skillful operator, aren't you? I mean do you think anybody else can do it as well as you can? A: Well I guess anybody else can do it but then never done that. I got a record. It is a tomato crop, early crop of tomatoes, always coming to Vancouver from Victoria in history. But then not before me. Only we started producing tomatoes, that is the only time started sending tomato to Victoria. Well that means

we taken crop off much earlier than any other people. You can get that information from Mr. Snow perhaps betterthan me.

Q Well,I am not disputing that you may have been able to do that; I am putting it to you though that you were able to do it because you knew your job better than the average person.

A Yes, I put in more money to start with.

Q And you understood the business to start with better than other people, isn't that true?

A Well, I know.

THE COMMISSIONER: Do you mind my interjecting here for a moment, Mr. Hunter?

Q What is the particular reason, Nagai, that you attribute your ability to produce crops earlier? Is it due to the method of heating, the decentralized method of heating?

A I need a translator.

Q (Question Interpreted).

A Well need heat, has got to have a heat to grow things early, but at the same time got to have the sunshine because any other fertilizer or heat or any other, sunshine helps grow things more than any other thing. So it has got to have the sunshine. So I try to not have the whole thing in one. I have it scattered all over.

Q You have scattered hothouses?

A Yes.

Q Each with their own heating plant?

A Yes.

Q And it is those two factors, the separate heating plant and the scattering of the houses, that permits you to bring your crop on early, is that it?

A That is it. And another thing, ordinary people have greenhouse, many people has a greenhouse but then they using old soil a number of years. For instance, like Mr. Brown, he has been running greenhouse ever since his grandfather and his father and himself brought up in greenhouse ever since he's born, but then, not one time he change his dirt inside of the greenhouse. But then I change the dirt every three years so that makes quite a help. We could feed that many different kinds of chemical but something in the dirt -- I cannot pronounce how it is -- but then it has got to be new soil to grow things better.

MR. HUNTER: Q: If you had been going to build your greenhouses together, Mr. Nagai, according to the other system with which you don't agree, where would you have put them on your property?

A I didn't get exactly the point.

Q (Question Interpreted).

A Well I had a chance to build every one on a straight line if I wanted to, but then I don't want to bring the whole thing in one line.

Q Where on your property would you have put them in a straight line? A: Well we could have put the same place, just about the same place, right in the middle of our property.

Q They would have still been lower than each other?

A It is up and down but then it would be easy enough to grade that off and build it up with cement foundations.

Q It would have been more expensive though, wouldn't it? A: It may cost a little more to do that, but then I don't want to spend money for foolish, so I won't do it that way.

Q Well don't you think the very type of land you own lent itself to your type of operation better than, say, flat land?

A Well, I got to have the drainage. Well I say that is the type of land, it is suitable for me; it may not be suitable for other people. But then that is the type of land suit me O.K.

Q Yes. And it suited your type of operation, too?

A Yes , that is right.

Q And it was really almost easier for you to build them apart than together, wasn't it?

A Yes.

Q And that may have had some bearing on your desire to build this way? A: Yes.

Q Now the production of tomatoes, early tomatoes, or cucumbers, -- whatever the business is, -- in a greenhouse like you operate is not an automatic thing, is it; it requires a great deal of skill and knowledge? A: Yes, it has got to have some experience to grow things better, you know. Any person can grow, but then it is, well, produce more crop, that means you got to do it with experience.

Q In other words, it is not only the plants and equipment that does the job, but it is the experience and knowledge behind it?

A Yes, yes, that helps lots.

Q Did you know Mr. Eddy as well, the other appraiser?

A No. I haven't known this man at all.

Q Now these apple trees, or fruit trees, on your property, they are pretty old, aren't they?

A Well that property of mine, I sold 20 acres, west side of the property, I sold to Mr. Kozaka. Then I own somewhere about 60 acres. Well that hadn't had any clearance before, so everything clearing in there is somewhere about 10 acres. Every bit of the land I did clear myself and same time I grow the strawberries at first a little while. Then at the same time I plant fruit tree over space I had cleared.

Q Yes, I was out there and looked at your fruit trees and I judged from seeing them that you didn't pay much attention to them once you started the greenhouse business? A: No, that hasn't had much attention to them, is kind of "let her go".

Q You didn't regard that as your real income; your real income was from the greenhouse?

A Yes, that is right.

Q And did you bother to spray them, andso on?

A Well, at first a little while I did, but then I didn't give hardly no attention for the trees because I can't get the two jobs done at a time.

Q You didn't carry insurance, I understand, is that

right? A: No, I didn't. That is Mr. Stonehouse put that in after I left.

Q Do you mind telling me why you didn't carry insurance? A: Well I had no life insurance and no fire insurance or nothing. Only the truck I had insured because of injury to other people where I may not be able to fix that up, so I covered with insurance, but I haven't had any other insurance. If it is my home burn down, well, I'll be able to place myself. Then, especially greenhouse, like a boilerhouse, I had cased in with cement all around. If a person take a broom once a week or once two week, no danger to get the fire because it is all cement and iron nearby the fire. So I didn't see any reason to put insurance on it.

Q What about your sawdust bunkers? Didn't you think they were a danger?

A Well it is maybe get the fire, but then I wouldn't be starving if they get the fire so that is why I don't care if I get any insurance.

Q Your theory was you would build another one if it burned down? A: That is what I figure.

MR. HUNTER: I don't know whether my friend will admit that this property, land and buildings improvements, was assessed at $17,800.00.

MR. McMASTER: That is probably correct.

THE COMMISSIONER: What year?

MR. SHEARS: 1942.

MR. HUNTER: That is 1942, my lord.

Q Now, Mr. Eddy, as I understand it, operates quite a number of greenhouses himself, although not for the tomatoes, but for shrubbery and things of that kind. Do you know whether that is so?

A Well I think it was Mr. Eddy come to our place once and told me to come over andlook at his place, and he told me -- I remember his system is different from me. He hasn't had pipe on the ground, he hang the pipe on the wall. I think he is the man, that man come from Westminster.

Q It says, H.M. Eddy & Sons Limited, Sardis, British Columbia. A: That would be a different man. I don't know him at all.

Q And what I am wondering about, Mr. Nagai, is, in his report he says that, "I find that very considerable capital expenditure would be necessary to put the whole plant in condition to meet present-day operating and marketing conditions."
Do you know what he would mean by that?

A I want you to translate that.

Q (Question Interpreted).

A Yes, I know that is an expensive way to build it, but the way I figure, we use the house year after year, so I have -- easy enough to get that back. It worst to spend money at first place but then year after year we getting crops off so we would be far ahead at the end.

MR. HUNTER: I don't think he has the right slant.

Q (Question Interpreted again).

THE COMMISSIONER: Isn't it difficult for you to determine

just what the appraiser means by that phraseology, Mr. Hunter?

MR. HUNTER: I am just wondering. I don't know, I will have to ask him when I get him. I was wondering whether the claimant would know.

THE COMMISSIONER: I am wondering whether it is worthwhile pursuing that line of cross-examination. I doubt if he would know.

MR. HUNTER: I am pretty dubious myself, my lord.

Now that we have spent 25 minutes putting the question, we had better leave it.

A Well, shouldn't be any place has to be repaired in the short time for the greenhouse. It is maybe on the sawdust bunker, it may be has tobe repaired, but then there is no place needed to be repaired in short time.

Q Well I judge then that you don't really know what he was referring to in that letter?

MR. McMASTER: My lord, Mr. Kobayashi advises me he doesn't think the witness is getting the question.

THE COMMISSIONER: No. I think you had better abandon it.

MR. HUNTER: That is all, my lord.

THE COMMISSIONER: Q: Mr. Nagai, having a greenhouse operation constructed as yours was, is it not more costly from a labour point of view to have the houses separated than to have them together?

A I guess labour, if it is scattered that way, it takes a little more labour.

Q Yes. You would need more labour?

A Yes, I understand that good.

Q But you think that disadvantage is offset by the advantages that you have described earlier?

A Yes, I didn't mind work a little harder but then, same time, I want to get early market, that is why I done that way.

THE COMMISSIONER: Yes. Has my question provoked you into a desire to pursue it further? You are free, if you wish.

MR. HUNTER: No, I think it is obvious, my lord -- there are more furnaces to attend to.

THE COMMISSIONER: Any re-examination?

MR. McMASTER: No re-examination.

THE COMMISSIONER: Thank you, Mr. Nagai.

(Witness aside)

(PROCEEDINGS ADJOURNED SINE DIE)

I hereby certify the foregoing to be a true and accurate transcript of the proceedings herein.

Gordon Hambleton

"G. HAMBLETON"
Official Reporter.

Kamloops, B.C.,

February 13th, 1948.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. McMASTER: My lord, with regard to the case of Nagai, which we heard yesterday, I have in my room at the hotel and neglected to bring with me, two rather large drawings which he has had drawn by a draftsman showing his heating plant, or heating method, in the greenhouse, and also the roof of the greenhouse showing the ventilation method, and that type of thing. I spoke to my learned friend about it this morning. While I appreciate your Lordship has seen the premises and it may not be a necessary thing to file for that purpose, I did have in mind that in a later stage when we are calling such expert evidence as we may be able to find, it might be quite useful, in view of some emphasis laid to heating, to produce this and say this is the man's method of heating.

THE COMMISSIONER: Just as a plan.

MR. McMASTER: Yes. I don't think my friend objects if that is filed as an exhibit in this case and I would ask to hand it to the Secretary. I will have to get it.

THE COMMISSIONER: Does that suit you, Mr. Hunter?

MR. HUNTER: I have no objection, my lord. I think, of course, my friend should be in a position to have it proven later if that is required, to show that it is actually a --

THE COMMISSIONER: Oh yes, most decidedly.

MR. McMASTER: I am sorry I didn't do that before Mr. Nagai got away, but if it becomes necessary in the circumstances I think I can get him down to the Coast, if necessary.

THE COMMISSIONER: Are there two of these?

MR. McMASTER:. There are two drafts with respect to the construction of the greenhouses on the property of the claimant.

THE COMMISSIONER: They will be received and marked Exhibits 7 and 8.

(DRAFT MARKED EXHIBIT NO. 7)

(DRAFT MARKED EXHIBIT NO. 8).

THE COMMISSIONER: As I said before, these exhibits are received on the basis that they are taken as plans or sketches of the property, the subject of this claim, and if required by counsel they will have to be proved at a subsequent date.

(PROCEEDINGS ADJOURNED SINE DIE)

I hereby certify the foregoing to be a true and accurate transcript of the proceedings herein.

Gordon Hambleton

"G. HAMBLETON"
Official Reporter.

EXHIBIT No. 72-5
DATE 12 Feb 1948
FILED BY
J.W.G. Hunter

7005, 7006,
7007

22nd September, 1942.

Charles H. Stonehouse, Esq.,
Haney, B. C.

Dear Sir:

Re: Yoichi, Hidesaburo and Manjiro
NAGAI, Haney, B. C.

We have before us copy of Power of Attorney dated April 13th, 1942 in your favour signed by the gentlemen mentioned above, and which you brought to this office about the middle of July. Under the Power of Attorney in question you have been authorized by the Japanese concerned to deal adequately with their property.

We wish, however, to call your attention to the fact that the property in question vested in the Custodian on April 30th, and regardless of the Power of Attorney given to you by the three Nagais we must stipulate that you make no disposition whatsoever of the property of the Nagais without the consent of this office first obtained in writing. Additionally we must stipulate that you are not permitted to forward any money directly or indirectly to the Nagais or to any other agents or representatives who may be employed by the Nagais without the consent of this office.

We notice that when the Nagais registered their assets with us they made very brief declarations regarding the equipment left on the farm and in order that our records may be complete we would appreciate your sending to us at this time a detailed list of chattels covering separately house furniture and fittings, and separately all farming equipment, including engines, etc.

Please accept our thanks in advance for your assistance.

Yours truly,

R.P. Alexander
Manager

RPA:LF

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Date March 10/48 ..... E. M. Young .....
Signature

Copy

c/o Sorg Pulp Co.,
Via Squamish & Quesnel,
R.P.O., B.C.
Nov. 16, 1942.

OFFICE OF THE CUSTODIAN
JAPANESE SECTION

RECEIVED NOV 19 1942

Office of the Custodian,
506 Royal Bank Bldg.,
Hastings and Granville,
Vancouver, B. C.

Dear Sir:

Regarding your letter of October 30th file (no. 7005, 7006, 7007) I would appreciate the leasing of the property but at the present considered price I feel that it is unexpectedly low for the size of the greenhouses.

However, please advise Mr. Bone to make all arrangements with Mr. Stonhouse at Haney.

I remain

Yours truly,

M. NAGAI
(Signed)

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Date. March 10/48 ..... E. M. Young
Signature

7005
7006
and 7007

November 21, 1942

Messrs. Y., H., & M. NAGAI
Registration Nos. 14481, 13837 & 13838
East Lillooet, B. C.

Dear Sirs:

We are in receipt of a letter dated the 16th inst., signed by Mr. Manjiro NAGAI, Registration No. 13838, in reply to our letter dated October 30th, in connection with the use of equipment and sale of supplies to Mr. G.H. Snow.

We assume that Mr. M. Nagai is writting after discussing this matter with all parties concerned and is answering on their behalf.

We are today writing to Mr. Stonhouse, informing him, in accordance with your letter, that he is to make all arrangements that he thinks necessary on your behalf-thus releasing this office from any responsibility occurring in connection with arrangements that may be made regarding the chattels, equipment and supplies on your property with Mr. Bone, Manager of Messrs. G. H. Snow, Fruit Wholesalers, 155 Water Street, Vancouver, B. C.

We are enclosing herewith copy of our letter to Mr. Stonhouse, which is self-explanatory.

Yours truly,

R.D. Richardson
Farms Department

HRC:NDB
Enc.

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Date. March 10/48 .....E. M. Young
Signature

7005
7006
and 7007

November 24, 1942

Mr. C. H. Stonhouse
Haney, B. C.

Dear Sir:

Re: Y. H. & M. NAGAI

After communicating with the above parties in connection with the leasing of their property to Mr. George Herbert Snow of Vancouver, we are now in receipt of a reply signed by Mr. Manjiro NAGAI asking this office to kindly instruct Mr. Bone, Manager of Messrs. G. H. Snow, to make all arrangements with you.

We have therefore written a letter to the Japanese parties concerned stating that this arrangement will be quite satisfactory to the Custodian and that this office will not interfere with any arrangements you may make with Mr. Bone regarding use of the chattels and equipment and sale of supplies, which will be required to operate this property.

Your Power of Attorney, dated the 13th day of April, 1942, will be duly recognized by this office, and will release the Custodian from any responsibility occurring with any arrangements you may make. We would, however, request that you supply us with details of any transactions you may make so that we may have same on file. We would also remind you that any proceeds of sales are to be remitted to this office, made payable to the Custodian of Enemy Property.

In closing, we are taking the liberty of enquiring whether you have recently received a letter from the subject Japanese regarding this matter, and if so, we would very much appreciate your forwarding a copy to this office.

Yours truly,

R.D. Richardson
Farm Department

HRC:NDE

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Date. March 10/48

E. M. Young
Signature

Lease No..... File No. 7005/6/7

This Indenture,

Made in triplicate this Twenty-seventh day of October A.D. 1943.

IN PURSUANCE OF THE "SHORT FORM OF LEASES ACT"

Between:

THE SECRETARY OF STATE OF CANADA, acting in his capacity as Custodian under and by virtue of Order-in-Council P.C. 1665, and Amendments thereto.

Hereinafter referred to as the LESSOR OF THE FIRST PART.

And:

GEORGE HERBERT SNOW (Broker) of 155 Water Street, City of Vancouver, in the Province of British Columbia.

Hereinafter referred to as the LESSEE OF THE SECOND PART.

Witnesseth, that in consideration of the rents reserved under the covenants and agreements hereinafter contained the Lessor doth demise and lease unto the Lessee , **All and Singular** that certain parcel or tract of land and premises, situate, lying and being in the Municipality of Maple Ridge, in New Westminster District, in the Province of British Columbia, more particularly described as

Certificate of TITLE NO. 59378 E.
South East Quarter (SE¼) of Section Fifteen (15), Township Twelve(12), save and except the North 20 chains and that portion of said Quarter section lying East of Kanaka Creek, save and except 2.517 acres, more or less, as shown outlined in red colour on sketch deposited No.6979, District of New Westminster, save and except Lots One and Two (1 & 2) of part of the South East Quarter of Section Fifteen (15), Township Twelve (12), according to a registered map or plan thereof deposited in the Land Registry Office, City of New Westminster, Province of British Columbia, and therein numbered Sixty-four hundred and fifty-two (6452). (Also known as on 15th Road SW)

Together with all buildings thereupon erected, or hereafter during the term hereby granted, to be erected, and also with all ways, paths, passages, waters, water courses, privileges, advantages and appurtenances whatsoever to the said premises belonging or otherwise appertaining, saving and **excepting** the Dwelling House. Thereout sufficient space to be reserved for the sole and exclusive use of the Lessor in storing certain chattels and effects now on the premises.

and reserved to the Lessor, and reserving also to the Lessor and to tenants of the Lessor occupying adjoining lands from time to time, their respective families and servants, and all other persons with the Lessor's or their permission, going to or from the said adjoining lands, free and uninterrupted right at all times hereafter and for all purposes to go, return, pass and repass with or without horses, cattle, and vehicles from and to any highway by crossing through and over the demised premises; **and Doth Further Let on Hire** the following chattels, namely:—

EXHIBIT No. 72-6
DATE 12 Feb 1948
FILED BY J.W.G. Hunter

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.
Date March 10/48 ..E.M.Young..Signature

from the First day of October A.D. 19 3 , (or from the date hereof) for the term of years thence ensuing and fully to be determined on the Thirtieth day of September, 1944.

Yielding during the said term therefor the clear (annual) rent of $ 1900.00----------Nineteen Hundred----------Dollars, of lawful money of Canada, payable to the Lessor at the Office of the Custodian, Vancouver, British Columbia, on the following days and times, that is to say:— $475.00 Quarterly the first payment to be made on the First day of October, A.D.1943, and a further payments of Four Hundred and Seventy-five Dollars($475.00) on the First day of January, April and July 1944, until the said term has been complet

the first payment to be made on the day of x , A.D. 194xx.

2. That the said Lessee covenants with the said Lessor to pay rent; and to pay taxes; and to pay rates and charges for water, electric light, gas and telephone. AND TO repair; and to keep all ditches and drains clean, open and free from obstruction and in good working order; and to keep up fences; and not to cut down timber; and to insure against fire in the joint names of the said Lessor and the said Lessee, show receipts and to rebuild in case of fire; AND that the said Lessor may enter and view state of repair, and that the said Lessee will repair according to notice, and that the said right of entry and to view the state of repair shall extend to every person to whom may be delegated any power or duty conferred or imposed on the Custodian and to every person authorized by the Director of Soldier Settlement of Canada to act as an Inspector. AND will not assign without leave; and will not sublet without leave; and that he will leave premises in good repair excepting only reasonable wear and tear and damage by tempest; AND that he will not carry on any business on the premises that shall be deemed a nuisance.

The foregoing words of this clause found in Column One (1) of the Short Form of Leases Act shall be constructed according to the extended form in Schedule Two (2) of that Act.

3. The Lessee Further Covenants and Agrees with the Lessor:—

(a) To manage, cultivate and manure the portions of the premises now or hereafter brought under cultivation in a good and husbandmanlike manner and in accordance with the most approved method of husbandry used in the district, and to use the said cultivated lands for the purpose of producing the type of crops heretofore produced thereon, and to keep all arable lands clean and free from weeds, and to protect, preserve, prune and manage all orchard, fruit, shade and ornamental trees on the premises.

(b) To spread on the land in a husbandmanlike manner all manure produced on the said premises and not to remove from the lands any manure on the expiration of the term.

(c) During the continuance of the term at his own expense to keep the said chattels in good and substantial repair and condition and to keep the owner indemnified against all loss of, from and against the said chattels from whatever cause it may arise, save only reasonable wear and tear.

(d) Upon the expiration of the term either by effluxion of time or by the Lessor under the right reserved to that effect to deliver to the Lessor peaceably and at the Lessee's risk and expense the said chattels at the said premises.

(e) Apart from the hired chattels, to warehouse and store upon the demised premises those chattels and effects of the Lessor now upon the demised premises, hereinafter called the stored chattels, by placing the said stored chattels in a place reasonably safe and to use reasonable care for the protection thereof.

(f) From time to time to deliver up to the Lessor the stored chattels or such portions thereof as the Lessor may demand and to re-deliver to the Lessor the hired chattels in the event of the Lessor so demanding by reason of judgment obtained against the Lessee, or breach of any term of this Lease, or by reason of the Lessor considering his right to the hired chattels to be endangered by their continuing in the possession of the Lessee, of which the Lessor shall be the sole judge.

(g) At the request of the Lessor from time to time to deliver to the Lessor an order on any third person to whom the Lessee may have marketed or delivered any of the crop from the demised premises and in such form as the Lessor may request directing such third person to pay to the Lessor from the proceeds of any crop or of any monies payable to the Lessee a sum equivalent to the rental for the current year.

(h) To observe fully and at all times the right of way reserved to the Lessor and to tenants of the Lessor occupying the adjoining lands for the time being, their respective families and servants, and all other persons with the Lessor's or their permission going to or from the said adjoining lands.

(i) To put all plumbing works, sanitary arrangements and drains in condition to comply with the requirements of the Municipal Health Officer and of the Board of Health of the Municipality and to comply forthwith with all notices and requests of the Municipal Health Officer or of the Board of Health of the Municipality.

4. Provided Always and it is expressly agreed that if the rent hereby reserved, or any part thereof, shall be unpaid for fifteen (15) days after any of the dates after which the same ought to have been paid although no formal demand shall have been made thereof, or in case of the breach or non-performance of any of the covenants and agreements herein contained on the part of the said Lessee, his heirs, executors, administrators and assigns, or if the term hereby granted shall be at

any time seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any act that may be in force for bankrupt or insolvent debtors, or in the event of the Lessee failing to keep possession of any of the said chattels, then in any of such events the then current year's rent shall immediately become due and payable, and it shall also be lawful for the said Lessor, his successors in office or assigns, at any time thereafter, into and upon the said demised premises, or any part thereof, in the name of the whole to re-enter, and the same to have again, repossess and enjoy as of his or their former estate, anything herein contained to the contrary notwithstanding.

5. The Lessor covenants with the Lessee for quiet enjoyment.

The covenants of the Lessee and the reservations herein contained shall enure to the Lessor, his successors in office and assigns, and shall be binding upon the Lessee, his heirs, executors, administrators and assigns.

In Witness Whereof the Lessor as Custodian has executed these presents by his duly authorized deputy, and in witness whereof the hand and seal of the Lessee, all on the day and year first above written.

Signed by the said Lessor by his authorized deputy, in the presence of:—

K.W. Wright

F.G. Shears (Signed)
Authorized Deputy of the Secretary of State and/or Custodian

Signed by the said Lessee in the presence of:—

F.J. Bone

G.H. Snow

Approved by the Director of Soldier Settlement of Canada, as to land.

Dated A.D. 194

THE SECRETARY OF STATE
OF CANADA

— and —

GEORGE HERBERT SNOW

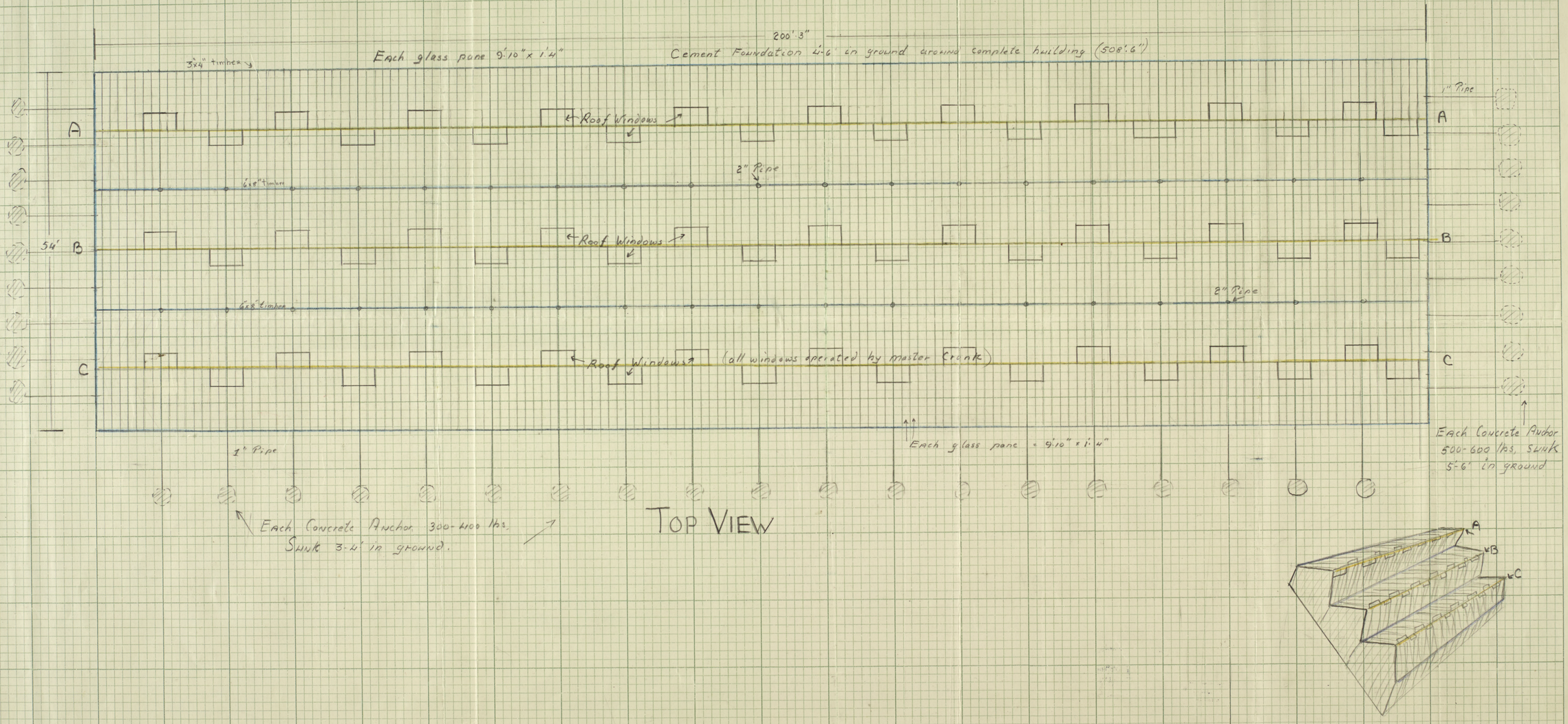
Lease

LOCKE, LANE, GUILD & SHEPPARD
Barristers, etc.,
Vancouver, B. C.

50393. 1½M. W.S. 1-43.

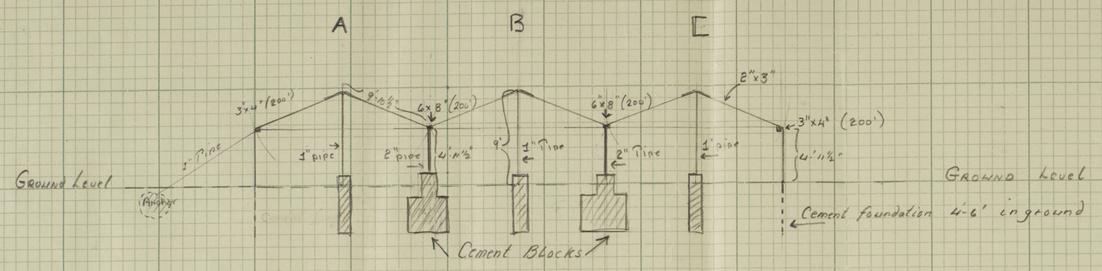
HANEY HOTHOUSES
M. NAGAI
10 Feet = 1 Inch

EXHIBIT No. 7-7
DATE 13 Feb. 1948
FILED BY R. J. McMaster



TOP VIEW

BRITISH MADE



FRONT VIEW Scale 1" = 10'

EXHIBIT No. 72-8
DATE 13 Feb 1948
FILED BY R. J. McMaster.



Pipe System
1" = 10'

Total of 22 - 2" pipes (heating)
= 4532 lineal feet

Legend:
2" pipe . . . .
4" pipe . . . .
6" pipe . . . .
3" pipe . . . .

BRITISH MADE

Lease No. 111 File No. 6980/12/2 7005/6/7

This Indenture,

Made in triplicate this Fifteenth day of December A.D. 1942.

IN PURSUANCE OF THE "SHORT FORM OF LEASES ACT"

Between:

THE SECRETARY OF STATE FOR CANADA, acting in his capacity as Custodian under and by virtue of Order-in-Council P.C. 1665, and Amendments thereto.

Hereinafter referred to as the LESSOR OF THE FIRST PART.

And:

GEORGE HERBERT SNOW (Farmer) of 155 Water Street, City of Vancouver, in the Province of British Columbia.

Hereinafter referred to as the LESSEE OF THE SECOND PART.

Witnesseth, that in consideration of the rents reserved under the covenants and agreements hereinafter contained the Lessor doth demise and lease unto the Lessee , **All and Singular** that certain parcel or tract of land and premises, situate, lying and being in the Municipality of Maple Ridge, in New Westminster District, in the Province of British Columbia, more particularly described as

Certificate of TITLE NO. 59378 E.
South East Quarter ($SE\frac{1}{4}$) of Section Fifteen (15), Township Twelve (12), save and except the North 20 chains and that portion of said Quarter section lying East of Kanaka Creek, save and except 2.517 acres, more or less, as shown outlined in red colour on sketch depositer No. 6979, District of New Westminster, save and except Lots One and Two (1 & 2) of part of the South East Quarter of Section Fifteen (15), Township Twelve (12), according to a registered map or plan thereof deposited in the Land Registry Office, City of New Westminster, Province of British Columbia, and therein numbered Sixty-four hundred and fifty-two (6452). (Also known as on 15th Road, SW.

Together with all buildings thereupon erected, or hereafter during the term hereby granted, to be erected, and also with all ways, paths, passages, waters, water courses, privileges, advantages and appurtenances whatsoever to the said premises belonging or otherwise appertaining, saving and excepting the Dwelling House. Thereout sufficient space to be reserved for the sole and exclusive use of the Lessor in storing certain chattels and effects now on the premises.

and reserved to the Lessor, and reserving also to the Lessor and to tenants of the Lessor occupying adjoining lands from time to time, their respective families and servants, and all other persons with the Lessor's or their permission, going to or from the said adjoining lands, free and uninterrupted right at all times hereafter and for all purposes to go, return, pass and repass with or without horses, cattle, and vehicles from and to any highway by crossing through and over the demised premises; **and Doth Further Let on Hire** the following chattels, namely:—

EXHIBIT No. 72-9
DATE 15 June 1949
FILED BY A. Bull.

from the First day of October A.D. 1942, (or from the date hereof) for the term of - One (1) - years thence ensuing and fully to be determined on the Thirtieth day of September, 1943.

Yielding during the said term therefor the clear (annual) rent of $1900.00 ---------- Nineteen Hundred ---------- Dollars, of lawful money of Canada, payable to the Lessor at the Office of the Custodian, Vancouver, British Columbia, on the following days and times, that is to say: $475.00 Quarterly the first payment to be made on the First day of October, A.D. 1942. and a further payments of Four Hundred and Seventy-five Dollars ($475.00) on the First day of January, April and May, 1943, until the said term has been complete

2. That the said Lessee covenants with the said Lessor to pay rent; ~~and to pay taxes~~; and to pay rates and charges for water, electric light, gas and telephone. AND TO repair; and to keep all ditches and drains clean, open and free from obstruction and in good working order; and to keep up fences; and not to cut down timber; ~~and to insure against fire in the joint names of the said Lessor and the said Lessee, show receipts and to rebuild in case of fire~~; AND that the said Lessor may enter and view state of repair, and that the said Lessee will repair according to notice, and that the said right of entry and to view the state of repair shall extend to every person to whom may be delegated any power or duty conferred or imposed on the Custodian and to every person authorized by the Director of Soldier Settlement of Canada to act as an Inspector. AND will not assign without leave; and will not sublet without leave; and that he will leave premises in good repair excepting only reasonable wear and tear and damage by tempest; AND that he will not carry on any business on the premises that shall be deemed a nuisance.

The foregoing words of this clause found in Column One (1) of the Short Form of Leases Act shall be constructed according to the extended form in Schedule Two (2) of that Act.

3. The Lessee Further Covenants and Agrees with the Lessor:—

(a) To manage, cultivate and manure the portions of the premises now or hereafter brought under cultivation in a good and husbandmanlike manner and in accordance with the most approved method of husbandry used in the district, and to use the said cultivated lands for the purpose of producing the type of crops heretofore produced thereon, and to keep all arable lands clean and free from weeds, and to protect, preserve, prune and manage all orchard, fruit, shade and ornamental trees on the premises.

(b) To spread on the land in a husbandmanlike manner all manure produced on the said premises and not to remove from the lands any manure on the expiration of the term.

(c) During the continuance of the term at his own expense to keep the said chattels in good and substantial repair and condition and to keep the owner indemnified against all loss of, from and against the said chattels from whatever cause it may arise, save only reasonable wear and tear.

(d) Upon the expiration of the term either by effluxion of time or by the Lessor under the right reserved to that effect to deliver to the Lessor peaceably and at the Lessee's risk and expense the said chattels at the said premises.

(e) ~~To keep the hired chattels insured in the name of the Lessor throughout the term against loss or damage by fire to the full insurable value thereof with some reputable insurance company.~~

(f) To observe fully and at all times the right of way reserved to the Lessor and to tenants of the Lessor occupying the adjoining lands for the time being, their respective families and servants, and all other persons with the Lessor's or their permission going to or from the said adjoining lands.

(g) To put all plumbing works, sanitary arrangements and drains in condition to comply with the requirements of the Municipal Health Officer and of the Board of Health of the Municipality and to comply forthwith with all notices and requests of the Municipal Health Officer or of the Board of Health of the Municipality.

4. Provided Always and it is expressly agreed that if the rent hereby reserved, or any part thereof, shall be unpaid for fifteen (15) days after any of the dates after which the same ought to have been paid although no formal demand shall have been made thereof, or in case of the breach or non-performance of any of the covenants and agreements herein contained on the part of the said Lessee, his heirs, executors, administrators and assigns, or if the term hereby granted shall be at any time seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any act that may be in force for bankrupt or insolvent debtors, or in the event of the Lessee failing to keep possession of any of the said chattels, then in any of such events the then current year's rent shall immediately become due and payable, and it shall also be lawful for the said Lessor, his successors in office or assigns, at any time thereafter, into and upon the said demised premises, or any part thereof, in the name of the whole to re-enter, and the same to have again, repossess and enjoy as of his or their former estate, anything herein contained to the contrary notwithstanding.

5. Provided Further that if at any time during the term the hostilities in which His Majesty is presently engaged shall have ceased the Lessor may terminate this lease by giving the Lessee one (1) month's notice in writing to vacate the premises, and such notice having been given this lease shall terminate at the end of the said month notwithstanding that it may not be at the end of the current year of the tenancy, and such notice shall have been deemed to have been received by the Lessee on the date on which it shall have been deposited in the Post Office at Vancouver, British Columbia, and mailed and addressed to the Lessee at ,

British Columbia; Such notice may also be served upon the Lessee personally or by posting it on any part of the said premises if vacant, or by serving it upon any grown up person on the said premises if occupied and if the Lease shall terminate as herein provided on any day other than the

last day of the year of the tenancy the rent for the year in which the lease terminates as aforesaid shall be apportioned by charging the Lessee a reasonable rent having regard to the stipulated rent, and the opportunity of the tenant to have obtained or to obtain the crops in that year, reserving to the Lessee the right to re-enter upon the demised premises to cultivate and harvest crops maturing in the year of the tenancy in which the termination occurs unless the incoming occupant shall pay to the Lessee a fair value for the crops maturing at the time of the termination, which value shall be determined by a person appointed by the Lessor or by an authorized Deputy of the Lessor in his capacity of Custodian from those persons to whom may be delegated any power or duty conferred or imposed on the Custodian.

6. The Lessor covenants with the Lessee for quiet enjoyment.

The covenants of the Lessee and the reservations herein contained shall enure to the Lessor, his successors in office and assigns, and shall be binding upon the Lessee, his heirs, executors, administrators and assigns.

In Witness Whereof the Lessor as Custodian has executed these presents by his duly authorized deputy, and in witness whereof the hand and seal of the Lessee, all on the day and year first above written.

Signed by the said Lessor by his authorized deputy, in the presence of:—

Dorothy Harrick.

(G. W. McPHERSON)
Authorized Deputy of the Secretary of State and/or Custodian

Signed by the said Lessee in the presence of:—

Approved by the Director of Soldier Settlement of Canada. as to lands.
By his authorized representative

District Superintendent.

Dated A.D. 194

THE SECRETARY OF STATE
OF CANADA

— and —

GEORGE HERBERT SNOW

Lease

(YEARLY BASIS)

LOCKE, LANE, GUILD & SHEPPARD
Barristers, etc.,
Vancouver, B. C.

(H) Apart from the hired chattels, to warehouse and store upon the demised premises those chattels and effects of the Lessor now upon the demised premises, hereinafter called the stored chattels, by placing the said stored chattels in a place reasonably safe and to use reasonable care for the protection thereof.

(I) From time to time to deliver up to the Lessor the stored chattels or such portions thereof as the Lessor may demand and to re-deliver to the Lessor the hired chattels in the event of the Lessor so demanding by reason of judgment obtained against the Lessee, or breach of any term of this Lease, or by reason of the Lessor considering his right to the hired chattels to be endangered by their continuing in the possession of the Lessee, of which the Lessor shall be the sole judge.

(J) At the request of the Lessor from time to time to deliver to the Lessor an order on any third person to whom the Lessee may have marketed or delivered any of the crop from the demised premises and in such form as the Lessor may request directing such third person to pay to the Lessor from the proceeds of any crop or of any monies payable to the Lessee a sum equivalent to the rental for the current year.

Signature of the Lessor.

Signature of the Lessee.

COPY

Carey

R. R. 1, Whonock, B. C.

April 12th/44.

Dept. Sec. of State.

Dear Sirs:

Please find appraisal of the following land as listed:

No. 584 — Large frame House of 9 rooms. House is not in any way completed inside - contains ordinary plumbing. 15 Greenhouses in very good condition and 70 acres of land which is very rough, cut up with ravines & gullies. There is about 200,000 M ft. of 2 groth timber on this property.
Values as follows:

Greenhouses & equipment	$12,000
Land 70 ac.	1,400
House & Buildings	1,500
Timber	600
	$15,500

S. pt. of S.E. ¼ Sec. 15, T.P.12, N.W.D.
Appraisal acct. $15.00.

Wm. H. Ansell
Appraiser.

MANJIRO, YOICHI & HIDESABURO NAGAI

REG. NOS: 13838
14480
13837

		New Replacement Value - 1944		Depreciated Value as at May 1949
Battery #1 Greenhouses - built	1936 (3) 18x180	6,420.08	55%	2,889.04
1A	1936 (1) 18x80	1,174.01	55%	528.30
2	1937 (3) 18x200	6,676.58	45%	3,672.12
3	1939 (3) 18x200	7,120.78	40%	4,272.47
4	1940 (3) 18x200	6,676.58	35%	4,339.78
5	1941 (3) 18x200	6,676.58	30%	4,673.61
Boiler House and Packing Shed #1		5,372.55	65%	1,880.39
#2(Destroyed)				
#3		1,037.57	55%	466.91
Fuel Bin (Destroyed)				
Boiler House #4		1,883.55	50%	941.78
Water Tanks				1,000.00
Dwelling				750.00
Garage				50.00
Land Value				2,500.00
Fruit Trees				1,500.00
Water System and Drainage System				1,000.00
Boilers and Main Leads not in G.H.				1,500.00
				31,964.40

EXHIBIT No. 72-10
DATE 15 June 1949
FILED BY
a. Bull

R. R 1 Wilcox Bldg
April 12th/44

Dept. Sec of State
Dear Sirs

700 / 584

Please find appraisal of the following land as listed

No 584 — [Large frame House of 8 room. House is not in any way completed inside. contains Ordinary Plumbing 15 Greenhouses in very good condition and 70 acres of land which is very rough cut up with ravines & Gullies. There is about 200000 M ft of 2 growth timber on this property] Values as follows

14,900

Greenhouses & Equipment	$12.000
Land 70 ac	14 00
House & Buildings	15 00
Timber	6 00
	15500

12000
1400
1500
600
15500

S. ½ of S. E ¼ Sec 15. T. P 12. N W D
Appraisal Acct $15 00

Wm H Ansell
Appraiser

EXHIBIT No. 72-11
DATE 15 June 1949
FILED BY
D. J. Brandwood.

COPY

H. M. EDDIE & SONS LTD.

SARDIS, B. C.

Nov. 25th, 1944.

EXHIBIT No. 72-12
DATE 15 June 1949
FILED BY D. J. Bradwood

The Office of Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Sir, Re your file 7005

In accordance with your request and in company with two members of the firm of Brown Bros. I visited the Japanese Greenhouse property described in your letter of the 18th.

I found the fifteen houses in five separate units scattered over a wide area and each served by a separate heating unit; this arrangement I consider most uneconomic.

The houses have been well and substantially built but are suffering from lack of attention in the way of paint and general repair. The five heating plants are each in somewhat dilapidated condition with the buildings just about ready to tumble down with the exception of one which burned down recently and rebuilt. Each of the heating plants appear to be barely able to take care of what is expected of them.

I find that very considerable capital expenditure would be necessary to put the whole plant in condition to meet present day operating and marketing conditions.

Taking the thing as a whole, considering the good condition of the houses, set off by the uneconomic heating arrangement, remoteness from transportation facillities and the most undesirable nature of the terrain I am of the opinion that a fair present day value would be $15,000.

The above valuation does not include the acreage attached which I consider of little or no value to a greenhouse proposition because of its rough, undeveloped nature.

Your's very truly,

"H. M. Eddie"

Case 7-v

MANJIRO, YOICHI & HIDESABURO NAGAI

REG. NOS: 13838
14480
13837

		New Replacement Value - 1944		Depreciated Value as at May 1949
Battery #1 Greenhouses - built	1936 (3) 18x180	6,420.08	55%	2,889.04
1A	1936 (1) 18x80	1,174.01	55%	528.30
2	1937 (3) 18x200	6,676.58	45%	3,672.12
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5	1941 (3) 18x200	6,676.58	30%	4,673.61
Boiler House and Packing Shed #1		5,372.55	65%	1,880.39
#2 (Destroyed)				
#3		1,037.57	55%	466.91
Fuel Bin (Destroyed)				
Boiler House #4		1,883.55	50%	941.78
Water Tanks				1000.00
Dwelling				750.00
Garage				50.00
Land Value	ie $40 - To $45 per ac.			2500.00
Fruit Trees				1500.00
Water System and Drainage System				1000.00
Boilers and Main Leads not in G.H .				1500.00
				31,964.00

Deprec'n allowed is observed
— deprec'n

COPY

H. M. EDDIE & SONS LTD.

SARDIS, B. C.

Nov. 25th, 1944.

The Office of Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Sir, Re your file 7005

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I found the fifteen houses in five separate units scattered over a wide area and each served by a separate heating unit; this arrangement I consider most uneconomic.

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I find that very considerable capital expenditure would be necessary to put the whole plant in condition to meet present day operating and marketing conditions.

Taking the thing as a whole, considering the good condition of the houses, set off by the uneconomic heating arrangement, remoteness from transportation facillities and the most undesirable nature of the terrain I am of the opinion that a fair present day value would be $15,000.

The above valuation does not include the acreage attached which I consider of little or no value to a greenhouse proposition because of its rough, undeveloped nature.

Your's very truly,

"H. M. Eddie"

6 acres 72

NOTIFIED N

IN THE MATTER OF a Commission to Investigate Claims of Japanese Canadians for Property Losses.

To: The Commissioner,
Office of the Custodian,
Royal Bank Bldg.,
Vancouver, B.C.

ACKNOWLEDGED

7007
7067
7006

Kamloops

Pursuant to the notice issued on the 26th day of September, 1947, I submit the following claim:

(1) NAME NAGAI MANJIRO, YOICHI, & HIDESABURO (RCMP) Reg. No. 13838
(Print) Surname Given Name
No. 14480
No. 13837

(2) Pre-Evacuation Address 15th Road, Haney, B.C.

(3) Present Address Fawn P.O., B.C.

(4) REAL ESTATE

(a) Street Address (if any) _____
City or Municipality, Province

(b) Legal description (lot number, block number, section number, etc.)

Lot No. --- S. Half of S.E. Quarter Section 15 Township 12
(Except W. 10 Chain sold to Kosaka Brps.)

Title No. 59378E

(c) Type of Real Property (cross out words which do not apply):

(i) Farm
(ii) Residence Type of business _____
(iii) ~~Business~~
(iv) Any other type of property (describe) _____

(d) What was your interest in the property (e.g., sole owner, life tenant, joint tenant, owner of one half or one third interest, leasehold, etc.) JOINT TENANT (MANJIRO, YOICHI, & HIDESABURO NAGAI)

(e) Fair market value at date of sale (estimate this to the best of your ability):

(i) Land - - - - - - - - - - - - - - - - - $ _____

(ii) Buildings - - - - - - - - - - - - - - - $ _____

(iii) If business, put value on business as going concern (including land and buildings, tenancies, chattels, fixtures, stock-in-trade, goodwill and accounts receivable) - - - - - - - - - - - - - - - $ _____

(iv) Total value (if you cannot give separate values for lands and buildings just fill in total value) - $ 63629.88

(v) Amount at which Custodian sold property and credited your account - - $ _____

(f) Loss (This figure is arrived at by deducting item (v) from item (iv) - - - $ _____

(5) PERSONAL PROPERTY

(a) Place or places at which property was left by the claimant at date of evacuation on our farm 15th Road, Haney (District of Maple Ridge)

(b) Type of premises in which property left (e.g., house, warehouse, garage, shed, church basement, etc.)

(c) How stored or packed at time of evacuation left just as it was

(over)

(d) In whose care was property left at date of evacuation by the claimant. (This question refers to the terms of reference which exclude claims where the property was lost, destroyed or stolen while under the custody, control or management of any person other than the Custodian appointed by the [redacted] of the property. It involves some definite arrangement whereby you appointed someone to take care of the property and such person accepted the responsibility of so doing. Unless such an arrangement was made the question should be answered "in no one's care") Mr. C.H. STONEHOUSE

(e) Itemized description of personal property which is the subject of the claim:

1.	Greenhouses, Sawdust, Wood, Paint etc.	Estimated Value $ 18403.90
2.	58 Acres of land	Estimated Value $ 3500.00
3.	4 Sawdust bins	Estimated Value $ 6750.11
4.	Boilers with chimneys, bricks etc.	Estimated Value $ 6754.50
5.	Pipes, fittings, rubberhose, pots, etc.	Estimated Value $ 12415.76
6.	Tanks, Tiles, fringes, galvanized wires etc.	Estimated Value $ 1394.19
7.	Machinery and Miscellaneous tools	Estimated Value $ 1476.65
8.	Glasses and cements	Estimated Value $ 6178.65
9.	Lumber, Tomato boxes etc.	Estimated Value $ 4256.12
10.	Living house	Estimated Value $ 2500.00

TOTAL CLAIM FOR PROPERTY LOSS $ 63629.88

N.B.—If you cannot list all the items here prepare a separate list with values set out opposite each item and attach it to the form. The item "personal property" includes shares, bonds, mortgages, loans, notes and all other forms of property not included in real estate.

(f) Total claim including real and personal property (this figure can be arrived at by adding items 4(f) and 5(e) - $

(6) (a) Place at which claimant prefers to be heard. (Vancouver, Kamloops, Nelson, Lethbridge, Moose Jaw, Winnipeg, Toronto or Montreal.) Kamloops B.C.

(b) Do you require the services of an interpreter at the hearing? Yes or no

N.B.—This Declaration must be sworn before a Commissioner, Notary Public or other person entitled to take declarations. All lawyers are qualified to do so.

DOMINION OF CANADA)
of)
TO WIT:)

I, Nagai Manjiro, Yaichi & Hidesaburo. of the town
of Terra, B.C. in the County of Cariboo

DO SOLEMNLY DECLARE THAT:

The information set out in the form above is true and correct to the best of my knowledge, information and belief and I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of 'The Canada Evidence Act".

DECLARED before me at the Town of Clinton in the County of Cariboo this 19th day of November A.D. 1947. F.A. Engeman A Commissioner &c. STIPENDIARY MAGISTRATE IN AND FOR THE COUNTY OF CARIBOO

Manjiro Nagai
Yaichi Nagai
Hidesaburo Nagai

N.B. — THIS FORM FULLY COMPLETED AND SWORN BEFORE A COMMISSIONER SHOULD BE MAILED BY REGISTERED MAIL TO THE COMMISSIONER, c/o THE OFFICE OF THE CUSTODIAN, ROYAL BANK BLDG., VANCOUVER, B.C., BEFORE NOVEMBER 30th, 1947. IF YOU CANNOT MAIL IT BEFORE THIS DATE SET OUT BELOW REASONS FOR THE DELAY.

EXHIBIT No. 72 - 1
DATE 12 Feb. 1948
FILED BY R.J. McMaster

REG. NOS: 13838
14480
13837.

MANJIRO, YOICHI & HIDESABURO NAGAI

STATEMENT RE CLAIM

(LANDS & PREMISES - GREENHOUSE BUSINESS
EQUIPMENT - CHATTELS).

LAND: 60 acres more or less situate about 4 miles from Haney, B.C. 40 acres on the North side of road on hillside with natural drainage.

Portion formerly cultivated and in berry crop replaced in part by greenhouses. Kanaka Creek runs at the back of the property supplying ample irrigation. 20 acres of second-growth timber on North side of road. Estimated 200,000 M. ft. (see appraisal by Ansell) of second-growth Douglas Fir. Also ~~on this side~~ there are about 400 mixed fruit trees. On the South side of road there were 1½ acres under cultivation with berry crops. The remainder on that side of the road is wild land.

Purchased in 1919 from Tom Berthomos for $3500.00.

When purchased some of it had been logged, no cultivation but a few fruit trees. A small shack on the property of value of about $200.00. I first built house on a portion of the property which I subsequently sold in 1936 to Kosaka (20 acres).

I planted a number of fruit trees, cleared the land and cultivated about 10 acres which I planted in small fruits. Up to 1930 I was in the small fruit and tree fruits business. That year I converted mainly to greenhouse business and had built this up to my main business when I was evacuated. I replaced the original greenhouses which I had built in 1930 (2) as the construction was not satisfactory, using, however, the same cement foundations.

BUILDINGS:

GREENHOUSES	Size	Built.
1 single Greenhouse	18 x 80	1936
Triple "	54 x 180	1936
" "	54 x 200	1937
" "	54 x 200	1939
" "	54 x 200	1940
" "	54 x 200	1941

large quantity of material

These greenhouses are all set on five to six foot cement foundations set into the earth. The supports set about ten feet apart for the length of the buildings at the centre are pipe set in cement blocks. The supports for the glasses are wooden. The whole of the exterior of each greenhouse is covered with glass. Special drains are set in the eaves of the greenhouses to drain off all moisture accumulating on the glass and it is drained off by piping it to an underground drain. At one end of each greenhouse there are four-inch hot water circulation pipes for a length and one-half of the width of the house; from these lead about 22 rows of two-inch pipe running the whole length of the greenhouse (in each triple greenhouse). I would estimate that in each triple greenhouse there are 16,000 square feet of glass, 81 feet of four-inch pipe, and 4500 feet of two-inch pipe, as well as a quantity of pipe for drainage, watering and supports. In each triple greenhouse there can be planted about 3,000 tomato plants.

SAWDUST BINS:	Size	Built	
No. 1	36' x 66' x 36' (high)	1930	
No. 2	18' x 40' & 28' x 80' About 14' high	1936	(Burnt down about 1945. Not insured. Not replaced).
No. 3	30' x 38' About 22' high	1940	
No. 4	40' x 84' About 30' high	1941	(Burnt down about 1944. Insured for $1000. and Custodian gave tenant $600. to build another building-not as large).

BOILERS:	Size	Built
Fumigating Boiler	15 horsepower	Put in about 1938.
Idling Boiler	40 horsepower	" " " 1930.
Heating "	42" diameter by 14' depth	" " " 1930.
" "	60" diameter by 14' depth	" " " 1941.
" "	~~60" diameter by 14' depth~~	" " " ~~1939~~.
" "	42" diameter by 16' depth	" " " 1939.
" "	48" diameter by 14' depth	" " " 1940.
" "	48" diameter by 16' depth	" " " 1937.

Each of these boilers is in a shed with a corrugated roof and with cement walls, except one boiler which is placed down in a pit 12' x 40' and 16' deep all encased in cement (that is the walls).

WORKSHOP:	Size	Built
Blacksmith Shop & Tool Shed	16 x 28	1936

DWELLING HOUSE:	Size	Built
7-room dwelling house	18 x 32 (2 storeys)	1926
4-room addition to "	20 x 32 (2 ")	1930
1-room " " "	24 x 26 (1 ")	1938

Frame construction with siding. Not entirely finished inside.

WATER SYSTEM

Two large tanks on elevated platform with piping to all buildings — 60" diameter x 14' depth, each.

These were filled:- (these were alternate methods).

(a) by water from Kanaka Creek driven by water wheel.
(b) electric pump in ravine.
(c) electric pump from the well.
(d) gravity driven well set high on property.

DRAINAGE SYSTEM:

9000 ft. of underground drain tile.

HEATING:

1 - 8" pipe into one greenhouse from boiler (about 300') and two 8' valves for controlling.

2 - 6" pipes (about 80') and two 6" valves.

2 - 4" pipes (about 160') and four 4" valves.

SYSTEM OF OPERATION:

Prior to 1936 Mr. William C. Brown, who operates a large greenhouse a few miles from my former home, and who was one of the men who appraised my property in company with Mr. Eddy, was one of the biggest shippers, if not the biggest, of early tomatoes to the Vancouver market. About that year and for the few years preceding it, a number of other Japanese and these Claimants converted our farms into greenhouse operations. We built our greenhouses and operated them on a different principle to Mr. Brown. In the first place we built on solid cement foundations with the main supports of pipe set in cement blocks. This was more expensive initially but, in our opinion, it would pay off in saving of depreciation and repairs over the years. I and my partners put in extensive underground drainage. Instead of building the houses all together in a row, we set them off separately so that they would get the maximum amount of sunshine. We deliberately set up separate heating plants for each greenhouse so that they would not be inter-dependent and also to prevent loss of heat and to provide uniformity of heat. We used relatively little chemical fertilizer but instead changed the earth every three years rotating the crops between tomatoes and cucumbers, thus ensuring the maximum natural benefit of the soil to the plants.

We were able, in my opinion by reason of the methods used, to take off our crop from one to one and a half months ahead of Mr. Brown or any other producer, consequently we, together with the other Japanese who followed our method, were able to pretty well capture the early tomato market in Vancouver. About 1939 I believe Mr. Brown went out of the tomato business and began specializing in flowers.

NB

With respect to my former competitor's opinion, his criticism of the methods of production in my greenhouse operation in his appraisal, in my opinion, are not justified by the facts.

GOODWILL:

In 1942 I was able to take off a crop of approximately 4500 crates of tomatoes and 5000 crates of cucumbers, which were sold on the early market at good prices. I hope to be able to call independent evidence as to my production in that year.

My two brothers and myself carried on the greenhouses prior to our evacuation. We had my married son and two nephews assisting us. We all lived on the premises. We did not keep accurate books of account and after providing a living for our families (in all 12 adults and 11 children), we invested the income back into increasing our operation; consequently I am unable to estimate with any degree of accuracy the net income from the operation, not now having my statements and receipts. Each year I used to give my statements and receipts to an accountant and have him prepare my income tax form.

In August, 1942, we were required to evacuate and actually left the premises on August 31st. Realizing that we would be required to go, we arranged with an old friend, Mr. C.H. Stonehouse, to come and live on the premises and to take care of our business for us until such time as our future had been determined, and we gave to him a Power of Attorney. We also agreed to pay him, if my recollection serves me correctly, something like $1200.00 a year.

LEASE:

We are advised that in or about October, 1942, the Custodian leased the premises to Mr. Snow who put a Mr. Perkins on the premises to operate the business. I believe that Mr. Perkins has operated the premises ever since, either under Mr. Snow or as tenant of the purchaser. The annual rental paid by Mr. Snow was $1900.00.

On or about February 1st, 1945, the Custodian sold our premises and business and certain of the equipment under an Agreement for Sale for the total sum of $16,400.00.

I have no special knowledge of the market value of property of this type or of a business of this type. I only know that had I wished to sell my premises and my business in 1942, I would not have considered anything less than $60,000.00. In filing my claim I included long inventories of materials which I estimate went into the various buildings. I valued these at replacement values in 1945. My solicitor advises me that this is not a proper basis upon which to determine fair market value. I shall therefore have to rely upon the Commissioner with such assistance as my counsel may be able to give him to determine a fair market price.

APPRAISAL:

Concerning the appraisal which the Custodian had made, I would comment that the reports failed to adequately describe the lands and buildings. No mention is made in any of them of the fruit trees and cultivated land and apparently these are not considered. Neither Mr. Eddy nor Mr. Brown appear to place any value on the land or timber. Mr. Eddy is a greenhouse man specializing in trees which is a very different type of business. Mr. Brown now specializes in flowers and as I have pointed out was a former competitor with very different ideas as to how to operate a tomato greenhouse business. Mr. Ansell, the other appraiser, is a chicken rancher and ordinary farmer.

Having regard to the substantial construction of the greenhouses, the earliness of the crops which they could produce, the volume of crop and the high prices in 1945 for tomatoes and cucumbers; also having regard to the extensive drainage system, the fruit trees, the timber stand, and the areas already cultivated, I feel certain, although lacking special knowledge, that the valuations placed on the premises by the appraisers were grossly below fair market value. I believe that had some person interested in obtaining a maximum price and being familiar with the greenhouse business of this special type searched for a buyer, he could have obtained a price many times greater than that actually obtained.

RE TOOLS, EQUIPMENT & CHATTELS:

I left on the premises a large quantity of household effects and chattels, as well as much equipment, supplies and tools relating to the greenhouse business. With respect to the household effects I have no inventory and was not supplied by the Custodian with one although I understand from Mr. Stonehouse and other persons that an extensive inventory was taken by the Custodian before removing these chattels for auction. I do not recall ever receiving any report of the details of items auctioned. I have decided to abandon my claim for any household effects.

With respect to my supplies I claim to have had the supplies listed below on hand at the time of evacuation and that they were of the value shown below. The Custodian advises with respect to most of these that they were sold to the tenant but I have received no credit for the ones allegedly sold to the tenant.

SUPPLIES:

	Value	Disposition
10 gals. white paint @ $5.00	$ 50.00	$14.50 at auction.
18,000 flower pots-4" @ 4 cents each (As these were used agree to 2¢ each)	360.00	Approximately 15,000 at 2¢ each sold with property $300.00.
Spray medicine, 150 lbs. @ $1.00	150.00	Disposition unknown.
120 lbs. Rafia @ 23¢	27.60	Used by Tenant and $27.60 owing by him.
170 lbs. Binding Twine @ 6½ cents	11.05	Used by Tenant and $11.05 owing by him.
3200 tomato boxes at 8¢	256.00	Quantity questioned by tenant, now ~~agrees~~ says 1200 and $96.00 owing by him.
11,000 tomato baskets @ 1¢	110.00	Quantity questioned by tenant, now ~~agrees~~ says 6500 & $65. owing by him.
4500 cuke boxes @ 6¢	270.00	Quantity questioned by tenant, now says 1500 & $90.00 owing by him.
17 bundles stripped paper 1120 lbs. @ 1¢	11.20	Used by tenant, and $11.20 owing by him.
24 buckets @ 33¢	7.92	No record.
4000' common lumber 2x3x10	88.00	No record. (Believe destroyed in fire).
1800' lumber for green-houses, 2 x 3 x 10 @ $50.	90.00	" " " " "
1200 lbs. Newsprint @ 5¢ lb.	60.00	Used by tenant & he owes $60.00.
6 loads of manure, estimated cost	90.00	Used by tenant & Custodian says he owes $50.00.
25 pieces new boiler tube @ $4.50	112.50	18 pieces purchased by tenant for which he owes $81.00 (Custodian claims other 7 used in upkeep & gives no credit).
485 loads of sawdust at estimated cost of $4. per load (2½ units to a load)	1540.00	Quantity questioned by tenant, now says 300 loads at $2.50 - Custodian says he owes $750.00.
45 cords of wood at estimated cost of $4.50 per cord	202.50	Tenant claims unsaleable & unusable. (I recently attended at premises & large quantity has been used). No credit.
Quantity of brick & drain tile & pipe fitting (don't recall exact amount so accept value).	25.00	Used by tenant & he owes $25.00

SUPPLIES, Cont'd	Value	Disposition
2 lengths hose @ $5.50	$ 11.00	Used by tenant & he owes $11.00.
7 lengths hose @ $5.00	$ 35.00	Included in sale of property & valued at $35.00.
Approximately 6000' lumber tables	90.00	Included in sale of property & valued at $90.00.
Approximately 100 flats	10.00	Included in sale of property & valued at $10.00.
Sundry valves, old pipe & fitting (don't know quantity so accept value)	100.00	Included in sale of property & valued at $100.00.
	$3697.77	

EQUIPMENT:

1 chain wrench 72"	36.00	Still on property.
1 pipe wrench 42"	16.50	" " "
1 pipe wrench 36"	6.50	" " "
2 chain wrenches	13.00	" " "
1 set dye 2½" to 4"	129.00	" " "
1 set dye	7.00	" " "
1 blacksmith forge	25.00	Included in sale & valued at $25.00.
1/2 ton 1928 Chev. dirt truck in working condition	125.00	Included in sale & valued at $25.00.
3 tube expanding machines	52.00	Disposition not shown but my account charged with hauling away.
Diamond glass cutter	6.50	No record.
1 disc harrow	75.00	No record.
1 dirt scraper	12.00	No record.
1 circular saw & shaft	15.00	$12.00 at auction.
1 planer	18.00	No record.
1 plow	24.00	No record.
3 rowboats	45.00	2 still on property; 1 burnt.
1 wheelbarrow	1.50	Included in sale & valued at $1.50
Hoes; rakes & shovels	15.00	Included in sale & valued at $15.
	$622.00	

RECAPITULATION RE SUPPLIES & EQUIPMENT

DISPOSITION (According to Custodian's Analysis).			CLAIM	
No record	Nil		$ 246.42	(Lumber valued at ($127. I believe (destroyed in fire).
Auction	$ 26.50		65.00	
Included in Sale	$601.50		761.50	
Disposition Unknown	Nil		202.00	(tube expanding (machines removed (valued $52.00). → lost
	1001.00			
Used by Tenant & Owing	~~$276.85~~	(Not credited)	2492.85	
Still on Premises	Nil	(1 boat destroyed in fire)	251.00	
Claimed unsaleable and unused	Nil	(wood)	202.50	(claims used by (tenant in part).

outside letters referred

My solicitor has been advised by the Custodian that the tenant counterclaims now for $700.00 for new flues for boilers and new glass in greenhouses destroyed by bunker house fires. I understand the lease made by the Custodian with Mr. Snow provided that he would repair the property and keep it in good repair, therefore this counterclaim would appear to be unjustified.

With respect to certain correspondence on the Custodian's file with Stonehouse relating to his powers under the Power of Attorney which we gave him, I have never had any report from him as to what arrangements were made with Mr. Snow re supplies and equipment. However, this does not appear to affect the matters with respect to which my claim is made as the Custodian has apparently taken it upon himself to deal with these matters.

W. Sugar

November 7, 1947
Fawn P.O., B.C.

The Custodian,
Vancouver, B.C.

Dear sir:

At the time of Registration and Evacuation, the Custodian promised to return our property without loss or damage. Trusting this belief we left everything as it was and hired Mr. C. H. Stonehouse to look after the property during the period; thus, evacuated to a self supporting project.

I hereby put in my claims on property loss as requested, but prefer the return of my property than the amount of claims.

Yours truly,
M. Nagai
M. Nagai

PROPERTY OF MANJIRO, YOICHI, & HIDESABURO NAGAI

Lot No. S. Half of S.E. Quater Section 15 Township 12
(Except W.10 Chain sold to Kosaka Bros.)

Title No. 59378E

Property Of M., Y., & H. Nagai.

Sash of greenhouse

No.1	1296'	
No.2	7275'	
No.3	7600'	
No.4	7600'	
No.5	7600'	
No.6	7600'	
	3820'	(left over)
2" x 2"	792'	
Total.....	43583'	.....$2266.30

1800' 2" x 3" x 10' @ $50.00 per M..... 90.00

White paint 110 gal. @ $5.00 per gal.....550.00

Boiled linseed oil 9 gal. @ $1.50 per gal. 13.50

Hinges --302 pairs @ 75¢apair 226.50

Hook & Eye-- 302 @ 5¢ each..... 15.10

Sawdust in Bin

No.1	180	loads
No.2	150	"
No.3	45	"
No.4	110	"
	485	" @ $4.00 a load.... 1540.00

Wood---45 cords @ $4.50 a cord..... 202.50

58 acres of land. 3500.00

Total..... 8403.90

No. 1 Sawdust Bin Size 36' x 66'

Piling 51 pieces @ $5.00 a piece			$255.00
1" boards	7480'		
2" x 8"	1920'	(rafter and top joist)	
3" planks	7128'		
2" x 6" x 8'	416'	(top post)	
8" x 10"	3744'	(floor joist)	
Total.....	20688' @ $25.00 per M.		517.10
Collegate iron 2584' @ $6.50 per 100'			167.96
36' x 36' .. boiler house under same roof ..... (rooms, bridge, & store rooms included)			310.00
Labor on No.1. Bin			650.00
Total.....			1900.00

No. 2 Sawdust Bin Size 18' x 40' joined with Bin 28' x 80'

(a) Bin size 18' x 40'

1" boards	3352'	
6" x 8" x 14'	1782'	(bottom post)
10" x 10" x 18' ...	1650'	(bottom joist)
2" x 3" x 10'	400'	(rafter)
3" planks	2160'	
Total.....	8944' @ $28.00 per M.	$250.43

(b) Bin size 28' x 80'

Piling 54 pcs. @ $2.00 a piece		108.00
12" x 12" x 28'	7056'	(floor joist)
1" boards	7312'	
2" x 8" x 8'	1066'	(top post)
2" x 8" x 16'	1680'	(rafter)
2" x 8" x 28'.....	740'	(top joist)
3" planks	6720'	
Total ...	23504' @ $28.00 per M.	688.04

Collegate iron for (A) & (b) Bins 1852' @ $6.50 per 100'....120.38

Labor on (a) & (b) Bins 500.00

Total $1666.85

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No. 3 SAWDUST BIN .....SIZE 30' x 38'

Piling 10 pcs. @ $3.00 a piece			$ 30.00
4" x 8" x 14' ..... 962'	(bottom post)		
10" x 12"x 30' ....3000'	(floor joist)		
1" boards .....3184'			
2" x 6" x 8' ..... 272'	(top post)		
3" x 8" x 16' .... 640'	(rafter)		
3" planks .....1140'			
Total... 9198'	@ $25.00 per M.		239.90
Collegate iron 1280' @ $2.00 per 100'			25.60
Labor on building No.3 Bin			300.00
		Total.....	$595.50

PROPERTY OF M., Y., & H. NAGAI

No. 4 Sawdust Bin ... Size 40' x 84'

1" boards	10632'		
6"x8"	4552'	(post)	
2"x 8"	1360'	(top post)	
3" x 8"	4032'	(rafter)	
3" planks	13432'		
12" x 12"	11710'	(floor joist)	
4" x8"	448'	(post caps)	
18" x 18" x 80' ..	2268'	(main floor joist)	
Total.....	48434'	@ $32.00 per M.	$1549.88
Collegate iron	216 pcs.	@ $6.50 per 100' ..	288.08
Labor on building No. 4 Bin			750.00
		Total	$2587.76

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Boiler With Chimney

Fumigation Boiler.....	$ 125.00
42" x 14' (used for No.1 & No.2 house).....	425.00
Locomotive Boiler (idle).....	300.00
60" x 14' (return tube boiler 'No.6 house').....	400.00
42" x 16' (used in No.4 house).	350.00
48" x 14' (" " No.5 house).....	450.00
48" x 16' (" " No.3 house).....	450.00
8950 fire bricks @ 11¢ each.....	984.50
12400 common bricks @ 2½¢ each.....	320.00
Labor for setting up 5 boiler (5 x $550.00).....	2750.00
Labor for building 3 roof Greenhouse (5) @ $2700.00.....(5 x $2700.00).....	13500.00
Total.....	$20254.50

PIPE	NO. OF FEET		PRICE PER FT.	TOTAL
¾"	495		.09	$44.55
	House:			
1"	No. 1...275 No. 2..2567 No. 3..2629 No. 4..1969 No. 5..2559 No. 6..2589 1,500 (outside)	13988	.15	2098.20
2"	No.1 ...854 No.2...4,402 No.3...4,661 No.4...5,041 No.5...5,085 No.6...5,122	25165	.25	6291.25
3"	No.1... 10 No.2... 20 No.3... 430 No.4... 28 No.5... 28 No.6... 28	544	.75	408.00
4"	No.2... 72 No.3... 76 No.4... 72 No.5... 72 No.6... 72	364	$1.50	546.00
6"	No.2... 16 No.3... 42 No.4... 74 No.5... 34 No.6... 42	208	3.00	624.00

8" pipe with valve--used in No.2 house through No.1 500.00

Total..... $10512.00

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Fitting:

No. of In.	L	T	Union	Valve	Total
¾	30 @ 12¢ ea. $3.60	18 @ 18¢ ea. $3.24	6@ 32¢ ea. $1.92	28 @ $1.10 ea. $30.80.....	$ 39.56
1	12 @ 18¢ $2.16	12 @ 32¢ $3.84	10 @ 40¢ $4.00	8 @ $2.00 $16.00.....	26.00
2	156 @ 70¢ ea. $109.20	18 @ 70¢ ea. $12.60	84 @ 75¢ $63.00	52 @ $4.50 $234.00....	418.80
2½	4 @ 90¢ $3.60	40 @ $1.05 $42.00.....	.....	.....	45.60
3		33 @ $1.15 $37.95	2 @ $1.50 $3.00	2 @ $18.50 $37.00.....	77.95
4	4 @ $2.00 $8.00	36 @ $2.15 $77.40.....	.....	.....	85.40
6	17 @ $3.00 $51.00	28 @ $5.00 $140.00		5 @ $28.00 $140.00.....	331.00

60 air pit @ 28¢ each..... 16.80

¾" Rubber hose 17 pieces @ $5.50 each..... 93.50

4" Flower Pots 18000 @ 4¢ each..... 720.00

650' of ½" round iron @ 6¢ each (used in No. 4 house as ventilating levers)..... 39.00

Hose nipple 17 pieces @ 35¢ each..... 5.95

Total..... $1903.76

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Galvanized wire --- 1250 lbs. @ $5.50 per loo lbs.....$ 79.75

Nail---500 lbs @ 6¢ per lb..... ..... 30.00

Coal tar--- 80 gal. @ 25¢ per gal..... 20.00

Wire nail --- 1000 lbs. @ 4½¢ per lb..... 45.00

Fringe-- 6" x 8", 2" haul @ $1.40..... 261.60

Galvanized bolts---224...⅝" x 7" @ 10¢ each..... 22.40

" " 1128...¼" x 4" @ 3¢ each..... ..... 33.54

Drain tile----9000 @ $28.00 per thousand..... 252.00

Drain tile (T) 220 @ 25¢ each..... 55.00

Fringe----186, 2" @ 25¢ each..... 44.90

Water tank with labor..... ... . 550.00

4 H.P. Engine.....; 150.00

2 Electric motor with pump..... ..... 280.00

1 water wheel with pump. 110.00

Total.....$1934.19

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1 chain wrench 72".....	$ 36.00
1 pipe wrench 42".....	16.50
1 " " 36".....	6.50
2 chain ".....	13.00
1 set dies (from 2½ to 4".....	129.00
1 " "	7.00
1 forge.....	12.00
½ ton truck.....	125.00
3 boat.....	45.00
1 living house (32' x 72').....	2500.00
2 barn	125.00
1 blacksmith shop	25.00
1 "White"sewing machine (1916 price).....	48.00
1 washing machine (1939 price).....	78.00
1 bureau	25.00
Spraying medicine--150 lbs. @ $1.00 per lb.	150.00
Rafia..... 120 lbs. @ 23¢ per lb.....	27.60
Binding twine-- 170 lbs. @ 6½¢ per lb.....	11.05
3--- tube expanding machine..... .....1.....	52.00
Total.....	$3436.65

Glass 822 cases @ $7.00 per case.....$5754.00

Cement 447 sacks @ $ .95 per sack..... 424.65

Total.....$6178.65

Tomato box --3200 @ 8¢ each	$ 256.00
Tomato baskets --11000 @ 1¢ each	110.00
Cuke box -- 4500 @ 6¢ each	270.00
Stripped paper-- 17 bundles (1120 lbs.) @ 1¢	11.20
Bucket 24 @ 33¢ each	7.92
New boiler tube 25 pieces @ $4.50 each	112.50
Glass cutter (diamond)	6.50
4000' lumber 2" x 3" x 10'	88.00
Total	$862.12

1 Disc Harrow....(yr. 1925).....	$ 75.00
Dirt scraper.....	12.00
1200 lbs. plain newsprint @ 5¢ a lb.....	60.00
6 loads manure @ $15.00 a load.....	90.00
Wages paid to Mr. Stonehouse.....	1200.00
Plainer.....	18.00
Circular saw and shaft.....	15.00
Plow.....	24.00
1 year rent.....	1900.00
Total.....	$3394.00

Totals on pages:

1.	$8403.90
2.	1900.00
3.	1666.85
4.	595.50
5.	2587.76
6.	20254.50
7.	10512.00
8.	1903.76
9.	1934.19
10.	3436.65
11.	6178.65
12.	862.12
13.	3394.00

GRAND TOTAL.....$63629.88

The following is to be subtracted from the Grand Total

Wages for Mr. Stonehouse already received.
Willing to pay 1 year tax on property.



PLAZA HOTEL

KAMLOOPS, B.C.











5 photos.

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EXHIBIT NO. 72 - 2

DATE 12 Feb. 1948

FILED BY R. J. McMaster

EXHIBIT No. 72-3
DATE 12 Feb 1948
FILED BY
J.W.G. Hunter

Haney, May 28th, 1942.

The Custodian,
Royal Bank Bldg,
Hastings & Granville,
Vancouver, B. C.

Dear Sir:-

We, the undersigned, hereby state that we have arranged with Mr. & Mrs. C.H. Stonhouse to live on our premises, as caretakers, for the duration.

We have given him (C.H. Stonhouse) power of attorney over all our property.

Signed - M. Nagai

Y. Nagai

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Date March 9/48. E.M. Young.
Signature

Form No. 32. Power of Attorney (General Form). 5-47. Clarke & Stuart Co. Ltd., Law Printers and Stationers, Vancouver, B.C.

1

Know all Men by these Presents

That I MANJIRO NAGAI, of Haney, B. C. Farmer

YOICHI NAGAI, of Haney, B. C. Farmer

HIDESABURO NAGAI, of Haney, B. C. Farmer

for divers good causes and considerations me thereunto moving, **HAVE** nominated, constituted and appointed, and by these Presents **DO** NOMINATE, CONSTITUTE and APPOINT

CHARLES HOWARD STONHOUSE,

of Haney, in the Province of British Columbia

MY true and lawful Attorney , for me and in my name and on my behalf and for my sole and exclusive use and benefit, to demand, recover and receive from all and every or any person or persons, company or companies whomsoever all and every sum or sums of money, goods, chattels, effects and things whatsoever which now is or are, or which shall or may hereafter appear to be due, owing, payable or belonging to me whether for rent or arrears of rent or otherwise in respect of my real estate, or for the principal money and interest now or hereafter to become payable to me upon or in respect of any Agreement, Mortgage or other Security, or for the interest or dividends to accrue or become payable to me for or in respect of any shares, stock or interest which I may now or hereafter hold in any Joint Stock or Incorporated Company or Companies or for any moneys or securities for money which are now or hereafter may be due or owing or belonging to me upon any Bond, Note, Bill or Bills of Exchange, balance of Account Current, consignments, contract, decree, judgment, order or execution, or upon any other account.

ALSO to examine, state, settle, liquidate and adjust all or any account or accounts depending between myself and any person or persons, company or companies whomsoever. **AND** to purchase, sell, sign, draw, make, endorse, accept, discount, transfer, renew, negotiate and in every way deal with any Cheque or Cheques or orders for the payment of money, Bill or Bills of Exchange, or Note or Notes of Hand, promissory notes, deposit receipts, bonds, debentures, coupons, agreements of sale, or other security which shall be requisite. **AND** also in my name to draw upon any Bank or Banks, Individual or Individuals, for any sum or sums of money that is or are or may be to my credit or which I am or may be entitled to receive, and the same to deposit in any Bank or other place, and again at pleasure to draw from time to time as I could do. **AND** upon the recovery or receipt of all and every or any sum or sums of money, goods, chattels, effects or things due, owing, payable or belonging to me for me and in my name and as my act and deed to sign, execute and deliver such good and sufficient receipts, releases, discharges and acquittances, certificates, re-conveyances, surrenders, assignments, memorials, or other good and effectual discharges as may be requisite, and which receipt, releases and discharges shall exempt the persons paying such moneys, from all responsibility of seeing to the application thereof.

EXHIBIT No. 72-4

12 Feb 1948

FILED BY J.W.G. Hunter

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Date March 10/48.. E. M. Young...

Signature

AND in case of neglect, refusal or delay on the part of any person or persons, company or companies to make and render just, true and full account, payment, delivery and satisfaction in the premises, him, them or any of them thereunto to compel, and for that purpose for me and in my name to make such claims and demands, arrests, seizures, levies, attachments, distraints and sequestrations, or to commence, institute, sue and prosecute to judgment and execution such actions, ejectments, and suits at law or in equity as my said Attorney or Attorneys shall think fit. **ALSO** to appear before all or any Judges, Magistrates or other Officers of the Courts of Law or Equity, and then and there to sue, plead, answer, defend and reply in all matters and causes concerning the premises.

AND ALSO to exercise and execute all Powers of Sale or Foreclosure, and all other powers and authorities vested in me by any mortgage or mortgages, contract or agreement now or hereafter belonging to me as Mortgagee.

AND ALSO in case of any difference or dispute with any person or persons concerning any of the matters aforesaid, or any other matters that may arise in connection therewith, to submit any such differences and disputes to arbitration or umpirage in such manner as my said Attorney or Attorneys shall see fit. **AND** to compound, compromise and accept part in satisfaction for the payment of the whole of any debt or sum of money payable to me, or to grant an extension of time for the payment of the same either with or without taking security, and otherwise to act in respect of the same as to my said Attorney or Attorneys shall appear most expedient.

To purchase, rent, sell, exchange, mortgage, lease, surrender, quit claim, and in every way deal with real estate, lands and premises and any interest therein now owned by me or hereafter acquired by me, and execute and deliver deeds, mortgages, agreements, leases, assignments, surrenders, and all other instruments.

AND ALSO for me and in my name, or otherwise on my behalf, to take possession of and to lease, let, sell, manage and improve my real estate, lands, messuages, tenements, and hereditaments, whatsoever, and wheresoever situated, now owned by me or hereafter acquired by or for me and from time to time to appoint any agent or agents, servant or servants, to assist him or them in managing the same, and to displace or remove such agents or servants, and appoint others, using therein the same power and discretion as I might do if personally present.

AND ALSO to sell and absolutely dispose of or exchange said real estate, lands and hereditaments, now owned by me or hereafter acquired by or for me, and also such shares, stocks, bonds, mortgages, and other securities for money as hereinbefore mentioned, either together or in parcels, for such price or prices, and by public auction or private sale or contract as to my said Attorney or Attorneys shall seem reasonable and expedient; **AND** to grant, remise, release, convey confirm, assign, transfer, and make over the same respectively to the purchaser or purchasers thereof; with power to give credit for the whole or any part of the purchase money thereof; **AND** to permit the same to remain unpaid for whatever time and upon whatever security, real and personal, either comprehending the purchased property or not, as my said Attorney or Attorneys shall think safe and proper.

AND ALSO to borrow such sums of money for or in relation to any of the purposes or objects herein, upon the security of any of my property, whether real or personal, and for such purposes to give and execute and acknowledge mortgage or mortgages, containing the usual statutory covenants and powers of sale on default, with such other powers and provisions as he may think proper, as also such notes, bonds or other securities as it may be necessary and proper to use therewith, and collateral thereto.

AND from time to time, as my said Attorney my see fit, to lend or invest any moneys of mine now in my said Attorney's hands, or hereafter to come into his hands, upon mortgage of real estate or interest therein, or upon such other securities, either real or personal, as my said Attorney may see fit, and upon such terms and conditions as my said Attorney may deem advisable, and from time to time to alter or vary such investments and assign or transfer the same, and, should my said Attorney see fit, to invest such moneys in the purchase in my name of any property, either real or personal upon such terms and conditions as my said Attorney may see fit.

AND FURTHER, for me and in my name and as my act and deed to sign, seal, execute, deliver, and acknowledge all such assurances, deeds, quit claim deeds, covenants, indentures, agreements, assignments, mortgages, releases, and satisfactions of mortgage and other instruments in writing, of whatsoever kind and nature, and generally to deal in and with goods, wares and merchandise, choses in action, and other property in possession or action, and to make, do, and transact all and every kind of business of what nature or kind soever as shall be required, and as my said Attorney or Attorneys shall see fit, for all or any of the purposes aforesaid; **AND** to sign and give receipts and discharges for all or any of the sum or sums of money which shall come into his or their hands by virtue of the powers herein contained which receipts, releases, or discharges, whether given in my name or in that of my said Attorney or Attorneys, shall exempt the person or persons paying such sum or sums of money from all responsibility of seeing to the application thereof.

AND ALSO for me and in my name, or otherwise, or on my behalf, to enter into any agreement or arrangements with every or any person to whom I am or shall be indebted touching the payment or satisfaction of his demand, or any part thereof; **AND** generally to act in relation to my estate and effects, real and personal, now or hereafter acquired, as fully and effectually, in all respects, as I could do if personally present.

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AND HEREBY GRANT FULL POWER to my said Attorney or Attorneys to substitute and appoint one or more Attorney or Attorneys under him or them, with the same or more limited powers, and such substitute or substitutes at pleasure to remove and others to appoint, I hereby agreeing and covenanting for my heirs, executors, and administrators, to allow, ratify, and confirm whatsoever my said Attorney or Attorneys or his or their substitute or substitutes shall do or cause to be done in the premises by virtue of these Presents, including in such confirmation whatsoever shall be done between the time of my decease or of the revocation of these Presents, and the time of such decease or revocation becoming known to said Attorney, or such substitute or substitutes.

AS WITNESS my hand and seal this 13th day of April in the year of our Lord one thousand nine hundred and forty-two

Signed, Sealed and Delivered
IN THE PRESENCE OF

Signature of Witness Halbert Menzies

Address Haney B.C.

Occupation Notary Public

(Signed) Manjiro Nagai

Yoichi Nagai

Hidesaburo Nagai

CANADA,
PROVINCE OF BRITISH COLUMBIA,
TO WIT:

I, Charles Howard Stonhouse of Haney, in the Province of British Columbia, do solemnly declare that:—

1. I am the Attorney appointed by the foregoing Power of Attorney.
2. At the time of such appointment, namely, on the* 13th day of April 1942, I was of the full age of twenty-one years.

AND I make this solemn Declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

DECLARED before me at Haney
in the Province of British Columbia, this 13
day of April 1942

(Signed) Charles H. Stonhouse

H. Menzies
A Notary Public in and for the Province of British Columbia.
~~A Commissioner for taking affidavits within British Columbia.~~

*(Fill in date of Power of Attorney here)

FOR MAKER (INCLUDING MARRIED WOMEN)

I HEREBY CERTIFY that, on the 13th day of April, 1942, at Haney, in the Province of British Columbia, Manjiro Nagai, Yoichi Nagai, Hidesaburo Nagai (whose identity has been proved by the evidence on oath of) who is personally known to me, appeared before me and acknowledged to me that they are the person s mentioned in the annexed Instrument as the maker s thereof, and whose name they have subscribed thereto as part ies, that they know the contents thereof, and that they executed the same voluntarily, and are of the full age of twenty-one years.

IN TESTIMONY whereof I have hereunto set my Hand and Seal of Office, at Haney in the Province of British Columbia, this 13th day of April in the year of our Lord one thousand nine hundred and forty-two

H. Menzies

A Notary Public in and for the Province of British Columbia.
A Commissioner for taking affidavits within British Columbia.

NOTE.—Where the person making the acknowledgment is personally known to the officer taking the same, strike out the words in brackets.

Power of Attorney

Clarke & Stuart Co. Ltd., Law Printers and Stationers
Vancouver, B.C.
Form No. 32

Hal Menzies,
Haney, B.C.

MANJIRO NAGAI
YOICHI NAGAI
HIDESABURO NAGAI
TO
CHARLES HOWARD STONHOUSE

Dated 13th April 1942

FOR WITNESS

PROVINCE OF BRITISH COLUMBIA
To Wit:

I, , of the , in the Province of British Columbia, of make oath and say:

1. I was personally present and did see the within Instrument duly signed and executed by the part thereto, for the purposes named therein.
2. The said Instrument was executed at
3. I know the said part , and that of the full age of twenty-one years.
4. I am the subscribing witness to the said Instrument and am of the full age of sixteen years.

Sworn before me at
in the Province of British Columbia, this
day of , 194

A Notary Public in and for the Province of British Columbia.
A Commissioner for taking affidavits within British Columbia.