GENERAL EVIDENCE

THE JAPANESE PROPERTY CLAIMS COMMISSION

B E F O R E

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

Vancouver, B.C.,

December 15,1948

PROCEEDINGS AT HEARING

(Pages 1191-1207)

Simpson D.L.A. 1191-1207.

THE COMMISSIONER

VANCOUVER, B?C.

December 15,1948 , 10 A.M.

PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT:

MR.HUNTER:I will call Mr.Simpson, my lord.

JAMES SIMPSON,Being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR.HUNTER:

Q What is your occupation, Mr.Simpson?

A Farmer.

Q And when did you start farming?

A In 1920.

Q 192D. Were you farming prior to that?

A At any time? Yes. Well you might say I was working on a farm--not farming for myself.

Q You were working on a farm at what time?

A In 1914.

Q Well then after your war service you bought land, did you?

A That is right, under the Soldiers Settlement Board.

Q And do you still own that land?

A Yes.

Q And you bought that land when?

A I beg yourpardon?

Q You bought that land when?

A In 1920.

Q And what type of farming did you intend to do at that time?

A I intended to go into berry farming.

Q And did you? A: No.

Q Why not? A: Because I could see the kind of berry growing was going to

go down and under, which it did, and I already had a few cows, and I stayed with the dairy farming.

Q Did you ever go back into the berry farming?

A No.

Q Had you any knowledge of berry farming in your district?

A I had a certain amount of knowledge. I worked on a farm where they combined the berry and the dairy farming, just across at Mission.

Q And your farm was situated where?

A In the Mount Lehman District.

Q That is in Matsqui is it?

A That is right.

Q And were there Japanese on the farms in that area?

A Yes, there were Japanese on either side of me.

Q What business were they engaged in?

A They were engaged in berry farming.

Q Are you able to state from your own knowledge how well they prospereed in that business?

A Well, I would say at times they just got by.

Q And would a white man have got by on the same farm?

A I don't think so.

Q Why not? A: Because in my opinion the white man's standard of living and the Japanese was absolutely different.

Q I see. Had the Japanese a lower costs, or higher costs than the white man?

A Pardon me? Will you repeat that question.

Q Had the Japanese lower or higher cost of production than a white man?

MR.McMASTER: My lord, is this witness just expressing his personal opinion in regard to these matters or can he speak from experience of his own knowledge?

THE COMMISSIONER: Well, I presume he is speaking from his own experience, but you had better clear that up Mr.Hunter.

MR.HUNTER: Yes, my lord.

Q Have you any knowledge of the cost of production on berry farms operated by white men?

A No sir, I am afraid I haven't.

Q Do you know how the costs of production of a berry farm operated by a white man compare with the costs of production of a berry farm operated by a Japanese?

A Pretty well.

MR.McMASTER: It seems to me somewhat contradictory, my lord. He says he does not know what the cost of production is to a white man.

THE COMMISSIONER: It is a matter of weight, I suppose.

MR.HUNTER: Q: What is the difference?

A The difference in my opinion, is , when the weather permits in the Springtime the Japanese they will start in working at daylight and they don't quit until dark.

Q I see. And does the white man not work what hard? A: Well, the white man, he generally doesn't. He has some sort of hours that the Japanese did not have,

Q Did the Japanese hire labour?

A Yes, they had to hire labour in the berry picking time.

Q Did they hire labour the rest of the year?

A No, not as a rule.

THE COMMISSIONER: I suppose what that comes down to is you are saying the Japanese farmer is more industrious than a white farmer, is that it?

A Well, looking at it on the surface, you could say that. And also the Japanese would have his wife and children out working. In fact the wives did as much work as the men did.

MR.HUNTER Q: Do you know whether the Japanese was a good farmer?

A Well, I wouldn't call them altogether good farmers, no.

Q Why do you say that?

A Because they did not keep the land up. They put on commercial fertilizers all the time and they forgot that soil was going to play out--the humus was going to go and they had no cattle.

Q Did they not use fertilizers with manure?

A No, they fertilized with commercial fertilizers.

Q Now how many Japanese would there be around your place? A: Well, there were Japanese on either side of me--in fact on all sides.

Q Were they all in the berry business?

A All in the berry business. Some of them grew rhubarb--forced rhubarb, and a few asparagus.

Q Have you anything to say as to the history of the berry industry in the valley?

A Well, my experience of the history has only been two good times with the berries. That was after the first war and after this one.

Q I see. What about during the first war and during this one?

A Well, this time the berry business has been exceptionally good.

Q Now do you know of any commercial orchards in the valley? A: No.

Q Did you ever have an orchard?

A Just a few trees that were on the place when I went there.

Q Do you know whether there were any commercial orchards around there when you bought land?

A No. There is a big orchard right across that a neighbour had, but he never used it commercially.

Q Were there people endeavouring to produce orchards commercially while you were in the valley?

A Not that I know of.

Q And what was your own experience with your own fruit trees?

A My experience with my own fruit trees was fairly miserable, I am sorry to say. The price never justified bothering very much with them.

Q Is the question of cost, or what is it?

A Well, it seems like to me that the Upper Country always gets the preference when it came to growing apples.

Q And what about other tree fruit?

A There was a certain amount of other tree fruit but the price never justified going to very much trouble with it.

Q Did you ever go in for chicken farming?

A No.

Q Were you in municipal life?

A At Matsqui, yes.

Q When was that?

A From 1934 to 1945.

Q You were on the Council?

A Six years as a councillor and five years as reeve.

Q You would know your own township then, pretty well.

A Pretty well, pretty well.

Q And in 1942 did you have land available for tax sale? A: Oh yes, there was land being sold for tax sale.

Q Much of it? A: Quite a little bit of it.

Q How much did it sell for?

A It sold from $7.00 to $10.00 an acre. bushland.

Q That is bushland--not cleared land?

A No, there was no cleared land sold.

Q That would be this bushland that had been logged off and then grown up again, is that it?

A That is right.

Q And have you any idea how many acres of that would be available in 1942?

A Well, that question would be rather difficult to answer. In fact I could not answer just what acreage there

would be available for tax sale at that time.

Q Would it be hundreds?

A There would be several hundreds, yes.

Q What has been the history of dairy farming in the district, Mr.Simpson?

A The history of dairy farming in the valley, when I started, was good for a while and then the price was slashed almost in half. The first year I went on my place I received one dollar a pound butterfat, and the next summer it came down to 50¢, and from there on it was picking up a little again up to 1929, and from there on, in the thirties it began to be very poor. Our prices were down very low--as low as 25 and 27 cents a pound butterfact.

Q When did that pick up?

A It picked up--it began to pick up -- oh, in '43 and '44 again.

Q Not until then?

A No, it was fairly low until those years, '43 and '44.

Q Did you observe much land changing hands around your place and in your municipality in '42?

A No, not very much in '42.

Q Do you know of any sales of land in '42?

A Yes, I know of sales--a Japanese place there changed hands to a Mr.McDonald around about that time. I cannot be quite certain of the year and he resold again.

Q And how much did he pay the Japanese for their farm?

A He paid the Japanese around $1800.00 for 20 acres.

Q Was there a house on it?

A Yes.

Q A Japanese house or a white man's?

A No, the house was built by a white man.

Q And a barn? A: Yes, there was a Barn.

Q Anything else? A: No, it was just practically the house and the barn.

Q And how much of that was cleared?

A About one half cleared.

Q There would be about ten acres cleared?

A Yes.

Mr.McMASTER: What year was this?

MR.HUNTER: I asked him about '42 and he said he thought it was '42 but he is not sure.

Q Can you remember accurately, or is there anything that fixed it in your mind what time that was?

A No, I would not say I could do that.

Q Well, could you relate it to the evacuation of the Japanese? A: No, no. That was before the evacuation. That Jap. moved to property west of the Municipal Hall and started in there. No, the Japanese were not being moved then--oh no.

Q It would probably be the year before then, would it?

A Well, it could have been.

Q Do you know of any other land changing hands around that time, in '42?

A None other than some municipal land on the Denison Road, right across from the Japanese places--to a

young fellow by the name of Fred Phillips. I think practically there were three acres of clearing on it--and the rest was bushland that he bought from the Council--80 acres--for about $400.00.

Q What kind of land was it?

A Well, with the exception of that little clearing in front, it was second growth bush.

Q And what class of soil?

A Well, the same class of soil that is in that district.

Q The same as yours?

A Yes, the same soil as mine--three and a half feet to hardpan, mostly.

THE COMMISSIONER: No buildings on it.?

A No buildings on the 80 acres.

Q Did you say 8 or 80?

A 80.

MR. HUNTER: Q Now when the Municipality sold that land how did they arrive at the price? Were you on the Council then?

A Oh yes, I was on the Council. Well it was just a matter of opinion of the whole council sitting in session. This land was there and somebody probably would write in and offer, and of course their offer would be either accepted or rejected.

Q Was there any other land for sale at that time?

A Well, none that I can recollect at that time.

Q That was the only land the municipality had for sale at that time?

A Municipal tax land?

Q Yes? A: Well, I wouldn't say that, but I was not interested in the sale of land at all--just the municipal land, being Reeve.

THE COMMISSIONER: What year was this, of this 80 acre sale?

Q I would not like to say, sir, without having a record from the Municipality. I would not tax my memory.

Q Can you relate it to the sale of the Japanese property--the 20 acres that you spoke of before?

A I beg your pardon?

Q Can you relate it to the date of this sale of the Japanese property that you spoke of before?

A No. There could have been a year or two difference.

MR.HUNTER Q: When did real estate in your municipality begin to move actively? Do you recall that.

A Oh it began to move a little more actively in '43 and '44. The Memonites began to come into the country and the price of land began to take a decided jump up.

Q And have many Menonites moved in there?

A Yes, a lot of Menonites have moved in.

Q And how has that affected the price of land?

A Oh it has affected the prife of land tremendously.

Q Can you give us any idea what land is selling at around your place now?

A The place right across from me , with a large old barn, 28 acres, has just recently been sold for $8,500.00.

Q I see. Were there many Japanese in your municipality?

A Oh yes, quite a few.

Q Were they in any particular area?

A Well, they were in that area around where I live, quite a few of them, -- on the Denison Road, and one right next to me, and another one on the Mount Lehman Road, bordering on my place, and then in the Clayburn District there were quite a few more, and in the Bradner District there were quite a few more.

Q And they had been there for how long?

A Oh, the first Jap in the district was there when I moved up into that district and since then they have been trickling in just steadily. That was in 1920. That was the first Jap I knew in the country then.

MR.HUNTER: That is all, my lord.

CROSS EXAMINATION BY MR.McMASTER:

Q Witness, how many Japanese families have you known?

A I beg your pardon?

Q How many Japanese families did you know personally?

A Know personally? Oh about seven or eight.

Q And how many Japanese farms have you been on personally?

A Personally?

Q Yes? A: That amount I would say.

Q Now you said in 1942 the Municipality was selling bushland for $7.00 and $10.00 an acre. How did they arrive at that price of $7.00 to $10.00?

A I think I have already stated that. People would send in an offer and the Council would accept

or reject it.

Q And on what basis did the Council accept or reject it?

A If the price they considered was too low, they would reject it and if they thought the price was reasonable they would accept it.

Q And how did they judge whether it was too low or not? A: Well, that is a rather difficult question to answer, as far as the Council are concerned in that respect.

Q Is it not true that the Council were anxious to get this land in production?

A It could be. It could be that they wanted taxes coming in. It could be that.

Q Well, was it that? They wanted to get it on the tax roll?

A Well, the land was lying there, and if an offer came in they wanted to sell it.

Q And would you say they did not want to get it on the tax roll?

A Not necessarily. If the offer was too low they would not want to get it on the tax roll.

Q Well, if the offer was reasonable, do you agree the Council was anxious to get this land on the tax roll.

A That would be so. Any Council would be anxious.

Q' Now it seems to me, witness, that you have painted a rather glum picture of production in the Fraser Valley, in almost every line of farms. Is it your view that the farmers in the Fraser Valley have not done very well over a period of the last

twenty years?

A I cannot remember including the whole twenty years. I said times were good after the last war--plenty good, and then they went out and then they picked up again in 1929, and this is dairy farming I am speaking of and the berries would apply just the same; and from '30, right on to what I have stated before they began to pick up again.

Q Well, all you are saying that agricultural has its ups and downs like any other business?

A That is right, it has its ups and downs.

Q As a matter of fact there were a lot of people moved into the Fraser Valley in the early '40's ?

A Yes, but there have been more moved in since the prices have been good.

Q But there was a movement on in the early '40's?

A Yes.

Q And there has been a tendancy in the Fraser Valley to break up the larger farms into smaller units, is that correct?

A That is right, there has been.

Q Now you mentioned that your property was pretty well surrounded by Japanese property, is that right?

A That is right.

Q And did that decrease the value of your property?

A Well now, I could not tell you that because I never tried to sell my property.

Q Well in your opinion did you consider that the value of your property was decreased?

A Well I never tried to sell my property and I have

no idea. I have never put it up for sale.

Q You never put it up for sale, and you have no idea of the market value?

A No, none whatever.

THE COMMISSIONER: Thank you, Mr.Simpson.

(Witness aside)

MR.HUNTER: My lord, the question of production of documents has come up again. As you will remember your lordship directed at the very beginning of this Commission the Government was to produce their files, and any files that they proposed to produce were to be made available to counsel, and that has been done, and the files have been ready two weeks prior to anything based on that although there have been exceptions, of course.

Now, I presume that direction is meant to be reciprocal and anything the Japanese claimants propose to file should be produced in the same way. And I think they should be produced in sufficient time to allow us to go over them instead of at the very last minute and thus place us at a disadvantage and I am going to protest most strongly if things are not produced in time to give us a chance to study them. They should not compel us to go on with an improper preparation of the case, and I would ask that some ruling be made so that there can be no misunderstanding whatever and that any documents that are proposed to be filed by learned counsel for the Japanese should be produced in time to be studied before being used because

otherwise it places me at a disadvantage.

THE COMMISSIONER: What have you in mind, Mr.Hunter.

MR.HUNTER: I have in mind any statistical documents-- anything that requires study and work, and anything of significance because this cannot be neglected until the last moment and I do not want to be placed in the position of writing letters to Counsel or 'phoning and not getting results. I must know about these in time, and I don't want this thing to be left over.

THE COMMISSIONER What is the situation, Mr.McMaster?

MR.McMASTER: I am astonished at the suggestion my friend has made that he has had to write letters or 'phone. I have given him my undertaking and I will provide him with copies of the statistical material before any client gives evidence on it. At the moment I cannot give a specific undertaking whether they will be a week or two weeks before being prepared but I will try to give it to him in reasonable time.

THE COMMISSIONER: Well this question, Mr.McMaster is a matter of considerable moment from my point of view. I am addressing you, Mr.McMaster.

MR.McMASTER. Yes,my lord.

THE COMMISSIONER: It is a natter of considerable moment from my point of view and if such material is not available so as to permit either counsel to deal with it, inevitably it will result in an appreciable delay in the conduct of the Commission.

Now, I have no thought of making a specific

direction to either counsel that they should furnish material at any particular time, but I do ask all counsel to see that the material they propose to introduce should be made available to counsel on the other side in reasonable time. Otherwise it is going to delay these proceedings.

MR. McMASTER: Yes, my lord, and I have given my learned friend my consent.

THE COMMISSIONER: I will not make any comment other than that. It has been my understanding the Custodian's Office has endeavoured since we started nearly a year ago to furnish counsel with files and so forth, and I do not think there has been any particular protest by counsel for the claimants in that regard, and I have no doubt counsel for the claimants will reciprocate fully.

Certainly, up to date there has been every evidence to me that Counsel on both sides have been endeavouring to be helpful throughout and I am perfectly satisfied if that continues.

Is that your last witness, Mr.Hunter?

MR.HUNTER: It is the last witness I am proposing to produce before vacation, my lord. I have some material which I will produce at a later date, -- my learned friend was asking a witness yesterday about the sale of other property--and that will be produced at a later date.

THE COMMISSIONER: Yes.

MR.HUNTER: And it will require some analysis and I

think your lordship will find it very interesting.

THE COMMISSIONER: That will be produced after we resume after the first of the year.

MR.HUNTER: At any time my friend wishes to start with his evidence--any time my friend wishes to put in that evidence it is alright--but it is not quite ready yet.

THE COMMISSIONER: Well, is it the plan to open with claimants' general evidence on the 17th?

MR.HUNTER: That is what I understood the plan was to be.

THE COMMISSIONER: Then, Mr.Secretary I would like you to write Mr.Burshill at once informing him that our plan requires us to start with general evidence on the 17th January at 10 o'clock and as far as I am aware the sessions will be held in the Court of Appeal room on the 17th January.

Well, if that is all that is before us now, I do not wish to close without expressing to counsel my appreciation of their help. I hope you have something of a rest in the next few weeks and that you will have a pleasant Christmas.

(PROCEEDINGS ADJOURNED UNTIL 17th JANUARY,1949 at 10.A.M.)

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

Deputy Official Stenographer K. Blyth

JAPANESE PROPERTY CLAIMS COMMISSION

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

Vancouver, B.C.

December 14th, 1948.

GENERAL EVIDENCE

PROCEEDINGS AT HEARING

(Pages 1101 to 1190)

McCallum DULA. 1101 - 1153

Hilltout. DULA 1153 - 1190.

The Commissioner

Vancouver, B.C. 10 a.m.

PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT

THE COMMISSIONER: Yes, Mr.Braidwood.

MR.BRAIDWOOD: My lord I am going ahead this morning with Mr.McLellan who is giving evidence the Veterans Land Act advisory, also; your lordship will remember Mr.McLellan was referred to in Mr.Carncross' evidence

THE COMMISSIONER: Yes, I remember.

THE WITNESS:

JAMES JOSEPH McLELLAN,
being first duly sworn,
testified as follows:

DIRECT EXAMINATION BY MR.BRAIDWOOD:

Q Mr.McLellan, what is your occupation?

A Farmer.

Q Now would you give his lordship in your own words a brief summary of your experience in farming.

A My experience in farming has been almost a lifetime of general farming in the Fraser Valley.

Q Where were you born , Mr.McLellan?

A FORT Langley, B.C.

Q Were you brought up in that area?

A Yes.

Q Was that on a farm?

A Yes.

Q Will you tell his lordship the type of farm it was.

A Mixed farming with dairying probably the chief line.

Q Yes, how long did you stay there?

A I stayed there until I was about twenty years old when I joined the army and was discharged on demobilization. After demobilization I started farming in that district on my own in 1922.

Q Yes, have you farmed anywhere else?

A No, I have farmed in that district more or less ever since.

Q Have you farmed in any other area in Canada?

A Only in Saskatchewan, one year, for harvesting.

Q Have you owned land of your own in the area of Fort Langley?

A Yes sir.

Q When did you first purchase land there?

A In 1922.

Q What type of land did you buy?

A Well usual, the average of the land in that area.

Q How much land did you have?

A Eighty acres when I first purchased.

Q What was your first connection with the Soldiers Settlement Board?

A You mean as a borrower?

Q Yes.

A I received a loan under the Soldiers Settlement Board. I think it was early in 1922.

Q What happened as the result of that loan?

A Well to make a long story short I paid off my account I think in 1941 or '42.

Q Did you acquire any further lands as the result of loans advanced?

A Any further lands acquired were by other financial arrangement and not from the Soldiers Settlement Board.

Q Are you still farming in that area?

A Yes.

Q In the years since your return following the war, you have

been continuously farming in the area?

A Yes.

Q And farming of what type?

A Mixed farming with dairying as the chief line.

Q Now would you say you were well acquainted with the area or not well acquainted with the area.

A I would say I am.

Q That is the Fort Langley area?

A Yes.

Q Do you know the adjoiming areas at all?

A Fairly well yes.

Q What has your experience been of having a knowledge of those areas?

A I have done considerable work for the Canadian Farm Loan Board in the Fraser Valley. I was for ~~over~~ seven years a full time employee and that work took me all over the Fraser Valley.

Q For seven years?

A Excuse me; I may have--

Q Well approximately, it is --

A 1936 to '41; for five years.

Q I gather from what you have told us in your work with the Canadian Farm Loan Board you travelled extensively in the Fraser Valley area.

A The Fraser Valley area was part of my territory.

Q Was that continuous employment?

A Yes.

Q Have you held any municipal offices in British Columbia?

A Yes.

Q What were they?

A I have been a member of Langley Municipal Council a number of times in the last 25 years.

Q Any other municipal office?

A I have been the municipal assessor in Langley Municipality and also in the Municipality of Matsqui.

Q And let us deal with one at a time. In the Municipality of Matsqui when did you do your assessment work?

A In 1933.

Q Do you know anything about the result of that assessment insofar as appeals were concerned?

A I would say that the results were satisfactory except for a very few. There was no appeal that was not settled at the first sitting of the Court of Revision.

Q When did you do your assessment work in the Municipality of Langley?

A In the following year, 1934.

Q What have you to say as the result of that work insofar as appears were concerned?

A I would say that the answer would be the same in this case; that any appeals there were were settled at the first sitting of the Court of Revision.

Q What haw your experience been as an appraiser of land?

A My experience as an appraiser? Well, my exoerience as an appraiser would be pretty much confined to the five years I was with the Farm Loan Board.

Q Were you appraising lands at that time?

A Yes, appraising lands, yes.

Q Have you any idea how extensive those appraisal were in number?

A No, I could not give you any very definite--I was at it

all the time.

Q Would you say there was a large or a small number of appraisals?

A Well, it was large enough for me. It kept me busy. Is that a good enough answer.

Q Whendid you sell your original farm?

A The original farm which I purchased from the Soldiers Settlement Board in 1922 -- I sold it in 1942.

Q What was the price of that?

THE COMMISSIONER: Well, are we concerned--

MR.BRAIDWOOD: I think this witness might give some evidence as to the land values andthe rise in prices, at that time, if your lordship is interested.

THE COMMISSIONER: Yes, but I don't want to probe this witness' private affairs unless he is entirely willing. The property is his own concern. It is for him to say.

MR.BRAIDWOOD: You might leave it to the witness whether he does not wish to discuss it.

I won't press it.

THE WITNESS: It does not make any difference to me.

MR.BRAIDWOOD: I intended my lord, to lead some evidence as the original cost of the farm to him and what it sold for.

Q What did this farm cost you when you purchased it?

A The farm consisted of 80 acres all together. The total cost of that 80 acfes came to -- with the loan I received from the Soldiers Settlement Board of $3800.00 and moneys that I spent buying additional land, the total cost was $5750.00--I beg pardon, $5,250.00.

Q That was purchased when?

A In 1922.

Q 80 acres of what type of land?

A It was partly improved, with very poor buildings.

Q This was the farm you used as a home?

A Yes.

Q What improvements did you make on the farm after you acquired it?

A Oh I did a lot of improvements by clearing and building.

Q What type of buildings did you add to the farm?

A I put up a dwelling house and improved the other buildings and rebuilt some of them. During the ten years I was very busy improving the farm and improving the buildings.

Q And there was considerable clearing was there?

A Yes.

Q What was the sale price in 1942?

A $4500.00

Q What was your opinion of the real estate market in 1942 in the area we are discussing?

MR.McMASTER 1942 or '43.

MR.MRAIDWOOD Q: We will take 1942 first.

A It was pretty tough. I think it was when I sold that place.

Q Had there been any change between 1942 and 1943?

A Well I don't really know. I didn't sell anything in 1943.

Q When did you acquire your present farm?

A I started buying the land I am farming now--
The first parcel of it I bought in 1936 and I bought

additional acreages to that original piece at different times until 1944, I bought the last piece.

Q Do you know the cost of your present farm?

A It varies. The first 23 acres and a fraction I bought I paid $1400.00 for. That was arable land with a building.

THE COMMISSIONER Q: All under cultivation?

A Practically all. I bought that in 1936-- in 1935, I am sorry. In 1937 I bought an additional 75 acres more or less. I cannot give you the exact dollars but approximately $1850.00; no buildings of any kind on that either, except an old barn and silo.

THE COMMISSIONER Q: How much?

A $850.00

Q What was the price of the 23 acres parcel?

A $1400.00. The 75 acres was not as good a creage as the other one. It was lower and needed draining and dyking. The next purchase--

MR. BRAIDWOOD

Q Was that land cleared or uncleared.

A It was practically all cleared but not tilled, not drained, not all ready for cultivation. I had to do considerable draining and dyking after I got it. The next piece of land I acquired was an 80 acre block behind those two and a two acre block adjoining.

Q When were they acquired?

A I wish I had my files here. They were acquired -- I will have to give you about the year; probably 1939 or '40.

Q What was their cost?

A Well it was approximately 81 acres , it cost me $750.00

Q What type of land was that?

A Similar to the 75 acres I just mentioned. But it had this disadvantage; it had no road frontage and that was cheaper on that account. I bought that from an estate. The next was in 1944. I bought another block of land 90 acres more or less with two buildings on, old buildings on.

THE COMMISSIONER: 1944.

A 1944. I paid $10,000.00 for that farm.

MR BRAIDWOOD: What type of land was that.

A Good farm land; about 75% arable; the balance in rough pasture.

THE COMMISSIONER: What was the acreage.

A 90 acres more or less. Following that I acquired two other small holdings shortly after which were sitting right in my farm. My land surrounded them, and I bought those two pieces at different times; One house and barn with approximately 6 acres of land cost me $2800.00.

Q What type of land was that?

A Choice soil.

Q And cleared? A: Yes. There was a 5 roomed house on it.

Q The price of the 6 acres parcel?

A $2800.00.

MR.MACMASTER : What year was that my lord.

THE COMMISSIONER: 1944.

THE WITNESS: I would not be sure about those dates. It was after '44 and before '46. It may have been '45. I can find that out. The same year I

purchased another 3 acre parcel alongside of that 6 acree one; also with a house and small barn on it. The farm was of no account, but the house was reasonable for its age. It cost me $2,000.00.

Q Was that land also good farm land and cleared?

A Yes.

Q That represents your present holdings?

A Yes, that is it approximately. I have some other bushland in Langley. I have had it for years. One is a 43.85 acre parcel of young timbered land and the other is a 35 acre parcel of logged off rather undesirable property.

MR.BRAIDWOOD My lord I propose to introduce some evidence of this rural advisory committee. I don't know if your lordship is interested in the matter of the functions of the committee any further. We have had it from Mr.Carncross.

THE COMMISSIONER I don't think there is any necessity for it; that is the function of the committee. The operations are somewhat different.

MR.BRAIDWOOD Yes.

Q You are a member of the rural advisory committee of the Custodian, were you in connection with the Veterans Land Act?

A That is right.

Q When were you appointed to that committee. Perhaps my lord I had better rephrase my question if I may. Were you a member of the Rural Advisory Committee of the Custodian?

A I worked two days for the Custodian's office if that is what I was--I worked two days there.

Q In what capacity?

A I just attended a meeting in the office of Mr.Shears I believe.

Q Mr.Shears?

A Yes, and any discussions that took place in there were very general. In fact I have very little recollection of what we talked about other than goover the terms of reference and a few other initial things. I don't remember anything definite we did.

Q You stayed there two days?

A Yes.

Q Why did you leave?

A I left to accept a position with the Veterans Land Act, on their advisory committee.

Q Is it known as the Regional Advisory Committee?

A Yes, in New Westminster.

Q Who were the other members of that committee at the time you were appointed?

A Mr.Godfrey was chairman and Mr.Carncross was a member of that committee.

Q Do you remember the date of your appointment?

A No, but I can find out.

Q Would you have an approximate idea of the year?

A I am getting older. It is not easy to remember back; 43 I think; I am quite sure.

Q As a member of the Rural Advisory Committee, or rather the Regional Advispry Committee did you have occasion to investigate proposed Veterans Land Act purchases of Japanese land for the Custodian.

A The committee of which I was a member did -- didspend a day or two; a day or more than one day making more or

less a tour of the areas in which those properties were located; when we did make spot inspections, not detailed inspections.

Q Were you familiar with the lands which you were considering?

A Familiar with the districts. I would say yes in a general way.

Q Would you know any of the properties specifically?

A Well, I knew that--I had a good general idea of where most of the Japanese lands were located, the districts in which they were located .

Q Did the other members of the committee go with you on this tour?

A Yes sir.

Q And did you hold any meetings to consider the result of your findings?

A Not whilst we were on the tour.

Q Did you meet together as a committee to consider what offer should be made concerning the purchase ?

A I know we discussed it.

Q What was your attitude personally towards the purchase?

A I was never very keen on the acquiring of those properties for the purpose for which we were buying them or proposing to buy them.

Q Will you give us your reason for that?

A Well at that time there was a lot of other good arable land in the Fraser Valley which could be bought quite reasonably of better quality, much better quality in my opinion.

Q What was your opinion of the Japanese properties in

general?

A You mean in regard to classification?

Q Yes? A: Well, I think I will repeat what I often said before at the best they were only third class premises--property.

THE COMMISSIONER: Will you distinguish between the buildings and the land as agricultural land. When you say it was third class property are you now referring to both buildings and land or distinguishing between the two?

A I think the same would apply to the two, generally speaking.

MR. BRAIDWOOD:

Q Can you give any general observation as to the type of the Japanese farms?

A To a very great extent the Japanese lands in the Fraser Valley were--to begin with a lot of it was tax sale land that no-one else would buy; they would not buy it if they could get anythingelse. Consequently this land sold very cheap. Some of it at Tax Sale, I think. And a lot of it was rolling and rough. I am sure that anyone trying to farm it mechanically would not take it at any price, because you could not operate mechanical things on it because it was so rolling in some cases. In other cases it was rather light stuff.

Q Did you have any observations to make of the soil generally found on the Japanese premises?

A It varied from a good type of clay high land to a poor type of high land, and in the case of the low lands, what I saw of them, the same description would

apply. I have seen some very poor soil on those Japanese holdings and some reasonably good soil.

Q From your knowledge of the Japanese farms would you say that the Japanese generally had cared for their land in the proper agricultural manner or not.

A I would say that they found it -- that they worked hard if I may use that expression and the natural elements that werein the soil that go to produce the things were just about used up and it was quite evident in some cases at least new methods would have to be adopted.

Q Have you any other observations to make on the farms just before we proceed to the matter of the buildings?

A No.

Q Now concerning the buildings, what was your opinion generally about the Japanese buildings?

A I think geerally speaking they were gerry built affairs; away below standard construction . Outside of the purpose they served, they had no value.

Have you any of the characteristics of the buildings that you noticed--

A I was going to say that--I was going to finish my sentence. That was my general observation; there were however some fairly respectable looking buildings.

Q Can you give us any more information on the type and character of the buildings?

A I don't think so. I think that is all. They had no -- the ordinary ones on those little farms had no foundation. They stood up there on just cedar posts. There was not even sway braces. They were terrible looking shacks some of them.

Q You were acquainted with the appraisals made by the Soldiers Settlement Board appraisers?

A I was acquainted with the Soldiers Settlement Board appraisals.

Q What was your opinion of these appraisals.

A I thought they were high in the buildings, and inas much as there is no scientific way of arriving at the value of an acre of land, I did not feel that I could find any fault with their land values. I think they were fair enough. I definitely think that in the case of these old buildings they were too high.

Q What would your opinion be of those appraisals, as establishing a fair market value.

A I think it worked out about right.

Q With regard to the final offer of $850,000.00 which was paid by the V.L.A. to the Custodian for the properties what would your opinion be of that as representing the fair market value for the properties?--purchased

A In view of what I thought of the whole shebang I would say that was plenty for them.

Q Would you give an opinion as to whether or not you think it represented the fair market value?

A As a purchaser of a block of property such as that I would say yes, that it represented a good market value.

Q In view of your experience in that area with land and land transactions what would your opinion have been as to whether or not, if the Japanese properties had been sold individually, the same

figure could have been obtained; that is $850,000.00?

A In the first place I would think it would be hard to merchandise a block of land like that, selling them bit by bit. I think they would end up with quite a percentage not sold. You probably would get quite an attractive price for some of them; some of them, probably 50 to 70 would be easy to sell. The next 25% hard to sell and the next 25% would take a long time to sell, and probably a part of that 25% would not be sold yet.

Q Then do I take it in your opinion the $850,000.00 purchase represented a good deal, so far as you could see, for the persons who held the Japanese land?

A I would say that as a committee, advising with a view to purchase, that we paid plenty.

MR.BRAIDWOOD: That is all my lord.

CROSS EXAMINATION BY MR.McMASTER:

Q Just how many Japanese properties were you acquainted with before you undertook your duties with the Veterans Land Act Committee, Mr.McLellan?

A I could not tell you how many sir.

Q Would it be half a dozen.

A Yes, it wouldbe more than that.

Q How many more?

A Oh probably 50.

Q In Langley?

A Some in Matsqui.

Q Langley and Matsqui?

A Langley and Matsqui.

Q Very few in the other municipalities?

A I knew where they were but I was not familiar with them.

Q You mentioned that you had done some appraisal work with the Canadian Farm Loan Board; you were with them five years approximately?

A Yes.

Q When you first went with them did you start right in appraising?

A Yes.

Q What experience had you in appraising at that time?

A Well, I would say I was engaged because of my experience as a practical farmer and the experience I had in the office of Assessor in Langley and Matsqui.

Q When you undertook the office of Assessor in Langley and Matsqui what experience did you have in appraising land?

A Because of my experience in the district and as a farmer in the district; those municipalities are made up chiefly of farmers.

Q And when you were appraising land for the Assessment Roll in Matsqui and Langley what was it you were endeavouring to obtain.

A An equitable assessment.

Q What kind of an equitable assessment,

A Well that is a difficult question to answer.

THE COMMISSIONER: It speaks for itself does it not?

MR.McMASTER Q: Do I take it to mean in other words, an assessment which would be equitable between the various properties?

A Yes, it would be as near as possible to the true value.

of the properties.

Q What do you mean would be the true value?

A Just what I said.

Q What is true value? Has that anything to do with market value?

A It has somebearing on it, yes.

Q Some bearing on it?

A It is defined under the Act.

Q I take it you suggest that true value and market value are different things?

A Well such a thing as market price may not be the value.

Q You say it may be different?

A Well, we have to distinguish between costs and value.

Q In Langley Municipality where you had some experience and you say you made an equitable assessment you would agree that the assessment as between properties in 1942 would be equitable?

A In 1942.

Q In 1942 or 1943?

A I was not assessing in those years.

Q You were not familiar--

A No.

Q They were in the years when you were assessing?

A In 1934.

Q When you were assessing land for the Canadian Farm Loan Board, I presume they had certain standards of values they applied to lands in each municipality. Would that be correct?

A They had no definite-- they had no written instructions

in regard to standards of values.

Q But there was an accepted standard of value which various appraisers adopted in appraising the lands in these various municipalities?

Would I not be right?

A I would not say that. I would say there were no mechanics in that feature of our work at all.

Q In what municipalities did you appraise for the Farm Loan Board;

A In all the municipalities of the Fraser Valley.

Q How would you say that the values place on land by the Canadian Farm Loan Board in their appraisals compared with the values placed on land by the appraisers of the Soldiers Settlement Board?

A The values for the Soldiers Settlement Board--do you mean the Soldiers Settlement Board purposes?

Q On the Japanese lands?

A That is a different thing. I was dealing with -- when appraising -- it was pretty much confined to the better parts of those municipalities in the Fraser Valley and consequently much better land than the Japanese if that is what you are referring to.

Q Did you do some appraising for the Soldiers Settlement Board?

A No, for the Farm Loan Board.

Q I made a mistake. In what parts of the Fraser Valley would that be, those better lands?

A The Fraser Valley has some very good land in it in different parts. The choice land is not very extensive. I can tell you what I think are the better

parts of the Fraser Valley in regard to soils. All districts have as a matter of fact good spots and bad. And all districts have some poor spots. All districts have something in between.

Q When did you serve on the muncipal Council?

THE COMMISSIONER: Which Council?

MR.McMASTER: I think he mentioned the Langley Council.

A I was elected to the Langley Council in January 1923.

Q And you served just a couple of years?

A Served seven years.

Q And you have not been on the Council since then?

A Yes, I am on the Council at the present time.

Q How long haveyou been, recently.

A This is my second year this time.

Q How many tax appeals did you have this year, assessment appeals?

A I cannot answer that. I was not on the Court of Revision.

Q You don't know? A: No.

Q Many or few, do you know? A: No.

Q You referred to certain lands of your own that you acquired since 1936. And then also a farm you sold in 1942.

A Yes.

Q 80 acres? How did you go about selling that farm.

A I had it listed with various real estate companies for four or five years and I finally--an agent here in Vancouver founda man who was interested in it andI ended up by selling it.

Q Did you say that was a very undesirable piece of land?

A No.

Q Were you operating the farm up to the time of the sale?

A Yes.

Q AS well as operating these new parcels that you purchased?

A No, I was acquiring those new parcels and I was farming them in conjunctiom with my home place.

Q I thought you were employed full time with the Fram Loan Board during this period '36 to '41.

A Yes, that is right.

Q So that you were not operating the farm yourself?

A No, I was--I was the operator, but it was done by hired help. My wife was living there all the time.

Q And also at the same time these new parcels that you acquired, you were operating these as well?

A Yes.

Q THose were all being operated as a dairy farm?

A Chiefly dairy farm.

Q How much of that land would have been suitable for small fruit in that land. Have you any idea?

A Which land?

Q In the land which you bought from the Soldiers Settlement Board, the 80 acre one you sold in 1942.

A I think it would do for small fruits . I am not a small fruit man.

Q Have you ever had any experience in small fruits yourself? A: Not very extensively.

Q So you would not kow how much of the land which you acquired for your dairy farm in 1935 or 1937 would be suitable for small fruits?

A It would all grow small fruits if you planted them on it.

THE COMMISSIONER Q: That was not, I take it, the most advantageous crop?

A No.

MR.McMASTER Q: Now with regard to these two parcels that you purchased, the 6 acre portion and the 3 acre portion; you bought those in '44 and '45?

A Yes.

Q What did you mean when you said the rest of your farm surrounded those parcels. Was there any access to them.

A No, the highway was here and they were sitting -- they were small blocks of land, with the road frontage right in front of my property.

Q You owned all the land around it?

A That is right.

Q This property you bought in 1936 -- in 1935 the 23 acres, from whom did you buy that?

A From Mr.Beller.

Q Was he operating the place when you took it over or purchased it?

A He was selling his interests in Langley and going to the States.

Q He was liquidating all his assets?

A Yes.

Q Now the 75 acre portion in 1937, whom did you buy that from?

A From Dr.Marr.

Q From whom? A: Marr

Q M-a-r A: M-a-r-r.

Q Was he operating that when you bought it?

A He had it leased.

Q How long had it been leased?

A Oh I could not tell you that, not very long, I would say. He used to have a great dairy herd there.

Q Do you know why he was selling it?

A He was ill.

Q Now the parcel you bought in 1939 or '40 the 75 acres; whom did you buy that from?

A 79 acres?

Q Yes, 79 acres?

A I bought that from the Wilkie estate, through a local real estate office here in New Westminster.

Q You purchased both the 79 acre portion and the 2 acre portion from the Wilkie estate?

A Yes.

Q Were they being operated as farms when you acquired them?

A No, they were pasture lands. They were lands which were available for pasture to anyone who wanted to put stock into them and they had been used by my predecessor, the man from whom I bought the land . So they were not tenanted at the time or under lease?

A No.

Q Those 90 acres you bought in 1944, whom did you buy that from?

A J. J. Morrison.

Q Was he operating that at the time you purchased it?

A He was old and retired and he had been renting it for a few years previously.

Q Do you know the legal descriptions of these properties?

A Yes, I can give you the district lots. Which one do you want?

Q Let us start with the 23 acre portion you bought in '35?

A That is part of Block "A" District Lot 19, Group 2, Township of Langley.

Q The 75 acre portion you bought in 1937?

A That is from a No.of Lots in the same Block "A" Group 2, District Lots 19.

Q And the 79 acres you bought in '39 or '40?

A Now the 79 acre block -- that is part of the District Lot-- I am not sure--I think it is 324.

Q And the two acres? A: And the two acres, that is another part of Block "A" District Lot 19, --

Q And the 90 acres?

A --The numbers of Lots on that , Block "A" from 1 to 20 both inclusive.

Q And the 90 acre portion?

A That is District Lot 52; 90 acres more or less. And also in that 90 acres more or less there is -- I think it is a parcel of 6 acres approximately a 6 acres parcel, of Block "B" District Lot 19.

Q Now the 6 acre portion which you bought ?

A The 6 acre portion is a portion of District Lot 19.

Q And the three acre portion?

A The three acre portion are Lots 2 and 3 of Block "A" District Lot 19; that is included in Lots 1 to 20, both inclusive.

Q Now you said you were employed at the Custodian's

Office for a couple of days?

A Yes.

Q Just what doing?

A To get acquainted chiefly.

Q Was that a meeting of the Rural Advisory Committee?

A I believe the office was just getting organized and as I say I cannot recall doing very much.

Q Was this in 1942 or 1943?

A Just previous to going on the Veterans Land Act. I think it was in 1943. I can find out.

Q Who else was present at this meeting they were holding?

A From Haney--

Q Mr.Menzies?

A Mr.Menzies and I were in the two out of town men there.

Q Was Mr.Yamaga there? A: No, I don't think so. I cannot be sure.

Q You had been appointed to that committee by Ottawa? That is right.

A Yes.

Q Did they request you to change your affiliation to the V.L.A.Committee?

A No, I asked to be relieved in order to accept the position with the Soldiers Settlement Board on the Veterans Land Act.

Q You mentioned that the V.LA. Committee took a tour for a day or more?

A Yes.

Q' Was it a day or two, or how many actual days?

A I would have to refer to my files to give the correct answer.

Q What is your recollection?

A I know we did make those tours. I think it was more than one day. It was in the day anyway. We were out after that. I would say that first day we went out we made a tour of the valley, up Surrey, Langley, Matsqui and across Mission Bridge, down Mission and through Maple Ridge and back to New Westminster.

Q How many properties did you specifically inspect?

A I thinkwe visited about 25 that day.

Q DID YOU make a careful examination of this area, otherwise?

A Not a detailed examination.

Q DID you have any appraisers of the Soldiers Settlement Board with you when you looked at those properties?

A I cannot remember.

Q Who selected the property for you to look at?

A I think it was agreed on as we went along. I think I was interested in the ones I was familiar with or knew something about. There was no-one directing the tour. We found out where the properties were--picked out a few here and there.

Q As you went along you picked them at random?

A Yes.

Q Mr.Carncross in his evidence indicated that those properties had been selected to be inspected by both your committee and the committee of the Cudtodian. Is that not in accordance with your

recollection?

A I don't know what the Cistodian's office did. I know that we made this tour.

THE COMMISSIONER The suggestion made by Mr.Carncross was that it was by a previous understanding with the Custodian's committee that those particular properties you inspected were selected, and each committee were to examine those independently. And I think he said that during the course of the inspection trips you encountered the Custodian's committee at one or two places.

A We did. We met them in the Municipality of Surrey, near the highway. Of course, I assumed that they were doing that kind of work. I had no way of knowing what they were doing.

Q You were not aware whether any selection had been made such as Mr.Carncross suggested.

A If I was, I have forgotten.

MR.BRAIDWOOD: My lord, I would respectfully suggest my recollection of Mr.Carncross' evidence was that there had been some unity of action there. As your lordship will recall the Custodian's committee handled only 17 and this committee handled 25. They could not have coincided on them all.

THE COMMISSIONER: My recollection may not be very clear as to what Carncross said. If you like I will check my notes on it. Go ahead if you have something further.

MR.BRAIDWOOD: Carncross was on December 6th or 7th my lord.

THE COMMISSIONER: Yes, I have it. This is the note of it.

"25 parcels were selected by the Committee as representative of all the properties taken. It did not include any Vancouver Island property. I think the 25 properties inspected were representative of the whole 769 and gave us a cross-section of the whole 769. Re appraisal by Custodian's Committee included the same property which our Committee examined. Menzies' committee valuations, in my judgment, were unduly high, having in mind the fact the large number of properties that were involved. As to the 25 properties valued by the Committee, I think that the values placed on these properties were excessive, considered apart from the balance of the V.L.A. properties."

Now, if you want the actual transcript, it is apparently at the opening of the session on December 7th, in the morning, if you have the transcript.

MR. HUNTER: This is the information you requested yesterday, my lord, the number of properties rented and where they were, rented at Steveston, (producing.)

MR. McMASTER: Q: I will check the transcript during the adjournment.

THE COMMISSIONER: Yes, we can deal with it then.

MR. McMASTER: Q: You mentioned in your evidence this morning as I understand it, Mr. McLellan, you were not keen about the acquisition of these properties for the D.V.L.A. and one of the reasons was you held the view there was a lot of good arable land

which could be bought cheaper. Now, where was that arable land? A: I didn't say it could be bought cheaper.

THE COMMISSIONER: Better land.

MR. McMASTER: Q: Well, was there other arable land readily available at the time?

A Yes, sir.

Q In what municipality? A: In almost every municipality.

Q That was your impression?

A Yes.

Q How do you know that? A: Well, from knowledge of the district and knowledge of the people.

Q Had you any occasion in 1942 or 1943 to ascertain what lands were available for sale?

A No, other than in a general way. I am pretty well acquainted all through the Fraser Valley and I know a lot of people who had a lot of land who were anxious, particularly anxious after the war broke out, to sell it, because they were too old to farm it, to continue farming it themselves and their sons were either in the army or away at other work, where there was more money.

Q How many people did you know in that category?

A Quite a number. I would have to take some time to answer that.

Q Would you know 769 of them?

THE COMMISSIONER: Well now, that question is hardly meeting the situation. What I take it the witness has said is that there was other land equivalent

in acreage but it might have well have been in fewer parcels.

MR. McMASTER: I wanted to get out as to how the witness knows that.

THE COMMISSIONER: Yes.

MR.McMASTER: Q: Is it just through general knowledge you say that you know?

A Yes, and I know of specific cases, where men had properties, 160 acres, and were anxious to sell, but the reason they probably did not sell because they could not get all cash.

Q How many cases -- thatis what I want to get at -- did you personally know about in 1943?

A Would quite a number do as an answer?

Q No, I would like you to be more specific.

A You will have to give me more time to give a specific answer.

Q You will have an opportunity when we adjourn. How many of these Soldiers' Settlement appraisals -- parcels of Japanese land did you actually examine?

A I could not tell you.

Q Was it a few or all of them?

A No, not all of them.

Q Was it any more than the 25 you looked at specifically? A: I don't like not to give a clear answer,but my answer in this case must be I don't remember.

Q How did you arrive at the conclusion that the quality of these lands was poorer than the quality of other lands which may have been available for

sale in 1943? A: Well, the reasons were obvious. A lot of them, in my estimation, were waste lands that no one else ~~think~~ but the ones who finally took them over would have anything to do with.

Q What percentage of them were that?

A Oh, I could not answer that now.

Q And you did not know it in 1943, did you?

A Yes.

Q How did you know? A: Well, because of my knowledge of the district.

Q And you knew those specific Japanese properties and came to the conclusion that a good number were waste lands from your general knowledge?

A Will you repeat the question?

Q You knew those specific Japanese properties that were being acquired, and came to the conclusion -- came to that conclusion from your general knowledge of the properties, is that right, in 1943?

A I didn't know all the properties, but I knew of the Japanese properties; they would be, generally speaking -- my summing up of them is that they were at the best, from an agricultural standpoint of view, a- at the best they were only third class premises.

Q Now, as I understand it you said that you knew about 50 Japanese properties before you became engaged with the Soldiers' Settlement Board, and you looked at 25 of them on this inspection tour, some of which were ones you were already familiar with. Is it from that experience you drew the conclusion,

in 1943, as to the quality of the land in the 769 parcels? A: My impression of the land dates back previous to even the Japanese taking it over, and acquired a lot of land, in our district at least, and after years of watching those lands and knowing and watching those lands, I arrived at the idea it was not desirable property.

Q I take it, then, you had some opinions with regard to the Japanese lands before you even approached the problem of purchasing them?

A I think it is fair to say that.

Q It was your opinion they were third class properties.

A As land, as virgin land, yes.

Q What about cleared land?

A The cleared land, that same would apply.

Q And you were prepared as a member of this Committee to recommend to the D.V.L.A. that they buy third class lands for the veterans. Is that right?

A Will you repeat the question?

Q You were prepared as a member of the Advisory Committee of the D.V.L.A. to buy third class lands for re-sale to veterans?

A We were acquiring this land for backlog purposes, and after a lot of thought and discussion I was finally agreeable to the purchase of this land at the purchase price.

Q Now, if there was all this good land available that you speak of at reasonable prices, why did you even consider third class lands for re-sale to veterans? A: I often wonder

Q You did agree with the decision to buy it?

A Yes, sir.

Q Why did you, at that time?

A Because I thought that it was worth probably what we paid for it, what we were going to pay for it.

Q In other words, it did not concern you at all that you were buying this land for re-sale to veterans as third class lands?

A You bet it did. It had given me considerable --

Q You are aware of the fact that most of the land has been disposed of?

A I am not fully aware.

Q Evidence has been given here that roughly 5% remains undisposed of.

MR. HUNTER: Not of the acreage.

THE WITNESS: I didn't know about that.

MR. McMASTER: Q: You don't know about that?

A I have not been with the Veterans' Land Act for --

Q What do you mean when you say this land was being acquired for backlog purposes?

A That is the term used in the Veterans' Land Act office.

Q Do you know what it means?

A Yes.

Q Will you explain it.

A Acquiring lands until the veterans were discharged; that is a backlog. It is a well known -- it is a common expression. I don't think it needs to be elaborated.

Q Why did you not acquire those better lands that

were available for a cheaper price?

A We acquired some, quite a number of large parcels.

Q But not in 1943, the time you made this purchase?

A If not, shortly after.

Q How much, do you know?

A I could not tell you offhand.

Q Were you on the Committee when it was acquired?

A Yes.

Q Were there half as many as the Japanese parcels you acquired?

THE COMMISSIONER: Would you put your question in the form of acreage rather than number of parcels, because the number of parcels does not mean anything.

MR. McMASTER: Q: How many acres of land did you acquire in 1943? A: I would have to have access to the files before I can give you that. A lot of acreage, bigger parcels.

Q In 1943? A: Following 1943. I could not tell you if it was 1943. It may have been '43 or '44.

Q And at a considerably higher price, I suggest.

MR. HUNTER: We will be leading evidence on that, and Mr. McMaster will not feel they are at considerably higher prices.

THE COMMISSIONER: If the witness knows, we will get his answer.

MR. McMASTER: He answered no.

THE COMMISSIONER: I did not hear it.

THE WITNESS: I did not answer it, my lord.

THE COMMISSIONER: Q: Do you know whether or not the

subsequently acquired land was acquired at a considerably higher price or not?

A Late in 1944, I think land started to go up and the price per acre was naturally higher, and we were buying quite a different class of land. We were buying a good type of soil and in a good location.

THE COMMISSIONER: Now, would you read the question put by Mr. McMaster.

(Question read by stenographer.)

THE COMMISSIONER: Mr. McMaster made the suggestion that those subsequently acquired lands had been acquired at considerably higher prices. Now, what is your answer --considerably higher prices than the prices paid for the Japanese land.

A I don't like to answer that definitely one way or another. I would think that they were higher, from my recollection. Mind you, I was not on full time employment with the Board then. I was there in an advisory capacity.

MR. McMASTER: Q: But you can give us the best of your recollection. A: I would say that the price per acre was probably higher for obvious reasons, that they were a different class of property, a much better class of property.

Q How did you arrive at the conclusion that a lot of the properties that the Japanese purchased were tax sale lands that no one else would buy?

A Well, I know that in my own municipality the Japanese did acquire tax sale lands.

Q How many? A: Quite a number of

properties.

Q Some of the Japanese did?

A Yes.

Q You are not suggesting that they all did?

A No.

(PROCEEDINGS RESUMED AFTER SHORT RECESS)

Q Now, witness, you suggested there were other lands available, readily available in 1943 that the V.L.A. Act could have bought that were, in your opinion, much better quality ~~than~~ land?

A Yes, for agricultural purposes.

Q Yes, what type of agriculture?

A The main lines of agriculture followed in the Fraser Valley: Dairying, poultry, mixed farming, etc., and other lines.

Q What other lines besides those three?

A Well, there is potato growing and field produce.

Q And you consider these Japanese lands were not suitable for that purpose?

A No, they were, I think, probably -- the reason I agreed to purchase these was they would do for small holdings, where a settler was qualified as a small holder and not as a full time farmer, and he would be, by reason of his qualification as a small farmer, assured of his income from outside employment.

Q And were those agricultural lands suitable otherwise for small holdings? A: Yes, in some cases, yes.

Q What have you in mind by way of a small holding?

A The definition of a small holding was upwards of two

acres, from two -- the amount of acreage was limited in some cases by the amount of money available to purchase the land, but they usually ran from two to ten acres; not very many of them over five, I would say.

Q For what purpose did you consider the D.V.L.A. were purchasing these Japanese lands in 1943?

A Had it not been for the small holding feature of our work, I would not have finally agreed to buy them at all, because they had, to my mind, little agricultural value, if any.

Q Now, were you aware of the fact those properties had been appraised on an agricultural basis in 1943 when you were dealing with them?

A I was aware they were appraised.

Q Were you aware the appraisers had apparaised them from the agricultural point of view?

A I was never specifically advised that they were appraised for agricultural purposes.

Q When you stated, as I think you did, that you thought the appraisals were fair --

A Yes, on the land.

Q Were you speaking from an agricultural point of view or from the standpoint of the small holder?

A A small holding, yes.

Q You were aware that the -- most of the appraisals, in any event, had excluded any residential value with respect to those lands which they appraised?

A Yes, I believe -- the answer, I think, is this; that is, a small holding is not necessarily what

is generally accepted as residential. It is not a town lot. It must be two acres or over.

Q Is it not the combination of subsistence from the land and elsewhere? A: Yes.

Q So that the buildings on the land would have a residential value apart from their relationship to the land itself? A: I am afraid I got lost with your question. Do you mind starting again?

Q In dealing with the buildings on the land, the buildings on the land would have a residential value in addition to their relation to the agricultural use of the small holding?

A I find the question rather mixed, much as I would like to give you a good answer.

Q I take it in 1943 you were not clear on that matter at all in dealing with the land?

THE COMMISSIONER: With what matter?

MR. McMASTER:

A With the question of the residential value of the land.

THE WITNESS: I think I have expressed myself with regard to the residential value of the buildings in regard to the Japanese properties.

THE COMMISSIONER: Q: The proposition as I understand it, is this: Were you aware that the appraisers had ignored any other potential use of the property than the agricultural use when they made their appraisals? A: I was not aware that they ignored other elements which might go to make their values.

Q Such other elements, or one such element being residential use as a subsistence proposition.

A Well, I think I was aware that they took that into consideration because that was -- in regard to the Japanese properties, that was pretty much of our theme song, for a small holding where a settler, when he was fully settled, would be able to produce fruit and vegetables for home use and possibly keep a cow.

MR. McMASTER:

Q And work out? A: And work out. Yes, it was understood before he could qualify he must have assured the Board he had full time employment before he would qualify as a settler.

Q When you say that those appraisals represented the fair value of the land or considered that they did in 1943, you thought the appraisers had taken those factors into consideration?

THE COMMISSIONER: What are those factors?

MR. McMASTER: The factors other than agricultural value.

THE WITNESS: But I would think that the other factors were probably the chief factors. The agricultural value in lots of cases was not very good.

MR. McMASTER: Q: Were you under the impression in 1943, when you were dealing with this problem, that the appraisers had appraised those lands for the purposes of the Veterans' Land Act?

A I knew they had appraised them. I was not probably entirely aware of what the intention of those appraisers was. I knew they were on record.

Q You stated that your committee inspected 25 properties.

In how many municipalities did you inspect?

A Surrey, Langley, Matsqui, Mission, Maple Ridge and, I think , one or two in Pitt Meadows; six municipalities, is it?

Q So that you would have about four properties in each municipality? A: I think that would be reasonable to say that.

Q And did you assume that those were fairly representative of the 769 parcels you were considering buying? A:Yes, I think they were a fair cross-section.

Q How many of those properties had good houses on them? A: There were some in the district of Maple Ridge. The better houses were on the north side of the river and the best houses were in the Municipality of Maple Ridge.

Q How many? A: And the next best would be up around Mission, and also in Surrey Municipality, particularly Surrey and Maple Ridge had the better homes.

Q How many of the 25 that you inspected had better homes on them? A: Not very many.

Q Would it be five? A: I think probably there were two or two or three that stood out from the others. And the others, the better construction, the ones with any evidence of standard construction -- they did not stick out like those two or three better ones.

Q In addition to the two or three better ones, there were some with standard construction as well?

A A little getting along that way.

Q How many out of the 25?

A I would say out of the balance of the 25 they ranged all the way from shacks to miserable houses, unpainted houses, with no comforts of any kind, and the ones where they spent any money on would be probably 8 or 10.

Q Out of the 25? A: Yes, in addition to the two or three which stood out.

Q And those would be houses with standard construction?

A Getting along that way. They were houses that were worth spending money on. You would be justified in spending a few dollars on them to make them habitable.

Q In the 25 properties you visited, how many of the houses were habitable?

A Well, I would not like to live in most of them. I would say half of them were not habitable. That is my personal opinion, and probably of the other half most of those could do with a lot of cleaning up and improving before they would be comfortable.

Q Did you observe how those houses differed from the houses on the various farms?

A Oh yes, there was no comparison, generally speaking.

Q Now, those 25 properties you visited, how many of them had specialized poultry buildings on them?

A Not very many. I could not tell you how many, but there were very few. They were chiefly -- had been berry propositions, strawberries and

raspberries.

Q. How many of them had greenhouses on them?

A I don't think any of them had commercial greenhouses. There may have been some small hothouses in connection with the farm, but I don't recall any greenhouses to any extent on the farms we were considering, unless there were some greenhouses over at Maple Ridge. I am afraid I cannot give you as satisfactory an answer on that as I would like to. I don't remember that detail very well. I don't think there were any greenhouses there of any value.

Q Let me see No. 33, Mr. Secretary.

THE WITNESS: I think there was one broken somewhere. I believe if I had time -- I think probably there was one around Abbotsford or Mission.

MR. McMASTER: Q: You are aware of the fact that the Custodian's Committee had appointed a sub-committee consisting of Mr. Menzies, Mr. MacKenzie and Mr. Yamaga to make some appraisals of 17 of these parcels included in the 769. I show you Exhibit 30, which shows the properties. This is the valuation; that is the Custodian's Committee valuation, and the Soldiers' Settlement Board valuation, (indicating) and I draw your attention to the fact that the Custodian's valuation is 53% higher than the Soldiers' Settlement Board valuation. How do you account for that? A: Those values-- do they value the land and buildings combined, or separate?

Q They are combined. A: That is the

difficulty in reviewing something like this. In all the appraisals I have ever seen, usually the two are valued separately and are brought together in the summary. With regard to the values, as I have already stated today, there is no scientific way of arriving at the value of an acre of land. There is science for arriving at the value of a building and it is quite possible that two very good men will go out and their final figure on land will be different.

Q What is this scientific method of arriving at the value of buildings? A: There are various scales and tables for us.

Q That is, the square feet method?

A Yes, and the cubic feet.

Q And that would, in your opinion, represent the fair market value of the building?

A It does -- it ought, that together with those fluctuations in price, replacement value less depreciation, and so forth and so on.

Q You consider that the replacement value less depreciation has something to do with the fair market value of the building, do you? as part of the farm?

A No, not as a full time farm. I think if it is a residence, it has some merit, but it is quite possible to build a $10,000.00 on a farm where you cannot make a living. Consequently, that building is not worth anything to the farm.

Q Coming back to Exhibit 30, what is your explanation as to the difference in the valuation of the Soldiers'

Settlement Board of those 17 properties and the valuation by the sub-committee of the Custodian, a difference of 53%?

A Do I have to give that answer right away, or have time to peruse this?

Q Do you have any difficulty in giving an answer to it?

A There are 25 parcels here.

Q 17 parcels. A: The question is: How do I account for the difference in the conclusions arrived at by those two committees?

Q Yes, by the two separate groups of appraisers.

A Well, one is a group of appraisers by profession and the other is not.

Q Do you know Mr. Hal Menzies of Mission?

A Yes.

Q And do you say he is not qualified to appraise land?

A Well, that is not his chief occupation.

Q What is his occupation?

A I believe he is a real estate man.

Q And you suggest that would not be of any great assistance to him in arriving at the fair market value of land? A: It should help him in his business, nautrally.

Q I take it you have no explanation of the difference, other than you say one group is a trained group of appraisers. A: Yes, I think that is a very good reason. I mean, that when I see it, on the one hand you have a report brought in by men who have had many, many years experience at this kind of work and not able to look at things

as they are,but they can have an overall picture of things. I would place a great deal of confidence those kind of men, whereas on the other hand you have a committee made up of men of various occupations and professions.

THE COMMISSIONER: Q: Are you making a distinction, Mr. McLellan, between the worth of these farm properties and what a buyer would pay for them? In other words, what I am getting at is this: Are you suggesting that there may have been buyers who would have paid the prices that Menzies suggested and yet those buyers would have been paying more than the properties were worth?

A I would say that individuals seeking one of those properties,it would probably be worth more to him than to us as a place to settle a veteran.

Q You are thinking in terms of worth.

A Not worth, but the amounts which a civilian and an individual would pay. There may be something in the particular property that suited him. It would not necessarily need to be close in. It could be an isolated piece of property that would appeal to the client and he would pay a premium in order to get it. That is merchandising. If you had a program of acquiring those properties individually and it is possible to -- I have known cases where the feature of an old apple tree being there was the deciding factor in the sale.

Q And yet when you consider some property from the point of view of value or worth to a veteran who

is going out to settle on it, it would not be worth the same amount of money that the civilian would pay for it.

A It may not be. It may not be.

THE COMMISSIONER: I see the distinction you make.

MR. McMASTER: Q: And it was from the standpoint of the use to which the Veterans' Land Act intended to put those properties that you considered that the appraisals represnted the fair market value, is that right? A: Yes, but I finally consented to agree to buy them at that price.

Q When you were on the Advisory Committee of the D.V.L.A. I understand that they had a meeting with the Custodian, a meeting on the 24th of May, 1943. Do you recall that meeting?

A The Custodian's Committee; you mean --

Q Judge Whiteside, Mr. Mamaga and Mr. MacKenzie.

A Yes, I remember.

Q Do you recall the details of that meeting?

A No.

Q Do you know what the purpose of it was?

A Not clearly.

Q Well, I will tell you that was a meeting at which the two committees discussed the offer of the Veterans' Land Act to buy these lands for $75,000.00. Does that refresh your memory?

A I know that we had one or more meetings in that connection.

Q With the Custodian's Committee?

A With the Custodian's Committee?

Q Yes, with the Whiteside Committee. Do you think there might have been more than one meeting?

A I would not be sure. I remember offhand one meeting with the Whiteside Committee.

Q Do you remember the meeting at which the offer of the D.V.L.A. to purchase for $750,000.00 was specifically discussed?

A Yes, I think that was an offer to purchase; that was the offer made by the Veterans' Land Act.

Q And do you remember Mr. Yamaga was at that meeting, the Japanese representative on it.

A I am not sure if that is the meeting or not. I know I sat in at one meeting when he was there.

Q There is evidence before the Commission that he was present at that meeting, and that meeting carried on for some 3½ hours. Is that right?

A Yes. I am not sure of the hours. I think it is reasonably so, yes.

Q And at that meeting the Custodian's Committee disclosed to your committee that they had done 17 spot appraisals. Is that correct?

A I am not sure, sir. It could be.

Q You have no recollection of any discussion at that meeting about 17 spot appraisals?

A I don't remember that their valuations were discussed.

Q What was discussed at the meeting?

A The one I recall is that it was a meeting more to try and arrive -- trying to negotiate; one was trying to sell and the other going to buy.

Q Your price was here $750,000.00. What was the

Custodian's price at that meeting?

A Considerably more.

Q I suggest it was a million and a quarter.

A I cannot remember.

Q You cannot remember that?

A No.

Q And you cannot remember those 17 parcels that the Custodian had appraised being discussed there?

A Oh, I don't know. There must have been some appraisals; I don't know if it was 17 or 20.

Q All right. Witness, you were aware after the negotiations with regard to the purchase of the 769 parcels of land, that 169 of those were withdrawn for various reasons? A: I became aware of it. I was not consulted about it.

Q You were aware of the fact that they were withdrawn because they were tied up in estates, or because the Japanese --

THE COMMISSIONER: Does it make any difference?

THE WITNESS: I don't know those details.

MR. McMASTER: Q. I draw your attention to Exhibit 36 which sets forth some of the properties which were withdrawn from the large deal with the D.V.L.A. Act, which the Custodian subsequently had appraised and sold, and in that first part of Exhibit 36 are set out, 15 properties that the Custodian sold in 1944. The offer of the Soldiers' Settlement Board was just under $13,000 for those properties. The sale price by the Custodian was $29,995.00. How do you account for the difference between what the Custodian

was able to sell those properties for and what the Veterans' Land Act offered for them?

A They must have had some good salesmen to begin with. That would be probably the reason. Was it a cash sale?

Q I believe from the evidence that has gone in, they were cash sales. A: You don't know?

Q Perhaps my learned friend can advise us on that.

THE COMMISSIONER: It is my recollection those were cash sales.

THE WITNESS: It would have quite a bearing. I would have to know.

MR. McMASTER: Q: Let us assume for the moment they were cash sales. I am quite sure the evidence is they were. A: Well, as I mentioned before, generally speaking the average purchaser in the Fraser Valley, especially the last few years, has been what we class as a tenderfoot. He knows very little of values in this part-- he is a newcomer, anxious to settle down and pay anything to get out of his automobile and get his family in the house, and sometimes they pay too much.

Q You are suggesting that those people did not know what they were buying?

A I think probably that is the answer -- no, I would not say that they did not know what they were buying, but I said the need in some cases was so pressing that sometimes, even against their own better judgment, they paid more than they should, but they had no alternative.

Q

Q Is that your explanation of the difference in price?

A No, there are so many things enter into that. Before I answer it, I would like to know if it was cash or credit.

Q Let us leave that. The Soldiers' Settlement Board offer was roughly 2% less than the appraisals, and I see that the appraisals of the Soldiers' Settlement Board are not totalled there (indicating). They would be greater than $13,000.00?

A Yes.

Q Now the Custodian had those properties appraised a few months before the sale and the total appraisal of the appraisers appointed by the Custodian was $26,000 as against roughly $13,000, the appraisals of the Soldiers' Settlement Board. How do you account for that? A: What farm properties for the Custodian?

Q There were various farm properties appraised for the Custodian apparently. Mr. Menzies saw some of them. A:They were not recognized firms of professional appraisers.

Q The Custodian contends that they were.

THE COMMISSIONER: I don't want this to result into an argument between you and the witness, Mr. McMaster.

MR. McMASTER: Q: Let us assume that the Custodian hired competent appraisers, Mr. McLellan, How would you account for a difference like that?

A I think probably in this total amount here that is shown, considerable of that would be by way of Agreement of Sale, which is not an out and out sale,

and it is safe to assume that a number of those people paid too much.

Q I would like to direct your attention to the appraisals. The appraisals were not buying the land, but they were appraising the market value.

A I was going to answer that by saying I don't place very much -- a great deal of faith on men going out and bringing in appraisal reports who have not had quite a long experience in that work, because there are so many things to consider when you come to appraise property. You don't learn it all in a little while.

Q Are you suggesting that those appraisers were not competent; that is, the Custodian's appraisers?

A I don't think they would compare with the men who made the appraisals --

Q You say that, despite the fact that the properties sold for approximately $3,000 more than the appraisals by the Custodian's appraisers?

A In my own mind, I figured that out all right.

THE COMMISSIONER: Is it not obvious, Mr. McMaster, the witness thinks those prices paid and the appraisals were excessive?

MR. McMASTER: Yes, my lord.

THE COMMISSIONER: He has said it in every way that he can do so.

MR. McMASTER: I would like to know what his reason is. Perhaps it is not a matter of interest, my lord.

Q Now, did you have, in 1943, when you sat on this Committee, any idea of the fair market value of land, say in Mission?

A The agricultural value?

Q The fair market value.

A I think I have a pretty good idea.

Q How did you arrive at your ideas of the value of land in Mission? A: Because I had done a lot of appraisal work up there for the Canadian Farm Loan Board previous to that.

Q It is on the basis of your experience with the Canadian Farm Loan Board that you had an idea of the values in Mission? A: Yes, in the Mission district.

Q I took it from your reply a few minutes ago that you considered the agricultural value and the fair market value different things. Is that right?

A Values, yes, there is a distinction there.

Q What is it? A: It all depends how good times are. Right now you can get a sale price or what you can get for property is away beyond its intrinsic value. There is no sense in it, if you have to make a living out of it. I have seen in the depression years when the market value was away below.

Q By the agricultural value, I take it you mean the intrinsic value? A: That is right.

Q Did you consider the appraisals of the Soldiers' Settlement Board -- the appraisals they had made were based on this intrinsic value or the market

value of the properties they were dealing with?

A I don't know what was going through their minds when they made their assessment, but I think the value of the land was about right.

Q That is, the intrinsic value?

A Yes. As I stated before, I thought they were high on the buildings, generally speaking.

Q And what was the relationship between the intrinsic value of farms in 1942 and the market value of farms, do you know?

A Well, agricultural land --

Q Yes? A.: You are not speaking of residential property - I have forgotten the question. Will you repeat it, please?

Q What was the relationship between the intrinsic value of agricultural lands in 1943 and the market value?

A Well, there was not very much land selling in 1942 worth speaking about. There was very little to go on. It was hard to sell land in 1942.

Q In 1941, what was the relationship between the intrinsic and the market value?

A The answer would be about the same. There were very few sales to strike an average on.

Q Would that be true in 1940?

A Yes, the sales did not start until about 1900 lands did not start to pick up until 1944; that is, good.

Q In 1943, what was the relatinship between the intrinsic value of agricultural lands and the market value? A: 1943: The agricultural value -- I said the market value was not

very high in 1943.

Q Do you suggest that the market value was below the intrinsic value in 1943?

A It all depends. Those farms are individual cases, when you are thinking of that sort of thing, and to apply a general answer to that is not easy.

Q But you were satisfied to apply general conclusions from looking at 25 properties out of 769 Japanese properties, is that right?

A Well, on those properties we had those sketches, the appraisers' reports and his remarks. It was not hard to do the properties on that information, which was disclosed to us.

Q But you only viewed 25.

THE COMMISSIONER: This cross-examination is now becoming a little argumentative.

MR. McMASTER: That is all, my lord.

THE COMMISSIONER: Any re-examination?

MR. BRAIDWOOD: One or two further questions.

RE-DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q You told my learned friend of the reasons why you finally agreed to this particular proposition to buy the lands for the Veterans' Land Act. Do I take it up until that time you had opposed the purchase? A: Yes, I had. Yes, I was not very keen on it.

Q What would your opinion have been of the proper method in which to acquire backlog lands?

A Well, --

THE COMMISSIONER: For-?

MR. BRAIDWOOD: For the Veterans' Land Act.

A I suggested to my fellow members at one time, along about 1943, if we would go out with a cheque book and take options to buy properties outright before we left it too late, we would buy the land cheap and probably buy lots of it, and anyone could see that things were going to pick up a little; instead of having to charge the boys so much for land, we would get busy and buy so much before the boom started. I think we could have done that, but that was not the policy of the Board. That was merely a suggestion of my own.

Q Do I take it this suggestion was an alternative which you advanced to the purchase of the Japanese land? A: Yes, I could have gone out and bought lots of property at that time and got a good buy, too.

THE COMMISSIONER: We will adjourn now until 2 o'clock, and I believe Judge Bird's Court room will be available. It will be better if you inquire of the Secretary.

(PROCEEDINGS ADJOURNED UNTIL 2:00 P.M.)

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

Deputy Official Stenographer

(2:15 P.M. PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Yes, Mr. Hunter.

MR. HUNTER: I will call Mr. Hill-tout.

THE COMMISSIONER: This is also V.L.A., is it, Mr. Hunter?

MR. HUNTER: Yes, my lord, the New Westminster Regional Advisory Committee.

WILLIAM STODDART HILL-TOUT, a witness called on behalf of the Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. HUNTER:

Q Mr. Hill-Tout, what is your Occupation?

A Farmer.

Q I see. And are you actively farming at the present time? A: I am just about to give it up. I have been all my life.

Q You are just retiring, is that it?

A Yes.

Q I wonder if you would describe to his Lordship your history and your record as a farmer?--where you started, and so on, up to the present time?

A In brief, or in full, or what?

Q Not day by day, but year by year.

THE COMMISSIONER: Q: You might just outline your experience, Mr. Hill-Tout.

A My dad came to Abbotsford in 1893 and homesteaded. I came out with the family in 1896. I have been there ever since. All the schooling I had, I had in Abbotsford, and as there was no school available I went to work at quite an early age. Times at that time were tough. In the course of

time my dad sold his timber and his homesite and acquired a mill and tie camp, and I went into that kind of work for from three to five years. At that time I was eighteen. I ran the shipping end of the tie camp for three years and handled a bunch of loggers. They were tough in those days, and I learned touse good English and things like that.

Then in 1910 I went to Guelph for two years. At that time my father had acquired a certain amount of wealth, before the depression. I came back, and at that time the depression was on and he liquidated his estate bit by bit and lost practically all he had.

In the course of time I went overseas for three years, and when I came back there was a five thousand dollar mortgage attached to my home. It was in my name, legally, and my property. It couldn't be disposed of without my consent. As a result I went to the S.S.B. and qualified as a farmer, which I was, and got that mortgage removed on a long-term proposition with 3½ percent. It had been five percent. I paid that off in a matter of fifteen or eighteen years, and then I went to the Farm Loan Board and applied for a loan to build a house.

We had a very big large family home at that time, which wasn't worth repairing. I had repaired it many times, but it was an old-fashioned house and we decided to pull down that

house and use the old good lumber to rebuild with.

We rebuilt the house and about twelve years ago -- Mr. McLennan, incidentally, was the appraiser of my property, and the loans are based on the appraisal and your ability to pay from your farm profits, not from any private income, or from any other source. I carried on farming and kept clearing the land, a little more every year. Practically all my lifetime has been taken up with clearing land. I have an eighty acre farm, practically all highly productive. I entered into the chicken business, had an R.O.P. hatchery and some hay, and I had the first combine in the Valley in my area, and the first tractor in the Valley.

I always took a great interest in anything co-operative, or new. I was in charge of our local berry growers for five years after the First War, and in charge of our poultry organization for many years. I have made it my lifetime work and interest, and I have enjoyed it. Now I am ready to enjoy what I have left of life, every bit of it. Does that cover it?

THE COMMISSIONER: I think that covers it.

MR. HUNTER: Q: As a farmer, what experience have you had with the growing of small fruits?

A I started in with raspberries. To go back again I had started with small fruit before I joined up in the First War. I had two acres of mixed berries, all in nice shape to produce

fruit when I was away, but when I came back it was all overrun with weeds.

I put in three more acres of raspberries when I came back, with berries at 25 cents a pound at that time, and then they went down and down and down and the first year I had a decent crop, there were no price at all. We gave ourselves three cents a pound in advance in borrowing from the bank, to pay for the pickers.

I talked it over with my wife and we decided there were other ways of making a living easier, so we pulled out all the berries and went into chicken farming; but the reason I couldn't see any future for the berry industry was the only money we made was after the war, exactly as it has been in the last war. The berry growers wouldn't be there today, except for war prices, and that is the reason for the hundreds of tons they have now in cold storage, with no market for them.

Q What has been the history of berry farming in the valley? A: In the very early days there was a good price for growers around Mission, which was the only place in British Columbia where they grew to any extent, and then after the First War they started around my area in the Matsqui area, but the price didn't last long enough to do any good. We only had the two periods following both wars. Otherwise, it was only what the Japs could do. We had no Menonites in the country in those days,

but the Japs grew berries, even at the prices then. We pulled out berries when they were being grown by the Japs for five cents a pound.

Q Now what would be the difference in the cost of production between Japanese and Occidental or white farmers?

A At that period, the difference would be the difference in labour costs. I wouldn't ask my wife to work, or keep my children home to work. The Japs, in most cases, had their wives, their mothers and fathers, and in-laws, and all their family out in the berry patch, but they could make their standard of living at five cents a pound.

Incidentally those Japs could come in and build their houses with lumber that cost $10.00 a thousand and up. We sold many thousand of shiplap at $7.00 a thousand on the car.

Q They came in on tax sale land or on logged off land which they could buy for almost nothing, and they could exist, but not the way I would care to exist.

Q You don't consider that the Japanese, generally speaking, have made a good living out of berry farming? A: I know a few individual Japs who still couldn't pay for the property when they were taken away. Nobody could, at that price.

Q Are you able to tell us how successful tree fruit farming has been in the Valley, from a

commercial point of view?

A My remarks on that would be general. I would say practically no success with tree fruits like apples or bigger fruit. They can't compete with the upper country where they have irrigation. You can verify that by going around looking at the old orchards, which are practically all moss and fungus. I don't know of any old grower who made a living out of stone fruit, except for one or two years. It doesn't pay to keep it.

Q What about prunes?

A Prunes? There were several growers by me. That was after the First War boom. There were several near me that petered out. I had the prunes one year, and after we sold them my father got a bill for $5.90 for extras on the prunes. We just couldn't sell them and the last few years they have only been three cents a pound. No one is interested in prunes alone, certainly not at my end of the valley.

Q Do you know of any commercial orchards in the valley? A: No, I don't think I can name any except H.M. Eddy, who has a place on the highway, but that is their business. There are no people living off fruit. There are a few who make a hobby of it, but not commercially. I don't know of any farmers making money out of it.

THE COMMISSIONER: Q: What about around the Chilliwack area? A: That applies

to Chilliwack. I don't know that Chilliwack had any outstanding, well-known apple shippers. There are a few that made a little money if they had a better class of soil than the rest of the valley, speaking ganerally. They had people in fruit who had private incomes, that built it up that way.

Q They have cherries around Chilliwack?

A Yes. For a few years there has been a few cherries shipped out, but I think you will find now they are pretty well all petered out. These are general remarks. There might be the specific case where you get the odd man making a living, but not generally.

MR. HUNTER: Q: How is the climate of the valley, with regard to the suitability of climate for the growth of trees?

A Now you are getting down to the question of procedure. You can grow anything if you spray it and prune it and get the type of soil that doesn't dry out.

In most of the area where I live with light lands, the apples do very well if you get a wet August, but if you get a dry August they fall off the tree. This year I had my own private apples, and they wouldn't keep. You can't compete with the irrigated places where you can have moisture when you want it.

Q Now, regarding strawberries, you did grow strawberries when you were growing small fruits?

A Yes.

Q Do you understand the growing of strawberries?

A Speaking generally I do. It has been some years since I have grown them. My neighbours all have strawberries, and I know a bit about them.

Q Do you know, Mr. Hill-Tout, what parasite will attack strawberries?

A The only one I can recall offhand is the weevil. The grass acts as a host to the weevil parasite, but in the last year or two they have been finding new types of bacterial disease that have become problems. There are a few men in Aldergrove who lost three parts of their crop with disease which is pretty bad because the prices stopped.

Q Do you know what steps can be taken to combat the parasites? A: You are getting back again to development. As far as I know at that time there was no specific method that I can recall.

It is like with any new country, you can make disease. When I was a boy you had no fly maggot in the crop at all. Now you have to spray, for everything you grow. When you grow crops, you produce a condition. When you grow crops, the ground creates crop hazards. I could go on forever on that.

Q Are you able to tell us what the history has been in the valley of chicken farming?

A What?

Q The history of chicken farming properties -- what

it has been in the valley.

A I think the only information I have is from Mr. Woodward in the University, in the Department of Economics. He made a survey, and I was in it. I think the average returns from one hundred farmers over a three year investigation period was somewhere around $1000.00, if I remember rightly.

Q The average of which?

A About a thousand dollars, if I remember rightly.

Q For the average farmer?

A For the average farmer. I was one of the hundred farmers in the survey. I think the average income for the bigger farms was a thousand dollars.

Q That is, the net income?

A Yes. That is taken from the method of bookkeeping, arriving at the conclusion by showing the expenses and so forth. The average farmer keeps no books, as a rule, or at that time he didn't.

THE COMMISSIONER: Q: Is that irrespective of the number of chickens that were run?

A That was, I think, taken from the books. I say, "I think" because I am not sure -- $1000.00 or up, not the small growers. He had a fair sample of the larger growers.

MR. HUNTER: Q: You mentioned you had been in the chicken farming business?

A Yes.

Q How long were you in the chicken farming business?

A To get back again to after the First War, I came

back to a big debt, a broken-down farm, no machinery, and no stock, and I bought one hundred hens, and acquired one hundred more per year, out of the profits of the hens. I had nothing to assist me, no capital, and we worked on our own and shovelled gravel and cut wood, and so on, and paid the loans off over a long period, when we began to make moneyx about the first year of the war, when things were getting back on a basis where there was a fair margin on pricea.

Q You say the first year of the war. Which war do you mean? World War No. 2?

A: World War No. 2, I am referring to. The market began to expand and with the war prices began to become steadier. In the course of time we got the British contract, and everything was sold, and farmers, who before had a bare existence, and it was the case all over the valley that small farmers worked out for a time, but they were now able to stay home and buy cars. They didn't have to borrow money. They could get along on their own, somewhat. Most of the strenuous growers of chickens, and with chickens and berries, there were five fruitful years when any ordinary fool could make a living, and that is why they did it. The same men came off relief, and I will guarantee the same men will go on relief again, if there is the opportunity.

Q What branch of chicken farming, to your knowledge, has been the most consistently profitable?

A I can explain it in this way; I am what they call a farmer-breeder, and therefore my profits would be above the man who was commercial only. I was commercial only, upwards of ten years, and then we started to sell hatching eggs, which has added profit, and then we went into our own breeding.

I would say that the average grower, over a period of ten years previous to the war, or thereabouts, if they were making a fair living out of 3,000 chickens they were doing better than the average. Most of them worked out, and lots, as you know, went by the wayside. The whole Valley was full of empty houses before the war began.

Q Are you acquainted with the methods of Japanese chicken farmers, in conducting their business?

A There were about ten or fifteen or so Japs living near me. I knew most of them individually, because I was the Secretary of the Institute, and I sold them powder and supplies and so on and I did some work for them, but you take the average Jap in our area, he wasn't a good chicken farmer. There were a few, but on the average they weren't good chicken farmers.

Q Why would you say he wasn't a good chicken farmer?

A I would say, personally, because they were imitators. They would see another man making money and would get the same idea, but they didn't

realize you couldn't raise chickens on the same ground for long periods or understand that you couldn't raise chickens on the same land for long periods, because of the nature of them and at that time they were all leghorns, and as you are aware, leghorns are a temperamental bird subject to loss and so on, and they didn't make what I would call a success of them. I knew of two Japs near me who had chickens, who couldn't make a success.

The average farmer will start off in the spring and catch up by fall. I know I did for many years.

Q Do you know what precautions against disease the farmers took?

A No, I can't say that Iknow specifically. There were different patent medicines on the market, each possibly with their own cure for this and that and so forth. Otherwise, I can't say. At that time, we were all working in the dark. I think Professor Lloyd will bring that out. I think each one had their own theory of what would cure this and that. I know I was in the dark,but since then we have learned to recognize symptoms, and that sort of thing.

Q I wonder if you could describe to us what would be a well organized chicken ranch, that would perhaps give you a maximum profit on 3,000 birds that could be carried by one man.

A 3,000 birds is the recognized amount that one

man can carry, providing his plant is properly built and equipped with labour-saving facilities.

Q What labour-saving facilities would be required? Would you give us a brief description of it so that we will know what a well equipped farm would have? A: I would say automatic lights, an automatic water supply, with cement floors in the houses and houses that could be made frost proof, which is a necessity so that you won't freeze your supply of water for your birds.

Q And what about ventilation?

A They all require ventilation. That is the biggest factor we have against chicken areas. If you get in the low area or inbetween hills, you are practically out of luck.

Q What is the method of keeping them clean from prevalent diseases?

A At that time, most of them cleaned their chicken houses every two or three weeks. Now there are a few growers who use a cheap labour method where they clean two or three times a year. You keep it turned over two or three weeks and it remains on the floor, but that has its drawbacks. I use good hay, and clean every two or three weeks.

Q You mentioned automatic lighting. Now, what does "automatic" mean?

A Light that is provided on some sort of a time switch, which is set. For instance, I set my clock for 5 o'clock. I don't get up myself then.

I get up at 6:30, but when the light goes on the birds come down and get busy. The birds work on a 12-hour day and in weather like this, the production would fall off if it were not for artificial light.

Q You give them a 12-hour day?

A We give them a 12-hour day to feed and work.

Q Do you know whether Japanese chicken plants were equipped like that?

A Let me see. I can only speak of what I know. No, hardly. At that time there weren't many breeder farms in the Valley. That is, only the bigger farmers could afford the cash, because it wouldn't pay, which applied to everything, and around my area -- I live in the driest part of Matsqui, the last land God made, I tell the farmers, and I tried to get the Council to reforest it all, but there were some big Jap growers down the Valley who might have had water, I couldn't answer to that.

Q Were you ever on the Council up there?

A Two years.

THE COMMISSIONER: Just before you go on with that, I would like to ask one question relative to ventilation.

Q What do you mean by adequate ventilation? Is it a natural ventilation, or a forced ventilation?

A 100 hens in a day consume roughly 7 gallons of water. They don't sweat as humans do, and unless you have ventilation going through your house

your whole floor will get sticky and gummy overnight. If you shut the doors, it will be sweaty overnight, and if you start a cold going through your flock, that would ruin them.

Q Does that mean that natural or forced ventilation is required? A: Now they are doing both, putting in artificial shafts to make the current of air go where it didn't go before.

MR. HUNTER: Q: You were saying you were on the Council at Matsqui for two years, Mr. Hill-Tout. What years were those?

A I wouldn't like to say definitely. I think it was 1927, or 1928, or thereabouts.

Q Are you acquainted with the tax sale land in Matsqui? A: Yes, most of it. We sold a lot while I was there. I was a strong advocate for selling it all, to turn it into revenue producing property. There were 12,000 acres around in Matsqui, I think, or more than that.

Q What was it selling for, do you remember, per acre? A: Well, I remember at the time we discussed it we had one section that went for $5.00 an acre.

MR. McMASTER: 1927, is this?

THE COMMISSIONER: You are concerned with the time factor?

A I can't verify it. That is my memory.

MR. HUNTER: I am going to ask about that.

Q Are you acquainted with the price of tax sale land, subsequent to that time, Mr. Hill-Tout?

A To a certain extent. I ran for Council four or five years ago, but I wasn't elected, by the odd vote, but I have been there all my life and know the district and have got quite a picture of what it was.

Q Do you know if there was tax sale land available there in 1942? A: I can't say to what extent, but I imagine there would be. I really have no reason to say definitely there was, but there has been a lot every year. Yes, I am pretty sure in saying there was some in that period.

Q Would you know the price at that time?

A Pardon me, just a second. I helped my hired man buy property on the highway, if I recall correctly, in 1942, between my place and Abbotsford. It is in the Marshall settlement, and the land is now very, very valuable, and I was able to get him six acres of tax sale land from the Council for $600.00.

Q How many acres, Mr. Hill-Tout?

A Six acres. That was 1942, or thereabouts, because I helped him finance it.

Q That would be what type of land, cleared or uncleared? A: He had two acres cleared on it. The rest was logged off. It belonged to Mr. C. McCurry in Vancouver. I cleared it for him in 1906, and it cost him a lot of money. We have had three depressions up our way, and land values went up and down three times.

Q Have you any knowledge of whether the desire of

the people to congregate affects the price of land?

A Very much so. Very decidedly.

MR. McMASTER: My lord, what is the basis of that opinion here? Is this man being put forward as an expert on land values? If so, I don't think he has been qualified.

THE COMMISSIONER: As I understand it, he is not giving opinion evidence at all or brought for that purpose. I have taken the statements he has made as relating to his actual experience.

Q Am I right in that?

A Correct, my lord.

MR. HUNTER: Q: The question was what knowledge you have on that, and you say you have knowledge. I am asking you for your knowledge, I am not asking for your opinion. What knowledge have you as to the affect of the congregation of the people in an area on price?

A The present day, you are talking about, or the past?

Q How far back are you speaking of when you say "past"? I don't know how valuable it will be until I know what time you consider to be past.

A I can explain it best by saying this; at one time we had two and a half thousand acres. At that time land was very valuable on this side of the highway. At that time my father purchased a quarter section of land with timber on it for $5.00 an acre. $600.00 was the price per quarter section, including the timber. That, incidentally, was the price it was mortgaged at in '86, when

the early settlers pooled up and got title the timber was on and they all borrowed $600.00 on the quarter section, and they sold for that money 10 or 15 years later. Does that help you at all?

THE COMMISSIONER: Q: Can you bring it down to the period of, say, the late war, 1939 to 1944?

A Well, my lord, as I said, this piece of land sold at $6.00 an acre. That was very, very valuable land.

MR. HUNTER: Q: Have you any knowledge along this line; supposing a race was to get into a certain area, have you any knowledge that would show whether ornot the desire to get into that area affects the price of land, and if so, what is it?

A You are talking of present conditions?

Q I am talking of any time, but approximately during the last five, six, seven, eight or ten years.

A Yes, undboutedly it does.

Q How do you know it does? Upon what is that knowledge based?

A Well, in my own area which I know most of, the land is taken up by these new settlers. They are all nearly Mennonites around me, and no one will buy in a Mennonite settlement. Take Harrow, that all belonged to the oldtimers. Then the Mennonites came in eight or ten years ago and other people won't live there now. It is 95% Mennonites. That is one of the reasons why I am selling my farm, it is nearly 100% Mennonites.

Q How does that affect the price of land?

A They, having their own school and church and their own activities, the sky is the limit. They go where the schools are, because their whole life is the church and their school training. They take three years in their own school, and their whole social life is controlled by their church, until they break away.

Q That brings up the price of land?

A Yes.

Q Can you tell me how much it has been driven up since these Mennonites came in?

A This man who worked for me bought five years ago at $10.00 an acre. I know he can get now $10,000.00 for his place, or more.

THE COMMISSIONER: Q: That is for 60 acres?

A Probably more, yes. Where I live myself, I have been offered $1,000.00 an acre for my road frontage. I am on the highway, and that is why my property is valuable, having that frontage.

MR. HUNTER: Q: Is that offer from Mennonites?

A Yes. I have sold some now to Mennonites. I have made up one small portion of it, to try it out.

THE COMMISSIONER: Now, would you relate the evidence the witness has just given relative to Mennonites to the Japanese, if he has any knowledge on the subject.

MR. HUNTER: Yes, I will try, my lord.

Q Have you any knowledge of the congregation habits of the Japanese? A: Yes, in my own area.

Q What would that knowledge be?

A Well, the Japs in Matsqui were fairly scattered. There were about five or six in near where the airport is, and down near Matsqui there were a groups. There weren't very many groups together. There would be four or five groups where there were families, and no one would want to live between them. At least, I wouldn't. I don't know if anyone else would.

Q Do you know what effect that had on land values?

A I can answer it like this; land had no value at all in that area. For half a lifetime, no one would buy there. I can recall the first war. I am one of five Vets. left in my area out of 65. It broke their hearts and pocket books and the men wouldn't stay there. You couldn't sell what was grown, there was no market. The value is here now, because I consider that the whole Valley will be small holdings in 20 years, where no one else can go.

Q Are you in a position to tell us, Mr. Hill-Tout, what you believe the future of farming in the Valley will be? A: Dairy farming will always be the stable industry of the Valley, if the land is left in dairy farms, because it is the only commodity grown on the farm that can't drop. The demand is too great. It can't drop much. Chickens and berries are very highly hazardous operations, subject to market fluctuations. You are handling a product that is difficult to

market, except when there is a war on to give you a living.

Q Are you familir with the capitalization method of calculating values of farms?

A Can you put that in a little simpler form?

Q There are various methods of trying to arrive at the valuation of property, and one method that is suggested as a sort of basic method is based on capitalization, that is, to take the net profits of the farm and capitalize those profits, and that gives you the value of the farm. Do you know of that method of appraising property?

A Well, the ordinary small farm, it is my own personal opinion, has no value at all, except to the man working on it. You can't hire labour to have your work done and make any profit on it. That is borne out by taking anyone living in the country. It is only by your individual enterprise that you can do more than the other fellow does, because there is no one farming on a small scale who hires men to have his work done.

Q Do you know whether there are sufficient records in the Valley on chicken farming and berry growing to permit of the appraising of land by this capitalization method?

A No, I don't think there are, because you might have one chicken farmer who might be on a gravel heap. He might do well with chickens, but not with anything else. There is no value to the ground, except your chickens.

On the other hand, a strawberry man might come in for three years and get on quite well, and then he gets disease and doesn't know how to control it, and unless he has enough land to rotate his crops, he is going to be down and out unless he has capital enough in a big way to overcome those sort of things.

Q Do you know if there are any long term records on the cost of production on berry and chicken farms in the Valley, both for white people and for the Japanese? A: I don't think there is anything very definite. I had one Jap neighbour who could get by on 8 cents a pound on raspberries, but he was a very exceptional grower and had a very fine plot of berries which gave about 5 tons to the acre, but the average grower who is hiring his help can't do it. It is a family concern with the Japs --what a man can handle with his own family, to a great extent, other than paying for labour.

Q Are you in a position to say what the real estate market was like in around Matsqui in the year 1942? A: You could buy a lot of land still at low prices, but I think the price of milk was picking up. I think the picture for eggs and berries as well began to look more bright, and people were beginning to think "Well, we won't sell quite so cheap", but I can't give you a definite example.

Q Do you know of any land was changing hands in

1942? A: Hardly any. That was the time I helped my hired man to get started, and the Mennonites were buying some land, and the Government threw open a big tract near me and gave them ten acres.

Q What about 1943? Are you in a position to say whether there was much land changing hands in that year? A: I think, with the exception of the Mennonites around me, coming in more and more, the land was all taken up by that period. They were on relief to a large extent before the war, and during the war they went off relief and got along, and they brought their friends in and the land was being settled up bit by bit. A lot went to work in the shipyards and kept their farms and worked their way up. That would be in 1944, that there was a big change, and in 1945 they got a big price for berries. That was the time when everyone borrowed money and cleared land and put in berries and made a clean-up. Now, the growers have come to the end of the operation and are wondering how they will exist, because they are putting their berries in storage and wondering how to pay for it. They all bought cars, and if you go around by the Mennonite church on Sunday morning you will see how they have prospered, due to the boys that went over there an they all stayed back.

Q What about prices now?

A The berries aren't sold. They can't find a market.

They are trying to say the Government will take them off their hands. They are carrying hundreds of tons in cold storage at a charge of half a cent per pound, roughly, The residue of berries is unsold, and the interior market has not been cleared out yet.

Q How is the market today?

MR. McMASTER: I find it hard to see the relevancy of this, my lord.

MR. HUNTER: I think it is of value, my lord.

THE COMMISSIONER: I think counsel is endeavouring to show the trend over a period of years. It may have some value. I will allow him to ask it.

A The strawberry market is controlled practically to a large extent by Mennonites. They have large families and do all their own work, and they will probably stay in there in business as long as they can stay in business and still get by on far less than they got this year.

MR. HUNTER: I have been trying to indicate, my lord, over the period of years what the history of the thing has been in the Valley.

THE COMMISSIONER: I gather from the witness's statements that his experience satisfies him that there is only an extreme demand for berry growing and chicken farming when other things are really productive. I think that is his theme.

THE WITNESS: My lord, you can see what has happened. It bears out what I have said. You have only to check upon the berry industry and the poultry

industry and find the poultry houses at Hammond and Haney all running wild, with few exceptions. I am just stating the facts as I pass through, that is all, my lord.

CROSS-EXAMINATION BY MR. McMASTER:

Q Witness, I take it all your observations are based on your own personal observations, and not from any study of conditions in the Fraser Valley?

A A lifetime of living and hard work.

Q Personal experience? A: And my neighbours in the community. I am interested in what the community does.

Q Have you ever undertaken any study of the Fraser Valley? A: What kind of a study.

Q Such as conditions relating to the poultry industry, for instance?

A I have been in the poultry Co-op., and I headed my poultry Co-op. for years, and I have taken an active interest in communities all my life and taken a really full share of public duties in my locality and tried to make living better for all of us.

Q In what co-operative out in Matsqui have you taken an interest in the last ten years?

A I was member of the Surrey Co-op, which is the finest organization in B.C., the Abbotsford No. 1 and Abbotsford Co-op No. 2, and the Public Co-op. I have shares in all of them and have been

active in most of them.

Q The Surrey Co-op doesn't have anything to do with berries, does it? A: No, it is selling.

Q It is a selling organization?

A They are selling mill food and other household goods.

Q And the Abbotsford Cold Storage Co-op doesn't have anything to do with berries, does it?

A No. I belong to no berry co-op now. I have no berries.

Q Which one did you belong to?

A I belonged to the one that was functioning when I was a berry grower, the B. C. Berry Growers' Union. I dropped out of the Berry co-op when I finished with my berries.

Q You weren't in that in 1942 and 1943?

A No. I was only in the poultry co-ops.

Q Which of the poultry co-ops?

A We have one in our own district which is affiliated with the organization at Surrey. That controls everything in the Valley. The B. C, Poultry Prdducers' Association is the correct name for it.

Q I take it you personally don't like Mennonites very much, is that correct?

A I have some very fine friends amongst them, but as a race it will take a little time to assimilate them.

Q How much did you say the property was selling for that you helped your hired man to buy? Was it

$10,000.00 the man was selling it for?

A I said he wouldn't take that for it now.

Q And did you say you were offered $1,000 for your place? A: That is the market price on it, and I own it all.

THE COMMISSIONER: Q: $1,000 an acre.

A Yes.

MR. McMASTER Q: You suggest, however, the feature of agriculture is not very bright in your area.

A That has no relation to the value of land.

Q It has no relation to the value of land?

A That is my own estimate. The Mennonites are living there because they are close by their church in that area, and there are a lot of farmers amongst them who like to be together. They were like that before they came here.

THE COMMISSIONER: Q: This is the Mennonite Community you are speaking of? A: Yes, my lord.

Q Where is your farm? Is it close to Abbotsford?

A I am 2½ miles this side of Abbotsford, and south of the road. There is quite a large clearing, with quite a large white house.

MR. McMASTER: Q: How many shares in the poultry Growers'-- how many of the Japanese poultry growers did you know in 1942? A: I think all the Japanese in Matsqui, or practically all them had poultry.

Q As a sideline? A: Poultry and fruit. Some had more than the other.

Q Did you know of any of the Japanese poultry men

in Surrey? A: No, I can't say I did.

Q Do you know anything about their methods?

A No.

Q Were there any large operators in Matsqui among the Japanese? A: Oh, I don't think there was any with over a thousand, if I can recall. You see, they are all settled in on the same land. They did work in slowly.

Q I filed a copy of an exhibit called "Some Facts About British Columbia." I am sorry, I don't have the number. It is Exhibit 66, my lord. I draw your attention to a pamphlet issued by the Department of Agriculture of the Provincial Government, entitled "Some Facts about British Columbia, Canada". On page 24 there is a survey of poultry farms, in which it refers to a survey of poultry farms in British Columbia conducted by officials of the University of British Columbia a few years back, records being obtained from several hundred farmers. (Reading). Is that the report you were referring to, or the survey?

A It sounds like it.

Q Would you like to look at the material that is there? This is a copy, a revised edition, of 1945. A: What would you like me to remark on it?

Q I would like you to read that and see if that appears to be the report you were referring to of the survey carried on by the University of British

Columbia with Dr. Woodward?

A Yes, I know him well. I was in the survey. I would say it was, yes.

Q It appears to be? A: Yes.

Q I draw your attention to the fact that in the summary, at the end of it, it indicates that the average of the total farms surveyed (reading). Would that be in accordance with your experience?

A Yes, I think it would. Does it say how many Japs are in that survey?

Q I don't think it does mention it here. No, it doesn't. A: It went in, as far as I know.

Q And that the typical returns were $1,130.53 as farm returns, receipts less expenses.

A Yes.

Q And allowing $520.48 as interest charges carried, and $610.05 as the average labour and management wage. A: Yes. That is taken from bookkeeping. The point I was trying to establish is the basis of what it cost, but it is pretty hard to do that in anything under two years in our area.

Q I understood you to refer to the study of the doctor's as being a fair indication of the poultry business at that time.

A Yes.

MR. McMASTER: That is all, thanks.

THE COMMISSIONER: Is there any re-examination, Mr. Hunter?

MR. HUNTER: No, my lord.

THE COMMISSIONER: Thank you, Mr. Hill-Tout.

(Witness aside).

THE COMMISSIONER: That is all, thank you. That is all you have for today, is it?

MR. HUNTER: Yes,my lord.

THE COMMISSIONER: Very well. We will adjourn, Mr. Secretary, until 10 o'clock tomorrow morning.

(PROCEEDINGS ADJOUNRED UNTIL DECEMBER 15, 1948, AT 10:00 A.M.)

I hereby certify the foregoing t
be a true and accurate report o
the said proceedings.
J. P. Hanrahan
Deputy Official Stenographe

GENERAL EVIDENCE

THE JAPANESE PROPERTY CLAIMS COMMISSION.

B E F O R E

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

Vancouver, B.C.,

December 13, 1948.

PROCEEDINGS AT HEARING

(Pages 1016 - ~~1077~~ not 1100.

Richards	Rural lands	1016 - 1040
Gordon	Fish. Rights	1041 - 1077.
Thompson	Fishing Vessels	1078 - 1099.

The Commissioner.

Vancouver, B. C.

December 13th, 1948. 10.00 a.m.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Yes, Mr. Braidwood, what are we starting with this morning?

MR.BRAIDWOOD: My lord, we are going ahead this morning with two witnesses, one on building and sanitary conditions in the Steveston area, and my friend Mr. Hunter is introducing some evidence on fish nets. I will now call Mr. Richards.

GERRY RICHARDS, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BRAIDWOOD:

Q Mr. Richards, what is your occupation?

A Building Inspector and Municipal assessor.

Q Just speak up so that his lordship can hear you.

THE COMMISSIONER: I can hear him all right.

MR. BRAIDWOOD: May the witness be seated.

THE COMMISSIONER: Yes, you can find a seat there, Mr. Richards, make yourself comfortable.

MR. BRAIDWOOD: Q; You are municipal assessor and building inspector?

A Yes.

Q Where? A. In the Municipality of Richmond.

Q How long have you been engaged in that occupation?

A Since 1943 -- September 1st.

Q What has been your experience in building and

construction? A. I have been at it all my life, sir. I started in New Westminster in 1908.

Q And what experience have you had in building and construction?

A Building small homes and repairing.

Q You actually have been a builder, have you?

A Yes.

Q And have you been continuously employed in that business since you commenced it in New Westminster?

A Yes, the majority of the time, sir. I have worked for big companies , such as the New England Fishery up in their canneries, and also for the Powell River Pulp & Paper Company in 1924 -- I worked up there in construction for them building forty houses.

Q Now this type of workyou have been referring to has been building and construction of small homes and other work, is that correct?

A Yes.

Q And what experience have you had in the Fraser Valley area in regard to building?

A In the Fraser Valley and Richmond Municipality I built 18 homes from 1938 on to 1942.

Q And are you familiar with the whole area?

THE COMMISSIONER: What is that?

MR. BRAIDWOOD: Q; Are you familiar with the whole area of Richmond & Municiaplity?

A Yes, I am acquainted more with the municiaplity of Richmond than I am with the Fraser Valley and up that way.

Q Now with respect to your duties in the Richmond Municipality, what are they?

A To see that they carry out the by-laws, sir. All buildings must be built according to the by-laws, and all plumbing installed according to the bylaw, and in getting ready for plastering a house -- before it can be sold to anyone wishing to buy it, and you give a certificate stating the building has been done according to the bylaws.

Q Now are you familiar with the building formerly owned by the Japanese in Steveston?

A Quite a lot of them. I ran into them from 1942 on. and before that time I knew nothing about them.

Q And have you run into them in the course of your duties as inspector at Richmond?

A Yes.

Q Have you had occasion to inspect these buildings?

A Y es, I have had occasion to inspect them after they were sold.

Q That would be from 1943 on?

A Yes, from then on.

Q Would you say that you have inspected a large number of these buildings or a small number?

A I have inspected practically every one that was sold, sir.

Q Will you give us some information from your knowledge as to the sanitary arrangements of these J apanese houses?

THE COMMISSIONER: Before you get into that, will you ascertain from the witness for what purpose he

made his examination of these Japanese dwellings in the Richmond area?

MR. BRAIDWOOD: Q; Yes, you have told us that you have inspected virtually all of the Japanese homes there. Will you tell his lordship why you had occasion to make those inspections?

A Your worship,-- or let me explain it in my own way. We have municipal ditches, as our lifeline you might say, because we are below sea level and we aim to keep all septic tanks from flowing into the ditches. They must run on the property for fifty-feet into a drain and from there on to the flood box in the river.

These places when I took over my job were not running that way. When these places were bought by white men and the white men went into them they had trouble, and our man going around found that hese pipes ran from the toilets right into the ditches and there were quite a few of them had nothing put boxes in there -- wooden boxes, whereas the health department calls for concrete boxes six inches above the level,-- and we had to make the owners put in new tanks.

THE COMMISSIONER: Q; Was that a general condition?

A Y es, and they say also, some of the septic tanks that they put in were underneath buildings, which the bylaws do not allow. All septic tanks in boxes must have three access with no obstruction or anything over them, so that they can be got to very easily anytime they need cleaning.

MR. BRAIDWOOD: Q; Well, did your inspections arise out of complaints, or for what other reason?

A Complaints.

Q And as a result of these inspections you pretty well covered all the Japanese homes -- the former Japanese homes as you have told us?

A Yes.

MR. BRAIDWOOD: Does that clarify the point, my lord?

THE COMMISSIONER: Yes.

MR. BRAIDWOOD: Q; Now you have already told us in your previous explanation, some of the facts about the sanitary arrangements. I wonder if you could give us a little more general explanation as to the normal Japanese sanitary arrangement as you found it in their homes?

A Well, there are some of the places -- as far as the Japanese names of the places -- you know these places better than I do -- I don't know their names, but all I know is, the white men who took them over and bought them they had trouble there and there were some places where they built on -- right in their floor -- took up the floor and they sunk down the planks and that was for their bathing in the kitchen. And I believe I could take you out to one that has not been covered up at First and Moncton -- and also the plank tank was three feet away from the building made of wood -- and that ran into the municipal ditch. And also the majority of these buildings -- I believe there was some sort of a bylaw before my

time where a man could go in and take out a frame or two and build on a building and pay fifty-cents -- say a 20 x 20 -- and you will see that there has been a little bit added to it -- until it had covered 75% of the property, which is against the bylaw .

Q Well now, referring specifically to the sanitary arrangements, did many of these houses have modern plumbing arrangements?

A Very few of them, sir.

Q What type had they?

A Some had outdoors,

Q And were the sanitary conveniences mostly the outdoor type?

A Most of them was -- the majority.

Q How many of these houses had water piped onto the land? A. They all had water pretty well. In fact, gentlemen, there are two buildings we are having a lot of trouble with right now that belongs to a man that bought it just a couple of years ago from the Custodian, and he has been notified to put in a septic tank and has been given 30 days notice, and it hasn't been done yet. It is down on Seventh Avenue, and it is in very poor shape, and I am afraid they are going to take it up and have him fined for not conforming to the bylaw.

Q Would you say the Japanese homes had been built in conformity with the local bylaws?

A Before my time, that I cannot say.

Q What have you to say as to the bylaws after you took over? Were they carried out? Were they complied with by the Japanese in regard to their homes? A. No, you see the Japanese --

THE COMMISSIONER: Just one minute, what does that mean, Mr. Braidwood.

MR. BRAIDWOOD: Q; Perhaps I should rephrase the question in this way.

THE COMMISSIONER: Was the bylaw changed in the interval?

MR. BRAIDWOOD: Yes, my lord.

Q Were there changes in the bylaw after you took over? A. Yes.

Q And were these changes such as to compel owners of property to comply with the bylaws?

A In sanitary arrangements, yes.

THE COMMISSIONER: Q; When was the change in the bylaw made? A. In 1944.

THE COMMISSIONER: You cannot blame the Japanese for that.

MR. McMASTER: My lord, I think this is irrelevant to the issue here.

MR. BRAIDWOOD: Q; What about the bathing arrangements that you found in the former Japanese homes?

A They were built of planks, sir, built in the ground. They heated the water on the stove and poured it into it.

Q Were there many modern bathing facilities there?

A There were a few, not very many.

Q Now you told us, Mr. Richards, that you have been

familiar with buildings in that area for some considerable period of time. What would your opinion be as to Japanese houses, as to their building and construction?

A Very poor the majority of them, sir.

Q W hat complaints would you have about them?

A The majority of them did not have no cement foundations. Their joists were not properly put in. The sides were not properly put in.--The ceiling joists nor the rafters.

Q What type of construction were they in the main?

A Throwed up; just throwed up.

Q Do you know whether it was necessary for the municipality to take any action against any of the owners of such buildings?

A Not that I know of, sir; not before my time. That is something that there is no records kept of it.

Q Now when you took over in 1943, do you know whether any action was taken against these buildings?

A Against the people that bought them, yes.

Q What type of action?

A Force them to comply with the Board of Health sanitary laws that we are working under, sir.

THE COMMISSIONER: and those were the new bylaws you have referred to which were passed after the Japanese vacated?

A No sir. Those sanitary bylaws were in effect long before that.

MR. BRAIDWOOD: Q: I think he referred to the construction bylaws being put into effect when he came there.

THE COMMISSIONER: Yes.

Mr. braidwood, Q; Now, Mr. Richards, what type of population was mainly in this community.

THE COMMISSIONER: At what time.

MR. BRAIDWOOD: Oh, in 1943, I am sorry.

THE WITNESS: What does living in Steveston at the time?

Q Yes.

A Well, Steveston is a fishing village. That is the big industry there and there were Indians and whites.

Q Do you know which was the predominant race at that time? A. Before I took over?

Q Did you have knowledge of the municipality before you became inspector?

A Oh yes, I lived down there.

Q And which was the predominating race?

A The Japanese were in the majority.

Q Would you be able to give an opinion, from your knowledge of building and lands in that neighborhood whether the majority of the persons, being of , Japanese origin, had any effect on building in the area? A. There were some that would. There were other people very nice -- some built very nice homes. They were nice homes., and they were right in among the Canadian class of people and they were very good people, and there were some good mechanics among the Japs that were very good people and then there were some that wanted to be left alone and live by themselves.

Q What information can you give us as to land values in the area, Mr. Richards?

A Well, up until 1944 -- in the latter part of 1944

the land values were not very much -- especially in Steveston where the lots are anywhere from 18, 19, 20, 22 and 40 feet wide by 100 and values ran around anything from $80.00, $90.00 , $100.00 and $25.00 for lots, and then in 1944 prices began to go up due to inflation from the war and prices went up as high as $375.00 and $420.00.

Q Now speaking of the period of 1942 and 1943, if you would, was there a ready market for these lots at that time?

A No sir, not as it has been in the past two and three years.

Q Do you know the reason why there was not a ready market for them?

A Oh, I couldn't say offhand why. The majority of the people were Japs and Indians in there, and as soon as the fishing season was over they all left and there was nothing left there but the Japs and a few whites there.

Q Do you say the land had a high or low value in 1942 and '43? as far as your opinion is concerned?

A They had a low value.

Q Do you know whether there was much turned over in the way of land in that area?

A That I could not say, but we could find that out from the Municipal hall, sir

Q Now in the course of your building and construction were you familiar with the area known as Lulu Island?

A Yes, sir.

Q Have you any knowledge of the price per acre of land

in that area in 1942 and 1943?

A Yes, sir.

Q What is your information?

A May I go back a few years before that?

THE COMMISSIONER: Yes, if you think it is going to be helpful.

A In 1935 the value of land on Lulu Island around the Bridgeport district ran from $750.00 to $1,000 an acre.

MR. BRAIDWOOD: Q; This was in 1935?

A Yes, and in 1939 you could not give that same acre away for $300.00, and then it started gradually going up -- that is, acreage in the residential district on Lulu Island. Property sold on the Steveston Highway in 1943 on a corner on No. 3 and Steveston Highway, at an average of $350.00 to $400.00 an acre, and today you could not touch it at a thousand dollars an acre.

Q In 1942 and '43, were there many Japanese living in that area?

A Quite a few of them before they were taken out of there, but I don't remember what the exact was.

MR. McMASTER: Q: In what area?

MR. BRAIDWOOD: The Lulu Island area.

THE COMMISSIONER: The witness seems to be limiting his evidence to the Bridegeport area of Lulu Island. You had better clear that up.

MR. BRAIDWOOD: Q: In your remarks, Mr. Richards, you name the Bridgeport area of Lulu Island. Would

your remarks extend generally to Lulu Island?

A No, it is general throughout, but I am talking of Bridgeport because that was where the majority of the population was.

Q And what about the areas other than Bridgeport area, would your remarks apply to them?

A They would apply in the same way.

Q And would the values be as high in other parts of Lulu Island? A. No, they wouldn't.

Q Would you give us some information on the values in other parts of Lulu Island?

A I can give you the assessed value of land. We were assessing at $270.00 an acre -- the land that was selling at $1,000 and had dropped some. There was one man's property I know that is just one block off Chatham Street in the Steveston area. His property was assessed at $140.00 and they were valued at $300.00. That is full sized lots, 40 x 100.

Q And what about acreage on Lulu Island. Can you give us any other information that can be helpful to us there?

A There is very little acreage in Steveston -- where these houses were concerned there is about nothing there in acreage -- those were all in lots there, but acreage ran about $275.00 to $300.00 an acre, and that was out on East Moncton and Garry Street.

Q Then am I correct in saying the figures you have been giving us apply fairly generally on Lulu Island?

A Yes.

Q Now, Mr. Richards, you have told us that you were a builder in this area prior to becoming inspector in the Richmond Municipality. Did you build any houses in the Steveston and Lulu Island area immediately prior to 1942?

A Yes. My houses -- the ones that I built were built on Anderson Road and north right to the Bridgeport area.

Q And that is on Lulu Island?

A Yes.

Q Have you any estimate what it would cost to build that home in 1942?

A I can give you the prices of all those homes.

Q What type of home was it?

A There was in particular I built in '39 -- a four-roomed house; tile sink; full plumbing, fir floors, plastered siding with shingled roof which cost me $1.00 over $1,000.00.

Q $1001.00? A. Yes.

Q How many rooms did you say?

A Four rooms.

Q What have you to say as to the building and construction cost in that period of time? Were they rising or falling?

A They were at a standstill.in '39 and in '41 they were going up a bit and in '43 they were going up and then in '44 and '45 they started to jump

until last year they got the highest of any.

Q And referring to this home you mentioned building in 1939 what would you say as to the cost of it in 1942 compared to the cost of that home in '39? A. Approximately five or six hundred dollars more, sir.

Q From '42. Had lumber gone up in price in that time?

A Yes.

THE COMMISSIONER: Q: Do I understand you to say that the house you built in 1934-- this four-roomed house, which cost you $1,000 would have cost you $1500.00 to $1600.00 in 1942?

A Yes, sir.

MR. BRAIDWOOD: Q; Have you any information as to the increased price in lumber between 1939 and 1942?

A I bought lumber in '39 sir, for $14.00 a thousand and it was running around $18.00 and $19.00 in '42.

Q Now just to go back for a moment to the houses in the Steveston area. Do you know if substantial improvements were made to those houses after the new owners bought them from the Japanese?

A Yes, quite a few sir.

MR. BRAIDWOOD: That is all, my lord.

CROSS EXAMINATION BY MR. McMASTER:

Q Mr. Richards, how many Japanese owned houses in Steveston in 1942?

A I could not tell you, sir. That is before my time. The only thing I can do there is to look up the

records and th text books.

Q So when you speak in general terms about the majority of these houses, or substantially all of the houses owned by the Japanese you have no figure to which to relate your information, is that right?

A Oh yes, I have, sir.

Q Well then, how many houses were owned by the Japanese?

A I just explained that to you a minute ago. What I am talking of is after the Japanese went there, these houses were empty, sir. The majority of them were empty for over a year and a year and a half.

Q That is your experience , is it?

THE COMMISSIONER: It is not a matter of experience. I take it you are now testifying to the condition that you observed there. Is that not the case?

A Y es, sir.

MR. McMASTER: And you say the majority of the Japanese owned houses were vacant for a year or a year and a half? A. Yes.

Q But you don't know how many houses they owned?

A No.

Q Do you know roughly?

A No, I wouldn't safely say -- if I were to be held down to the number -- the only thing I could do would be to to and look at the tax books.

Q Well, did you do that before you made that statement that these houses were in that condition?

A No, I didn't.

Q Do you recall how many Japanese houses you ran into in the course of your duty that you had these complaints about that you are mentioning?

A I can look them up from records, and I have the records on my desk, sir.

Q But you did not ascertain that information before you came here to give evidence this morning?

A No, I didn't, but they are dated there and the summonses in regard to these houses.

Q Now when did you have occasion to inspect the houses that you did inspect?

A After they were sold.

Q From what year? A. From 1945 and '46.

Q Why was it that you were not called upon to inspect these houses until they were sold, Mr. Richards? A. Our Municipal crew cleans out the ditches every so often, sir. When they were cleaning out the ditches they would come to me and they would show me the condition and give me a paper with all the addresses on, showing where the septci tanks ran into the ditches and I would go out and inspect them and find that they were coming from the houses and I would then give the people so any days notice to change that condition, and if it was a wooden tank they would have to put in a concrete septic six inches above ground level.

Q Now as I recall the evidence you gave this morning

you said you went out when youreceived complaints from these people?

A Y es, I do it both ways.

Q Did you clean the ditches in 1942 or '43, or did the Municipality rather?

A I don't know anything about 1942 until September, '43. I don't know what happened before then, sir.

Q You never examined the records when you took over office? A. No sir, I didn't.

Q And you never had any complaints in '43, I take it.

A After I took office I did, yes.

Q Did you have any occasion to inspect these places before they had been sold by the Custodian?

A No, I didn't. They were all in the Custodian's hands them days.

THE COMMISSIONER: Q; When did you take office, Mr. Richards, as building inspector?

A September 1st,1943.

Q In 1943.

MR. McMASTER: Q: ANow are you suggesting that this condition only applied to Japanese buildings in Steveston,sir?

A No, I didn't sir.

Q I am just asking you? A. No, it didn't.

Q As a matter of fact it applies to a large number --

A It applies to a large number of the buildings, yes.

Q The situation is, the bylaws if they had them there for a long time, they had not been enforced, is that correct, until you took office -- that is not

seriously enforced? A. No, that is something I cannot say. If I had been there they would have been enforced. If they had bylaws I would have seen they were enforced.

THE COMMISSIONER: Q; Had you any knowledge of what had gone on before?

A No, no knowledge.

MR. McMASTER: Q: However, your comment that you made this morning with regard to the enforcement of the bylaws, applied fairly generally to Steveston?

A Yes, fairly general under the Metropolitan Board of Health, sir.

Q And the type of construction of most of these houses was in line with the type of constructionof a large number of houses in Steveston, would that not be correct? A. I wouldn't say that, sir. There was a certain amount that was built by fishermen that did not comply with the bylaws of today, but on the majority these homes, the Japanese homes, the Japanese did not comply with anything.which you might call as being close to the bylaws.

Q And I suppose there were a lot of other houses built by fishermen out there?

A There were, yes.

Q Now when did you become the assessor out there?

A Three years ago, sir.

Q I see. And have you done any reassessment of the lands in Steveston?

A Yes, the whole thing was put on new this year, sir.

Q And what were you trying to attain when you assessed a parcel of land in Richmond. What is it you are trying to fix?

A An even assessment completely throughout, sir. There has never been an assessment in Richmond since 1932 -- a general assessment -- all there has been has been, on blocks of buildings permits, fire additions, and so on . This is the first assessment we have had since approximately 1932.

Q Yes, and how did you arrive at the value for your assessments? A. It depends on the zoning. If land was in the commercial zone it would run much higher than the land that was out in a farming district.

Q Well, let us deal with farms -- in the commercial zone -- how did you arrive at values? What did you try to fix in your assessment?

A I tried to fix a balanced and even assessment. A corner property is more valuable as a store, and still you cannot assess them at the full value. You can only assess them at 70% of the full value.

Q What do you mean you cannot assess them the full value? A. You can only assess them 70% you cannot go 75%.

Q Well, what do you mean by full value?

A Well, say a corner lot is one thousand dollars, you could only assess them at 70% of it.

THE COMMISSIONER: This is all very interesting, Mr. McMaster, but how does it relate to the problem I am concerned with.

MR. McMASTER: I am interested in knowing how this man arrived at the standard values. He has given evidence of values.

THE COMMISSIONER: But he is talking now of assessments.

MR. McMASTER: Well, I presume he has to arrive at standards of value to determine the assessment.

THE COMMISSIONER: In assessment he does not apply the same valuation to a piece of property --

MR. McMASTER: Well, that is what I would like to ascertain.

Q When you gave these various figures of the values of lands in other parts of Lulu Island and on the Steveston Highway and on Moncton Road and Garry Street, were you applying the same standard of values as when you make your assessments?

A I beg your pardon, sir? I don't understand you when you put it that way. May I speak here and see if I am right. When you made the statement that I assessed property the same on Steveston Highway as on Moncton, I would say no.

Q I am sorry, I did not say that. We will deal with one thing at a time. When you gave evidence of the values of property on Moncton and Garry Street, of acreages, were you using the same methods of determining those values as you used when you fixed your assessments in other parts of the Municipality?

A Well there you are again. When you are on Moncton Street you are in the business section of the town, and when you are on the dyke you are on

valuable water front property, which is about 75% higher.

Q Well, let us limit ourselves to Moncton Street?

A The value would be 75% higher than it would be on the Steveston highway, because it is all business property and that is where the town is built up, the same as Hastings sir, would be assessed more than Broadway.

Q My note is you gave certain values for Moncton Street? A. Yes, that is farmland down there. That ran around $175.00 to $200.00 an acre.

Q Are you sure of that, because my notes say you said a different figure before?

A A different figure, how?

MR. BRAIDWOOD: My friend should put the time.

THE WITNESS: If you want to know the value of buildings, that the buildings are assessed at -- if that is what you are trying to arrive at -- buildings are assessed anywheres from $1.25 a square foot,-- and if it is just a shack thrown up with no plaster, it is done by the statistics of 1939

MR. BRAIDWOOD: I think my learned friend should put the time and also say if he is trying to obtain the assessed value or the market value.

THE COMMISSIONER: I have not had any benefit from the examinatim yet. I am still hopeful.

MR. McMaster: Q: Well, I made certain notes as to the value of land in '42 and '43 in and about Steveston. Now on what did you base the figures that you gave?

A I was building in them days and in 1942 I was building houses. The land was rising then. It was not falling. It was rising very slow. Not only Steveston, but the whole of Lulu Island was doing the same thing.

Q And in 1943 what had happened?

A It was rising. It has been rising ever since.

Q It has been rising fairly sharply I would say.

A Yes, buildings were. Buildings were more than land.

MR. HUNTER: At what time?

MR. McMASTER: In 1943 I put it to him.

THE WITNESS: It rose a little in '43, but nothing compared to '45 and '46. Homes that were selling for $1900.00 in 1944 was selling for $5,000.00, and the same home was selling for $6,000 and $6500.00 last year.

MR. McMASTER: Q; Well, I take it thatyou say the increase in '44 and '45 around Steveston, was about 25%?

A Y es, approximately. That is pretty hard to pass on because some of those people sold lots up there for $300.00 whereas in the same week certain people would sell a lot a lot further down for $250.00.

Q Now you gave certain specific values of lands in and around Bridgeport in 1942 to '43. How did you arrive at that? A. Arrived at it by the market price, sir. That is when I was not withe the Municipality. I was building homes

and building all my own properties.

Q And when did you build any homes around Bridgeport?

A I started in in 1937 , '38, '39, '40, '41 and '42.

Q And were you building for the owners or for speculuation

A I was building for myself and selling.

Q And did you buy lands in there at that time?

A Yes, sir.

Q When? In '42 and '43, or back in '37?

A No, I bought that property in 1937 and I bought in '42, about four acres. It cost me $1200.00.

Q Whereabouts was that property situated?

A Right on the corner of No. 4 road and Alexander.

Q Which? A. Four road and Alexander. And also in '42 I bought a lot in Brighouse, on Anderson Road.

Q For how much?

A $185.00, sir.

Q How big was the lot?

A 85 x 185.

Q Now you mentioned you bought some property in Bridgeport in 1937. What were you paying an acre for it then?

A That averaged altogether about $300.00 an acre, sir. That was in the residential district.

Q So that works out about the same amount as these same acres you bought in 1942, is that right -- $300.00 an acre?

A Yes, the residential district was moving up. The year before you could have bought that land for $200.00 and $250.00.

Q Do you say there was no rise in '42?

A Down in the residential district -- not further away. It was only the residential district that that was rising.

Q Could you buy four acres in the residential district in 1942?

A Yes, we only had a population of 9,900 people there then.

Q Where was that?

A On the Municipality of Richmond.

Q In what year? A. In 1943.

Q Now when you mentioned the cost of building a four-roomed house, with tile sink and full plumbing and siding at a cost of $1,000, were you including builders profit in that or was that just straight for materials?

A That was just the cost -- the labor and all.

Q That was for labor -- that you hired to build for you, is that correct?

A Yes, that is right. That is complete.

THE COMMISSIONER: So your resale price would be higher?

A Retail?

Q Resale? A. Yes.

MR. McMASTER: Q; Now when the Japanese moved out of Steveston the fishing companies found other labor to carry on their duties, is that not correct?

A Yes, sir.

Q And in the summer of 1942 -- or at least in the fishing season of 1942 -- the salmon season-- do you recall whether that was a particularly good

season? A No, I could not say sir. That is something I know nothing about.

Q That is all.

MR. BRAIDWOOD: No re-examination, my lord.

THE COMMISSIONER: Thank you, Mr. Richards.

(Witness aside)

MR.BRAIDWOOD: My friend, Mr. Hunter, will continue.

MR. HUNTER: Does your lordship wish a break this morning.

THE COMMISSIONER: Well, I suppose if we are going to recess we might as well do so now.

(PROCEEDINGS RESUMED AFTER SHORT RECESS)

NELS ARTHUR GORDON, being first duly sworn, testified as follows:

THE COMMISSIONER: What is Mr. Gordon's evidence on?

MR. HUNTER: Fishnets, my lord.

DIRECT EXAMINATION BY MR. HUNTER:

Q Mr. Gordon, what is your present employment?

A Assistant Manager of the Gulf of Georgia Cannery.

Q And what are you duties as Assistant Manager?

A Well, my work is in connection with the sale of gillnets -- and charging them up to the different fishermen, and getting them in shape and so on.

Q And how long have you been engaged in the fishing industry? A. Since 1928.

Q And haveyou had any experience as a fisherman?

A Yes, for several years. As a matter of fact gillnetting -- I would put it down at eight or nine years altogether.

Q And were you in business for yourself at this time?

A That is right.

Q You had your own boat?

A That is right.

Q So you have a knowledge of practical fishing?

A That is right.

Q Now were you familiar with the Japanese fishermen?

A Yes.

Q And did you have knowledge of their methods of fishing? A. That is right.

Q What were the methods of fishing used by the Japanese? A. Well, they are

very similar to the whitemen -- using the different nets for the sdifferent fishing seasons,

Q I see. A. And they fish in the same seasons as anybody else.

Q Yes? And where did these Japanese mostly congregate?

A Well, you would have the greatest majority of them in Steveston.

Q And is that where you became familiar with them?

A Mostly at New Westminster and part of the time at Steveston.

Q Now where did the majority of them do their fishing? A. Well, the ones at Steveston did most of their fishing at the lightship, right up to Garry Point and on the North Arm, the Japanese were at the Middle Arm and at Point Grey and they used to fish in the North Arm and then you had a bunch of them fishing around New Westminster and those places.

Q I wond r if you can tell us what the different fishing seasons are?

A They generally start fishing for spring salmon around the firstof May and a lot of them start earlier. Those fellows used to start out to fish even in January, ,but mostly around the 1st of May and they would fish well into August. You would find them fishing with spring salmon gear. And then it comes on in the middle of July and it carries on until September, and there would be some overlapping in there, but whoever had a spring salmon net

-- he would also have a sockeye net ready. He would not lose a good weeks fishing if there were no spring salmon.

Q And is there a fall fishing season?

A Yes. It depends on what nets they are using and some start in using their nets on the 15th of September.

Q And what are they fishing for at that season?

A Cohoe and dog salmon.

THE COMMISSIONER: Q; And that season starts in in September, does it?

A Well, it is generally close up to the first of November, depending on the closed season and depending on the fishing department.

MR. HUNTER: Q; And how long does that continue?

A The fall fishing season continues on until whenever it closes. Like this year it was the 12th of November, and those years it would run mostly to the 15th of December.

Q Now what do you mean by those years?

A Well, in '42 and '43, but we have had a lot of rggulations by the salmon people and various departments.

Q Now I wonder if you would describe to us the proper method of caring for these fish nets?

A As a rule when they buy a new net from the company they would have it salvaged by the company.

Q Well, what is that?

A That is the cotton twine that is put on for the linen for the chafing gear -- to hang it onto the

cork line -- and they would probably fish with that net for a while. In the sockeye season they might fish with it four to eight weeks, depending on the run of fish, and during that period they would bluestone it once a week and put it on a rack and mend it and keep it in good order, and after the fishing season is finished with they go through the same procedure. In some cases they bluestone it and put it on a rack and sometimes they wash it, and bluestone it and hang it up and then store it in the shed -- and hang it up.

Q Is there some advantage in either method?

A It is just a matter of opinion. It has to do with the facilities of putting the nets away. The most regular method is to bluestone it and let it dry and hang it in a shed for the winter.

Q And supposing you have bluestoned the net and washed it and hung it up, does it deteriorate or not when it is hanging?

A That is a pretty hard question to answer, but generally any fishermen would not figure that his net is as good as when he put it in -- that is when he takes it out in the spring -- it would not be as good as when he put it away in the fall. At least, that is our experience.

Q Even though it has been properly cared for it can deteriorate? A. Yes, that is one thing we would like to know more about.

Q And do these nets deteriorate in different amounts, or do they do it all the same?

A Practically all the same, but with the finer nets you have to take some chance in using it the second year more than you would with one with a heavier twine.

Q Does the deterioration depend on the make of the net? A. No, not necessarily.

Q Does it depend on the goods that are used in the manufacture of the net?

A Well, that is one thing I could not say yes or no, to, because I don't really know.

Q What are these nets made out of?

A Linen, all linen.

Q Now I wonder if you would take the various types of fishing nets that are used in the various types of fishing, just one at a time and describe the usual type of net, and its usual life, and its value from year to year?

A Well, I guess we could start off with the sockeye net, it being the finest gear they use in the river. Take a 40 x 40 net ply about five and a half inch mesh, and say 60 mesh deep, it would be used for a period of anywhere from four to eight weeks. Well, I would maintain that the second use of that net would be a great risk -- if you were to buy it because the selling value has gone, after it being used and it wouldn't be very great.

Q Well, when you say not very great, could you give us the ~~f~~faction it would be less?

A No, I couldn't put that down as a faction. It all depends on the fellow who buys it. If a man is experienced in fishing and nets he would not buy it at all -- say $25.00 to $35.00 a net would be about the sum that would be obtained for it as far as I am concerned.

Q I see. A. Whereas some other guy would come along , and naturally if any salesman has anything to sell you, in used sale lots, it applies the same in nets as in anything else, because you don't know what you are getting.

THE COMMISSIONER: Well then, do I understand there is an appreciable deterioration after four to eight weeks use?

A Yes, even after they use them two weeks. Take even with new nets -- the finer ply, a regular fisherman or a fair fisherman would not like to tangle with that net for the next year's fishing.

MR. HUNTER: Q; And that net is used to catch what?

A Sockeye.

Q And that is the fish that comes in the season about the middle of July?

A Well, they start out with fishing about the first of July and take out fish until the 20th of September.

Q And what is the next method?

A Well, take the spring salmon method -- the net they use in that case -- it runs from 8 and three-quarterinch or eight inch. The size most used is eight and three-quarters and nine inch

A t Steveston the most is nine inch and most of it is nine -inch ply -- forty.

Q Nine-inch ply is the thread, is it?

A The 40 is the mesh of each thread and there are nine plys of those 40 threads.

Q It would be nine plys?

A Yes, and that net can be used anywhere. They usually put them on on May 15th and it all depends on when the spring salmon is running and some fishermen carry on until the latter part of August. And those nets, they vary greatly -- I mean just like our fishermen who are at the pres nt time fishing at Steveston,-- they don't use those nets the second year, although I would figure there was about one-third value in the spring net.

THE COMMISSIONER: About one-third value left?

A Yes, but they would not risk another season with them -- it being a long season, and they could not risk taking a net out like that, because they might play out over night - there is just so much life in them and when that is gone there is no more to it.

MR. HUNTER: Do you mean they would not use it for even part of the next season?

A No, you see because when a man starts out with a net -- it is usually with a very expensive net, and he does not like to be changing it.

Q And is that the usual practice?

A It is in Steveston, yes.

Q Now do you know any other practice that is followed?

A No, that is the principle.

Q Yes, and now do you know of any other places where they fish? A: Well, up the river, the fellows used to up there two to three years.

Q And what nets would they use?

A They would use those nets probably for one or two years, depending how long they fished with it.

Q And how long and deep would those nets be?

A Well, our nets in Steveston mostly run today 50 to 60 mesh and 8¾ and 9 inch, whereas when the boys were fishing there was a lot using 32's and 35's, various sizes.

Q How would that work out in feet, have you any idea?

A I could not line that up for you right away, and it would all depend on where they were fishing.

Q And how long would they be?

A Up to 200 fathoms and up in Steveston they would use 250, and at Garry Point and some of those places it would not be over 150 fathoms.

Q So the depth of the net used would depend on the depth of the water?

A Yes, at different drifts these different fishermen fish at.

Q Yes, and now what other nets are you familiar with?

A Well, they have the white spring nets for salmon fishing, which runs on to September -- and those are used for the spring salmon. The chaps go over there -- especially in the Steveston area, and they get --

THE COMMISSIONER: Now, what is the mesh again --

A 8 to 10.

Q Yes, any others? A: 10 to 11, and in some cases 12, but generally it is 10 inch and they used to vary, in depth, but very seldom over 40. But the lowest of them is 28 inch mesh.

MR. HUNTER: Q: And what weight would they be?

A 12-40.

Q What is the life of those nets as a rule?

A Well, the most of them are made up in 10 mesh strips and 5 mesh strips, and they mend those up during the winter and add different nets to them and they would have the new ones at the top -- for instance, like those who are fishing white springs and others might use the net for three years, but the value of the net -- the linen, after it has been in the water, depreciates and the value decreases. That is a known fact.

Q Now, what about its re-sale value the next year?

A Well, that depends on the buyer a lot, but it will hold its price for, anyway, a year--not over one-third down.

Q Now, are there any other nets that you are familiar with? A: Well, we have the fall nets for fishing in the fall -- and they run from 6½ to 8 inch, and the way they use them over there, they use 4 ply, 5 ply and 6 ply -- 40's, and some 6-ply 60's, and different sizes of twine -- all depending on the man who is fishing and where he is fishing.

Q And they are using those for what?

A Fishing Cohoes and chungs.

Q What is the life of those nets?

A Well, take a 5/50 net, to fish fall fish with, its second year value is very doubtful, but I mean to say by that it goes back to the man who purchased it.

Q Well, do the fishermen use it the next year?

A In some cases some of them do.

Q But what is the general practice?

A The general practice is they use the 5/50 net, which is strictly a one-year net and probably save it for the next year -- say, for the coming year for the pink salmon season and humpbacks, as they call it out there, and they save it for the 6½ fishing there --and they use the 6½. These fish come in great volume, and they save up their old gear and use it --whereas the 6 x 40 -- the fall nets, and the 6¾ inch, they are generally based on one-third of the value for the next year. They lose their value.

Q Now, that is which net again?

A The 6¾ or 7 inches,--5/40.

Q Well, that is the same net, isn't it?

A It is different size of twine.

Q And what was the other twine that was used?

A 5/50.

Q And this is 5- 40? A: Yes.

Q And the 40 is what -- is that a finer thread?

A Now it is heavier.

Q And what can you say generally as to the market for used nets? A: Well, we have a portion of the men that fish up river, -- that is where they use a lot of part-time fishermen, and they like to get cheap gear, and they pay $4.00 a pound for their netting, and they try to use used gear, and the prices vary from $50 to $100 on 40 to 50 gear.

Q That is on the price of nets. That is your 1948 price? A: Well, the fellow who sold them at those figures, he considers they are of no value and those fellows, they would sooner take a chance on paying a hundred dollars for their nets and get a season out of those nets, but that does not say they are very good.

THE COMMISSIONER: Would you relate this evidence to the conditions in 1942 and '43?

MR. HUNTER: Yes, my lord.

Q Now, Mr. Gordon, in 1942, what was the condition of the market in respect to the supply of new nets?

A Well, the supply of new nets, of course, was not too bad -- especially in the fall nets, and due to the big run in '42, there were lots of people coming into the fishing game and there was a great scurry for sockeye nets, but there was no shortage, but these fellows being green, they would buy some of these old nets and the regular fishermen had no trouble in getting the nets they wanted.

Q And what about '43? A: As far as I can find out, it was just the same. All had gear and

and they had no trouble in getting it.

Q Do you know anything about these used nets that were left behind by the Japanese?

A Yes, I had occasion to run across one of them, and in fact as late as this season I ran across one.

Q And are they still using them?

A Well, one was a North Arm net and was sold with some boat deal, apparently, and this guy had it stored, but of course the guy never took it out fishing because it was of no value whatever.

Q Well, what about the market for these used nets in 1942 when the Japanese were evacuated?

A Well, all I can say about that, from what I can gather -- I did not go down there -- but I was down there once or twice when these fellows were looking at the nets to see if there were any that were worthwhile buying, but we didn't buy any. The nets were hanging up in the net houses of Nelson Bros. There were several nets hung up in there, and they had all been tested and, of course, these fellows picked out the best ones, and what prices they sold for, I don't know, but I imagine some of the fellows got away with some fairly good nets. but then they were all used nets and they don't hold true to the value.

Q Do you know what the price of new nets was in 1942?

A Not offhand. I think it was around $2.85 a lb, but I am not too sure about that.

Q And what did they pay for them today?

A The new price for 5/50 twine is $5.05, and in the

first part of '48 it was $4.45, and the net selling price after June 1st was $3.90.

Q Well, what information would a purchaser require when he was going to buy a used net?

A Well, first of all he would like toknow of the ply suited him, and then the next thing would depend on the strength of the net. Taking a 5 ply net, with the strength, it is generally around 50 lbs. when you buy it new, but he would at least like to see that it was 36, if it is going to be of any value to him, because if it is below 36 it is no good to him.

Q Yes, and do they test those nets for the strength?

A Yes.

Q How do they test them?

A We have an arrangement there -- a property tester for that which we use ourselves, but most of the fishermen haven't that and they use their hands and various methods, and it has to be wet to get the proper test on it.

Q Well, how can you tell the age of a net?

A You can't, not after it is used -- you cannot tell whether it is a used or a new net.

Q Well, you have been in the business a long time. Can't you tell whether it is a 2-year old net or a one year old net?

A No, I can't. As a matter of fact, the man came down there to buy one this year and I said, "This one belongs to Jack and I am sure it was bought last year," but it happened it was a two year old

net and we looked it up in our files and found out it was two years old.

Q So you say it is pretty difficult to tell?

A It is impossible. I don't even believe the people who sell them would be able to tell anything like that-- whether it was a year old or two years.

Q Well, when the purchaser of a used net comesin, how does he arrive at the price of that net?

A Well, of course it depends a lot on the man selling the net. He will probably ask him for $100.00 for it -- we will just use that for an example, and the fellow will either take it for $100 or walk away all together, ar probably they will agree on a lower price.

Q Well, does the purchaser of a net care who has used it? A: Oh, yes, that is very important too. Supposing myself was using a net and a friend of mine knew at what time I had bought it and he wanted a net of the same size and did not want to buy a new one -- if I would sell it at a reasonable price, he would not hesitate buying it if he needed it, and on the other hand he would not look at it if it was a stranger's net.

Q Well, why is that? A: So many things can happen to a net. Linen is very difficult to handle. And anything that gets into them deteriorates it -- for instance, leaving too much bluestone in it at times deterioraxtes it.

Q Some people have a practice, haven't they, of adding

half a net each year?

A That is right.

Q Now, why is that practiced?

A That was done because it cuts your net bill in half, and it depends on where you are fishing, and what nets you can use -- for instance, if you are fishing in the Gulf, you would catch the same amount of fish and up the river they generally put it on the bottom where the fish travel close to the bottom, and they have to pay $200 for a whole net.

Q And they just try to keep them over two years?

A Yes.

Q And is that a common practice?

A It was with the Japanese, especially with fall and spring salmon.

THE COMMISSIONER: Q: And what was the situation with relation to the white fishermen?

A Well, right now we do a lot with these spring nets. We have one district in the river -- at Cottonwood, andthere is a bunch of Greek fellows fishing there, and they will join up ten meshes to their nets every spring, but you will find that these Greeks have several nets. He always has one net, 8¼ and 9¼, and he is using three nets instead of one.

MR. HUNTER: Q: What about the Anglo-Saxon fisherman, what does he do?

A Well, we have all these fellows fishing around there. Most of them add on 10 mesh on to their spring nets, but most of them are inclined to buy

new nets if they can.

Q Is that just to save them trouble?

A Well, before the Japs left there thy only used to fish in certain areas. Now, take one who fished at one place, they wouldnever go to Steveston, and then take one now who is fishing out in the Gulf, they try to make their gear suitable.

Q That is just like using high speed motors?

A Yes.

Q What would your knowledge be of the average gear that the Japanese would use on those boats?

A Well, I know what they used to use. Take sockeye, for instance -- when I was younger, I used to fish on the B.C. Bar(?) and one of my friends was talking about it just the other day and he said, "We used to buy those nets for $25 and $35 and $40, and the new value on them I think would be around $165."

Q What time was that? A: In '41 and '42.

Q And that was for what?

A The sockeye nets. The Japanese themselves would only fish with those nets for one year, but in selling it at $35 they would cut down on their new net.

Q Did they use drums on their boats?

A That is something that has started in in later years. Some of them had them and some didn't, but they were getting them pretty well in all the boats in 1941 and '42.

Q Are you still familiar with their fishing boats?

A Oh yes, we still have a few down there now.

Q What have you to say as to their boats?

A Well, they were well constructed and they were suitable for the Steveston area, but now we are in some trouble down there. Now that the prices are up, our fishermen don't want them any more. For one thing, the cabins are very small on them and they are too narrow for the way the boys fish now, and I would say roughly about 10% of their ~~growth~~ boats are still fair operating boats on the river, and the others they come in a smaller class.

Q Why do you say they are too narrow?

A Well, when you reel by hand -- you have no drum rigging at all on it, you don't need the beam on it-- you get the gravity of the boat, the weight comes up much higher, and you get a boat that doesn't roll over --

Q The centre of gravity is much higher?

A Yes.

Q And did many of them have high speed engines?

A Oh yes, several of them had. As a matter of fact, the Japs were great for that kind of stuff -- especially the younger ones.

Q And you don't know how many had changed over with the drums?

A: No, I could not say offhand. We used to tell by the boats when they were on the river -- when the Japs had their boats at Steveston, they had their boats always kept up very nicely and in shape.

Q What equipment did they usually have on them?

A Oh, they usuall had a stove, a compass, an anchor, and a storage battery, of course, to run their motor and electric light or spotlight, but very little equipment outside of that, except a few wrenches.

Q What type of stoves would they use?

A Well, the stoves they had in those days, they used to buy them for about $6.00.

Q And how about the compass?

A Well, you know the Japs are very great on cameras or compasses and anything like that, and they would have very expensive ones. Most of them would be $6.00 or $7.00.

Q And the searchlight? A: Well, a searchlight at that time would be around $12.00 or $15.00.

Q Now, there is just one point I would like to get clear, and that is the reason why the people up the river buy these used nets.

A Well, that is because when the fish get up there they are a little easier to catch--they are not as hard to catch and they use more gear -- more web on their lines, and they can catch fish better than they can in Steveston with a poorer net. I wouldn't say as efficiently, but they do it.

Q Now, can you give us the price of lines in 1942?

A Approximately $65.00 to $75.00.

MR. McMASTER: How much?

A The lead lines and cork lines -- 200 fathom lines.

MR. HUNTER: That would work out at how much a pound?

A Well, the cotton price at that time was around anywhere from 45 to 50 cents a pound.

Q And these lines are all cotton, are they?

A Yes.

Q Why are they cotton rather than flax?

A Well, a man who is going to buy a line -- and buy a linen line, he would not want to pay $3.00 a pound for it, and linen works better, and it has been the general practice from away back, and that is what they are still using.

Q What various types of lines are there?

A Well, gill lines , they only have cork lines and lead. They have 6 and 7 inch cork and they were only used by a few at that time.

Q What would be the life of these lead lines and cork lines? A: Well, the lead lines vary, of course. A lead line that has not been snagged or anything will last up to a second year, but the second year it would not be very much different than the new value, and the cork lines the same thing applies, and the third line -- you pay $75.00 for a set of lines if they have not been snagged or cut -- and they are still to be had around $35 to $50, but cotton generally breaks down about that time after the second year's use, and even if they are not used very much they would not be worth much, because the cotton usually breaks up, but I figure on the lines they use in the river for two years, the lines would be good

for the spring.

Q What wo ld be the price generally of a lead line in 1942? A: Well, I couldn't tell you right offhand what the price would be. I would have to figure it out.

Q How much a pound would it be?

A That depends on the length of leads and the betwwen leads, I would say, and the size of the lines, but we generaly worked it out and would say $75 for a set of lines. Lead at that time was only 8 cents a pound.

Q And what about the price of corks in '42?

A They would be between 5 and 6 cents apiece.

Q And you would figure generally a complete line, of an average length -- how long would that be?

A Well, I would figure if we bought a set of lines and paid $70.00 -- the secondyear, $60.00, and the third year $40.00 or $50.00, --

Q Now, you say a set of lines, what does thatinclude?

A The cork line and lead line, and it includes cork and leads and everything on them complete.

Q And you would have the two linesffor $75.00?

A Yes, when new.

THE COMMISSIONER: Those are the lines that go through the top andbottom of thenet, are they?

A That is right.

MR. HUNTER: That is all, my lord.

CROSS-EXAMINATION BY MR. McMASTER:

Q May I have Exhibit 24, please, Mr. Secretary?

Your experience, Mr. Gordon, has been entirely with gillnets, is that correct?

A No, with seines also.

Q Where abouts did you have any experience with seine nets? A: On the west coast.

Q When was that? A: From 1936 on.

Q Did you operate both in the Fraser andon the West Coast? A: Well, that is the way the season worked out. I used to fish for pilchard and use a pilchard seine net, and I was not so active with a gill net, but I used to go over with my friends.

Q Well, what about the Gulf of Georgia?

A Well, I did not get there until '45 or '46, so I am not so sure about that, either.

Q You didn't start with the Gulf of Georgia Cannery until 1945? A: No.

Q What were you doing in 1942?

A In '42 I was fishing for pilchards.

Q Where? A: On the West Coast.

Q How long did you do that?

A I had been doing that since 1936.

Q Have you your home over there?

A No, I live in Westminster at all times.

Q How long is the pilchard season?

A Oh, at that time it was generally 2½ to 3 months.

Q And what about up here?

A We generally started about the 15th June and ended up in September, and it just depended how long you had a job those days, because we didn't work

steady at that time.

Q And you have no knowledge, then, of what nets the Gulf of Georgia Cannery bought from the Japanese fishermen? A: No.

Q Or the prices that they paid for them?

A No.

Q Do you know Mr. J. P. Leckie?

A Yes.

Q He has been in the net business a long time?

A Yes.

Q He gave evidence before this Commission, as shown in Exhibit 54, that a net 50/4 net -- what kind of a net would that be?

A That would be a 50-- that would be a 4 x 50.

Q Yes, and what would you use that kind of a net for? A: Well, in the river they use it for sockeye.

Q For sockeye? A: Most of it, but there are some exceptions.

Q Did I understand you to express the opinion that that net would not be any good after using it a year? A: It is of no value as far as selling value. It is very hard to put a price on it.

Q Would it have any used value?

A I beg your pardon?

Q Would a fisherman use it or would he just throw it away? A: Well, he might use it.

Q Well, supposing he had bought it the year before,

what would he do with it?

A Well, in most cases when you go up to those fish net houses, you find that those nets are not used a second year.

Q Now Mr. Leckie expressed the opinion that that net had a life of a year and a half. Do you disagree with him? A: Yes.

Q And the 60/5 nets, what are they used for?

A That would be a sockeye net.

Q And how long can they use those?

A Well, a 40/40 is strictly what we call a one year net.

Q Who calls? A: The cannery or myself.

Q And 6/50? A: That is a net about the same size as the 4/40, and I wouldn't gamble on a second year for it in the sockeye season for full time fishing.

Q And you disagree with Mr. Leckie it has a two year use? A: It might in some cases, but it would not be general.

THE COMMISSIONER: When did Mr. Leckie give evidence?

MR. McMASTER: I beg your pardon?

THE COMMISSIONER: What was the date of Mr. Leckie's evidence?

MR. McMASTER: It is Exhibit 64, my lord -- if the Secretary will be good enough to hand it up to you. It would be back in September.

THE SECRETARY: Claude P. Leckie was duly sworn on the 30th day of September.

THE COMMISSIONER: September.

THE SECRETARY: Yes, my lord.

MR. McMASTER: Q: And the 50/5 net, what kind of a net is that? A: Well, that is generally a sockeye net, too.

Q And you say that has not more than a year's use?

A No, not as far as we are concerned. We don't go for the second year on that stuff at all.

Q So you disagree with Mr. Leckie when he says it has three years use?

A I disagree with that. I would concede a little on the second year but not on the third year.

Q And a 45 net -- 40/5?

A That is a 5/40 -- that has a possible chance of being a two year net, but it is not very good.

Q So you disagree with Mr. Leckie when he says it has a use of three to four years?

A Yes, Mr. Leckie, according to what he has there, he has dug up something when they used them for fishing in '31 and '32, but not after '36.

Q So you are suggesting Mr. Leckie did not know what he was doing when he drew up this table?

A He knows something about it, but he never has to take any of them back. He only sells new gear.

Q Now, some of these nets were sold by the canneries to fishermen -- you are aware of that, are you? A: I have not sold any-- I have not sold any.

Q Well, are you aware of the fact that some of the canneries did sell these nets to some of their own

fishermen? A: You mean Japanese nets?

Q Yes. A: No.

Q Well, you would not expect cannery men to sell nets that were no good to their own fishermen to fish with, would you?

A Well, that doesn't make any difference what a guy wishes to buy.

Q Do you say that the canneries are not interested in catching fish? A: Yes, that is right, but that is a personal problem. These men buy their own nets and they pay for the nets. We don't pay for them.

Q So I take it you have nothing to do with these Japanese nets, then?

A No, except that I have been down a couple of times to the place where they were stored, when a guy wanted to look at them and that, but I never bought any myself at any time.

Q Do you recall when those occasions were, Mr. Gordon?

A I couldn't say the date, but it must have been in the fall of the year.

Q When? A: Well, I would not commit myself on that. It would be whenever I was home.

Q And that would be at the fish net house that the Custodian rented down at Nelson Brothers' property, which was formerly the Marine Products, Company?

A Yes.

Q And roughly, how many nets were in the net house

when you were there? A: Oh, I could not say. There were quite a number there when I was thre, but how many I could not tell you.

Q And you could not tell to what extent the better nets had been picked out of there?

A No, but I know at the time I was there we could not find anything that we considered were worthwhile buying, with the proper strength inthem.

Q Nothing at all? A: Not at the price that the price tags had on them, and that were on these nets -- we figured they were not worth it, and we were not anxious to get them anyway.

Q In other words, you had enough nets but you thought if you could pick up something cheap, you would pick them up. Was that your attitude?

A Yes, that was it.

Q Now, I suppose you are aware of the fact when the Japanese left the fishing industry, it was necessary for the cannery men to get other fishermen in 1942. A: That is right.

Q And they did get a fairly large number of fishermen in '42? A: Yes.

Q And a lot of them were without gear at that time?

A That is right.

Q So a good number of them would be requiring gear?

A That is correct.

Q And do you suggest, as I understand it, that new nets could be purchased quite readily in 1942? A: Yes.

Q There were no importation restrictions?

A I could not say as to that. All Iknow about the nets is that there was a certain amount of nets in stock to be had. They had nets in stock then, which they haven't now, and I know several people who fished that season and they had no trouble getting gear.

Q Were you fishing that year yourself?

A No, I didn't do any fishing until the fall season.

Q What about '43? A: No, I was buying fish in '43 on the Fraser River, and I was buying nets and sold nets when I was working for the North Shore company.

Q You bought second hand nets?

A No, I was buying new nets then.

Q Where did you buy them?

A From Leckie.

Q And in '44? A : I didn't buy any in '44, but the fellow who took over the business, he bought some nets in '44.

THE COMMISSIONER: Mr. Watson, will you let me see Exhibits 53 and 54, please.

MR. McMASTER: Q: So I take it you have had no experience in actually selling second hand nets.

A Oh, I have now what you might call a fisherman's experience.

Q But I am speaking of in '42 and in '43?

A Oh no, I had no experience then.

Q And at that time you were only dealing in new nets?

A Yes, and I didn't have to go and look for second hand ones. There were enough new ones in circu-

lation to get what I required.

Q I would like to see Exhibit 53, my lord. It is not clear from my notes what it dealt with. Now, do I take it before 1942 you had been fishing? Is that right? A:Yes, I had been fishing practically every fall.

Q And you just fished in the fall, did you?

A Yes.

Q And what did you do the rest of the year?

A Oh, I was working on the West Coast-- running a fish tender, or something.

Q And you only fished for pilchards?

A Yes, and sometimes herring, but there wasn't much of a herring operation, but we used to go back on herring sometime.

Q Well, when is the last time you gill netted?

A With my own rigging-- the last time, it was in 1932.

Q That is all, my lord.

THE COMMISSIONER: Have you any re-examination, Mr. Hunter?

MR. HUNTER: Yes, just a few questions, my lord.

RE-DIRECT EXAMINATION BY MR. HUNTER:

Q Now, Mr. Gordon, I understand from what you have said there that you also went fishing in the employ of someone else?

A Well, I was fishing with friends of mine on the river every fall.

Q Were they commercially fishing?

Q And you were just going along for the ride, or were you working for them?

A Oh no, I was working and I used to get my third interest.

Q And when was the last time you were gillnet fishing with them? A: Well, as far as I can recall, taking it year after year, I know up to '36 it was every fall - one or two years after, that I used to go fishing and then would lay off at Christmas, but we used to fish up until December.

Q Now, you have given the prices of fish nets in '42.

A Yes.

Q How do you know the prices of nets at that time?

A Well, from my conversation with various fishermen and my experience myself with gear, and I think the thing still holds firm -- any used gear has no value -- especially with the finer nets, after having been fished a season.

Q Do youknow of your own personal knowledge what the price of new nets was in '42?

A In '43 -- I don't recall them -- just buying and selling them -- in '42, they were a very similar price -- there was not very much difference in them.

Q Thank you.

THE COMMISSIONER: Mr. Gordon, I would like to go over this document with you that was put in at the time Mr. Leckie was in the witness box, and get your comment on it. This document, Exhibit 54, outlines the method which he adopted for the valuat-

ion of these ~~nets~~ Japanese nets then in the care of the Custodian.

A I see.

Q And he refers first of all to 40x9x8½x50, 300 fathoms. A: Yes.

Q And he gives the weights?

A Yes.

Q There is no purpose of my going over that feature of it, but we will get down to the average life, as he puts it. A: Yes.

Q A 50/4, he gives a year and a half. What do you say to that? A: A 50/4, no, I don't think so. I think that is too liberal.

Q Well, would you say it has not more than a one year life? A: A one year value.

Q And a 40/4 and a 60/5, he gives two years?

A I still think he has got too much in there.

Q How much too much? A: Well, I wouldn't say, but from my point of view -- buying these nets at any time, a second year value is just a matter of $35.00 or $40.00. That is what we used to buy those nets for -- $40.00, in those days.

Q And you say it would have a second year value of how much? A: Of not more than $35.00 or $40.00.

Q And what is the new price?

A At that time?

Q Yes. A: Well, I could not say offhand. I think it was around $2.80.

Q $2.80? A: Yes, and I

don't know whether that is the net price or not.

Q Well, could you give me the $40.00 figure that you give for the second year use -- that includes the entire net? A: Yes, but no lines.

Q And what would a web cost be of a 40/4 new?

A Well, I don't remember -- $160.00 to $180.00. I am not sure, -- something like that.

Q And how about the 60/5?

A 60-5?

Q Yes. A: Well, that is a duplication of the 4/40, but only a finer fiber, and I couldn't say.

Q It would be about the same price new?

A I would put the same price on it, anyway.

Q And how about the 50/5, he gives three years?

A Well, I figure that is a one year net and the second year it might be of some value, but not very much.

Q Yes, and what about a 40/5? Would that have more than a year's use? A: No, that comes in the same -- oh, 5/40 -- well, that is reasonable, it would have a second year value on it.

Q But not a third or a fourth year?

A No, no, it would not come near that.

Q Well, we will call that a two years maximum then? A: Yes.

Q Now, the 40/5 and a 50/6?

A Well, a 6/40 net --that is what we allow -- we allow one-third on a net like that after we have

tested it -- we allow one-third of the purchase price on it.

Q In the second year? A: Yes.

Q And a 6/50? A: A 6/50, we would do it in some cases but not very often --

Q You would allow a maximum of one-third after the second year? A: Yes.

Q And spring nets he gives five years.

A Well, we have cases where they are fairly good, but he has not put it down any twine. And we have cases where it is hard to tell how long they will last, and any Japanese net -- I doubt whether 10% of them were all new, and on our regular spring net, the way we work it out at Steveston, and our 9/40, any of our good fishermen over there, they will not use them the second year, and they have a third year or better -- second year value.

Q Well, now that you know these estimates that Mr. Leckie has made, what explanation have you to make for the difference between your opinion and his?

A Well, the only thing I can say is that he has not followed these nets up. He has only had the say-so from other people and he has not tested them. We have the testing people come out -- when people complain of the gear -- and some fellow will say, "I want one of your nets", and that stuff is hard to get at times -- and they expect it to last so long, but I have to go back as far as 1930 to find out anything that has worked out like that, but I know they did get some use in the river out

of these nets at that time, but not from that time on. I am very familiar with private owned net houses where people own their own gear, and we can see what they were like, and in 1930 I know we never got them to last for long.

Q What is the explanation? Were they putting in better material prior to 1930?

A That, I could not say.

Q So you would not hazard a guess as to what is the explanation of it?

A No, as a matter of fact we are trying to find out now. I have some men working on it and we test our nets twice a year.

THE COMMISSIONER: Now, do either counsel desire to pursue the subject that I have discussed with the witness.

MR. McMASTER: Yes, my lord.

Q When you talk of $40 for a net, how many fathoms were you speaking of?

A Well, take most of the nets at that time, they used a lot of web in them -- a hundred fathoms, and some of them you would not know what they had in them, they might be 320.

Q Now, I draw your attention to the fact that the Custodian sold a net, a 5/50, 400 fathoms for $150 in 1942 -- a used net. What do you say about the price of that? A: Well, that was a very good price.

Q At your figures, it would be exorbitant?

A Yes.

Q Do you say that nets were not selling at these figures in 1942? A: Well, as I told you before; If a man goes out there and he does not know anything about it, he might take a chance of buying it -- if he were new in the industry and did not know much about nets.

Q Well, were there a lot of them in the industry in 1942 that did not have much experience?

A Yes, yes, and they might go out there and figure they would get something for nothing.

THE COMMISSIONER: I thought probably you were going to establish that there was a second hand market for nets. A: No, You are just getting my opinion.

MR. McMASTER: Q: Well, when you are speaking of the value of second hand nets and using them the second season, you are speaking only of the first-class type of fishermen?

A Well, not necessarily. As I explained before, when we had 50 boats operating up the river we never sold them second hand nets, and possibly a few of them would like to buy second hand nets, but they were advised not to.

Q Advised by whom? A: Well, by myself. And now when they buy nets, they bring a man with them.

Q Well, the cannery companies finance the nets for them, do they not? A: It is the new ones that we sell.

THE COMMISSIONER: Q: Do the cannery companies fin-

ance the purchase of second hand nets?

A In some cases we do and in some cases we don't.

MR. McMASTE : Q: Now, you say you don't know what the difference would be between 1930, when theyused nets for four and five years, and '41 and '42, when they only use them for one.

A Well, in '41 some of the guys would get two years out of them.

Q Well,do you say that was generally the practice among the fishermen that they would only use their nets for one year?

A You find that any place you go.

Q And would you say that was the practice in 1942?

A Yes.

Q That was generally the practice, was it?

A In the case of fine gear, they are only going to put in a season -- unless you run into a guy who has three or four nets -- and these Greeks who have a string of nets on hand.

Q Don't fishermen usually have more than one net?

A Not more than one of the same type. They all have several nets.

Q I suggest to you the trouble you are having with them now is because you are dealing with nets that were made during wartime conditions?

A Not necessarily.

Q And the threads are not as strong as they were.

A Well, I have a tester right here with me and the tests are just the same as they were before the war, by Mr. Townsend.

Q And how do they compare with 1930?

A In 1930 we had a good proper test, but there was no research work on it at all. It was just one of those things where you bought a net and sold it.

Q What contact, by the way, did you have with the Japanese fishermen?

A Well, I went to school with some of their kids and when I got older, we used to talk with them and argue with them on the B.C.Bar, and later I used to work with the Japanese, in fact I ran a boat for them for a while.

Q And what sort of care did the Japs give their nets?

A They usually took care of their nets. They might have a lot of patchwork on them, just like a pair of pants, but they would keep on mending them.

Q And would you agree that they kept their nets in first-class condition?

A Well, that is a matter of personal opinion. I would say they looked after their gear and took care of it, but the way they would re-hash their gear, we didn't always figure it was a good idea.

THE COMMISSIONER: Q: What do you mean by that?

A Well, joining it-- patching it and putting on other pieces.

Q In other words, they did more patching and repairing than you would have done?

A Well, they would try to get by with one net. If they had one sockeye net, they would split in half and would make two nets out of it, and we had white men who did the same thing.

MR. McMASTER: Q: There were white men who did that in 1942? A: There were a few of them, but not very many.

THE COMMISSIONER: Thank you, Mr. Gordon.

(Witness aside)

THE COMMISSIONER: Perhaps we had better adjourn now until 2:15, to give counsel a chance to turn around. It is a little bit late now.

(PROCEEDINGS ADJOURNED UNTIL 2:15 P.M.)

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

E. Bleyer

Deputy Official Stenographer

2.15 P.M. PROCEEDINGS RESUMED

EDGAR C. B. THOMPSON being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR.HUNTER:

Q Mr.Thompson, were you employed by the Custodian in regard to the Japanese fishing vessels?

A I was.

Q At what date was that?

A I can't remember the exact date.

Q It would be in what year?

A 1941 I imagine.

Q It couldn't have been in 1941. It must have been some time in 1942.

A 1942. I have forgotten.

Q And what were your duties?

A To take charge of and look after some 175 or more boats that were anchored out in the Fraser River.

Q What had been your experience with boats?

A I have been connected with the brokerage business for some years. Before that, I have owned and owned and operated a few of my own boats in charter business.

Q And you say you had been in the boat business. Would you describe what you were doing?

A Buying and selling boats; also installing motors and equipment and what have you.

Q You were buying them yourself for resale?

A I was buying them myself for resale or a man would want his boat sold and I would sell it for him on a commission basis.

Q And you were doing that type of work until what time? A: The end of 1939.

Q Were you acquainted with the market value of boats subsequent to 1939?

A Very definitely.

Q And what were you doing during that period?

A I was still in the same business but more or less on my own.

Q You were working for yourself?

A Yes.

Q And you were dealing in boats during that period?

A Yes, and engines and equipment.

Q Up until what time?

A Practically until the time I was employed by the Custodian.

Q Were you acquainted with John Gould?

A I had only a passing acquaintance with him up to that time and I was told to get in touch with him and that is how I managed to be given over the job I suppose from the Custodian through Mr.Gould.

Q What was your job under Mr.Gould?

A Well, I wasn't working under Mr.Gould. I was directly under Mr.Shears the Custodian.

Q What were your duties?

A I had to employ a crew of men to look after these boats, keep them pumped out, and also I had to take over prospective buyers and show them the boats when they came to Westminster.

Q And you entered into the service of the Custodian when the boats were at New Westminster?

A I took over from the Navy.

Q Were you in charge of the boats after they were moved to Vancouver?

A I brought them to Vancouver under my supervision.

Q Do you remember Mr.Gould making appraisals of these boats?

A Very definitely.

Q Did you accompany Mr.Gould ?

A On some occasions, yes.

Q What have you to say as to Mr.Gould's inspection of the boats?

A It was very thorough. He is a marine surveyor and did a very good job on them.

Q Do you know what values he set on those boats?

A No, I don't. We would talk about it and he would make a report which he would turn over to the Custodian. I wasn't consulted and I didn't know the prices the boats were sold at at the time.

Q Do you know what values he was setting on the boats?

A Pretty well.

Q Did he discuss it with you?

A He would say "How much is this worth" and I would say so much and he would -- well the average boat to my knowledge at that time new and unpainted and as it was, was $900.00 with engine. The Japanese would build the hull alone for $450.00, just the bare hull and the house .

Q That was at what date?

A Up to about the start of the war.

THE COMMISSIONER Q: What type of vessel are you referring to?

A Thirty two foot gill netters.

MR. HUNTER Q: When you took over the care of these boats at New Westminster what condition did you find them in? A: Paint peeling off them, rigging broken and not very good condition.

Q How was the decking?

A After laying there for quite a few months through the winter the decking was leaking in lots of places.

Q Was there any evidence of dry rot?

A In some of them, yes, but they were the very older type.

Q What about the hulls, or did you examine them?

A I didn't examine them. That wasn't my duty.

Q What about the engines?

A Of course, some were good and some were old. The majority of them were old engines.

Q And as to their condition?

A I would say fair with exceptions.

Q Was there any evidence of deterioration?

A Rust through neglect.

Q What did you do with the boats when you took them over to keep them in --

A Put fenders between them to stop them bumping against each other and pumped them out with pumps and covered the hatches up to keep the rain water out and generally straightened them up; tried to make them look presentable.

Q Did you do anything to preserve the engine?

A Other than drain the blocks, no.

Q You drained the blocks?

A Yes.

Q Why? A: To stop them freezing in the

winter.

Q Was there any evidence that some of them had frozen?

A The ones I had particular charge of, no.

Q Any cracked blocks? A: Not the ones in the Fraser River.

Q You brought them to Vancouver you say?

A I brought the residue, 45 I think it was.

Q They were being sold while they were in New Westminster, is that it? A: Yes.

Q What kind of engines did these boats have?

A Easthope, Vivian and an engine called a "Binsid" which was manufactured I believe in Steveston by the Japanese themselves.

Q Is that a good engine?

A Not particularly. To a white man it would be valueless.

Q What about the Vivian and Easthope?

A They are a good engine, definitely.

Q Were there any high speed engines?

A A few. Among the ones I took over I don't suppose more than three or four at the outside that were high speed, and some of those were I believe converted car engines, but I wouldn't be sure.

Q What about a power take off for a drum?

A Very few. They were nearly all hand operated.

Q How many would you say approximately?

A There might have been four or five with the girdies on them for drum, and there might have been three or four with an offset for drum, but that is about all.

Q At that time in 1942 was the power take off on the drum on fishing boats in ordinary use?

A Among the Japanese, no.

Q Was it among the white people?

A It was just starting to be common .

Q Do I understand from that that the Japanese had not picked it up as rapidly as the occidentals?

A I think it was a matter of choise. If the Japanese felt like spending the money he would. There were quite a few but among the ones we had there were very few with drums on. One particular boat I remember the question asked was "Where was the drum" and the drum was never found.

Q When you took these boats over did they have any equipment on them?

A None. The odd one or two had small stoves but anchors and stuff there might have been half a dozen in the whole fleet. Compasses there were none.

Q What about searchlights?

A Maybe two or three.

Q Were the storage batteries still there?

A No, the storage batteries were in storage, what were left.

Q What about the engines. Were they complete?

A Pretty well. They had magnetos on them. They didn't need storage batteries.

Q They didn't have storage batteries?

A Some did and some didn't.

Q Are you familiar with the Japanese fisherman on those boats.

A Well, I have watched them working.

Q Were their boats usually equipped ?

A Yes, they were and they were well kept.

Q And when you took them over what was your assumption?

A That they knew something was going to come and didn't bother to do anything with their boats; just left them.

Q Let me put it this way. Was there any evidence that they had their spring overhaul or their winter overhaul, -- the overhaul between the end of the fall fishing season and the start of the spring fishing season? A: They didn't look as if they had much done to them.

THE COMMISSIONER Q: While on that subject, when is the normal time for the owners of fishing vessels to do the off season work on their vessels?

A Usually about February. They can't do any painting in the fall unless under cover. So any painting is done when there is decent spring weather. The nets of course they are done in the winter time usually.

MR.HUNTER Q: When these boats came under your supervision were they in need of repairs?

A Very definitely, a good many of them were.

Q What type of boat would you say they were genereally?

A Gill netters, 28 to 32 feet. There were very few over that. There were some cod boats and they were around 36 to 38 feet.

Q Would you say they were valuable boats?

A They weren't worth any more than the market price.

Q And what would that have been?

A Well, a boat unkempt and uncared for six months, a man is going to say "I have got to spend $300.00 or $400.00 on the boat. I will give you $550.00".

Q You are talking of a gill net boat?

A Yes, that would go for any boat. If a boat is unkempt and uncared for the owner might as well forget getting top price.

Q Did you consider these boats under your supervision were good or bad boats?

A Well,I wouldn't have given $450.00 for a good many of them when I knew the work I would have to do to put them in shape.

Q Were there any boats you would call good boats?

A Yes, one or two very nice ones.

Q No more than that?

A No. There was one diesel job I imagine worth about $1200.00 or $1400.00, and there were three or four cod boats with brand new engines. The engines would be worth $640.00, and the engines were absolutely new; you could see that.

Q That brings it up over one or two.

A I know. but taking the whole fleet, the majority were small and underpowered, not more than three or four horsepower, maybe five.

Q Do the type of boats which came under your supervision deteriorate slowly or rapidly?

A Yes sir, very rapidly if not looked after. If you shut a boat up and batten the hatches down and don't leave any heat on or ventilation the deterioration is very rapid because the boat, as we term it, sweats and the moisture which rises from the bilges is drawn up by the heat of the sun to the deck and condenses and drops back in and you find the sheathing of the boat all furred, mould; and if you leave a

mattress or anything it gets soggy wet, and that is just one more little item.

Q Do you know whether any of these boats you have under your control are in operation today?

A I wouldn't know!

Q You were supervising these boats both at New Westminster and Vancouver? Did you have many people come out to look at these boats with a view to buying them? A: Yes, in the summer months we had as many as 10 or 12 a day.

Q And how did they sell, or do you remember?

A I don't remember. They would say what is the No. of such and such a boat, and I would write out and they would take that number into the Custodian and they would make a bid. I don8t know what they bid.

Q Did they seem to be going at a reasonable rate?

A Yes.

Q What were the mechanics. Would they come to you with a bill of sale or something?

A No, they would come with a slip from the Custodian "Deliver such and such a boat to this man" and he would show me the slip and I would cut the boat loose and he would take it away.

Q Were most of the purchasers able to start the boats or have to tow them away?

A Sometimes they towed them away because there were no batteries for them.

Q Did any damage occur to these boats after they came under your supervision?

A Not that I could stop. When being towed down the river there was slight damage, bumped guard rails. When there are ten or twelve boats together, but other than that there was no great damage.

Q We are not imputing anything to you. It is a question of whether there was any damage.

A No, I don't think so.

Q What about deterioration after you took over?

A I did my best to stop any deterioration by covering up the hatches and keeping them dried out.

Q Do you consider you were successful or unsuccessful?

A Under the circumstances and the number of men I was allowed and the equipment I had I did the best I could.

THE COMMISSIONER Q: With what results?

A I asked the Custodian to get me some tar paper and stuff to cover up any leaky spots to keep the rain out, which he did, and I covered them up.

MR.HUNTER Q: But what we are interested in now is, after you took over the boats was there any deterioration; not whether you were to blame for it, but was there?

A I suppose there naturally would be a certain amount. They were lying there and looked at once every hour and if we found a boat leaking we would pump it out. We were not allowed to haul them out of the water forrepairs.

Q That is you and your men?

A Yes, we were not allowed to haul them out for repairs,

although on a few we did. We found one or two leaking badly, and we had a little railway there, and I hauled them up and fixed them with what material we had on hand.

Q Would you say that the deterioration on those you took over was marked or slight?

A Very slight.

Q Do you remember the month and day when you took over? A: No, not without going back over some of my records.

Q But you did take over from the Navy?

A Yes.

Q Were there Navy personnel there?

A Yes. Petty Officer Carter was the man I actually took over from.

Q Could you give us some idea how many of the different types of boats were there, that is how many gillnetters, packers and seiners?

A There were no seine boats and only one packer. All the big boats had been taken over by the Navy themselves.

Q Were there any other types other than gillnetters?

A Gillnetters, trollers and cod boats, and they all ran about the same length.

Q Are you able to tell us positively how many of each? A: No.

Q Were all the boats sold by the time you left the employ of the Custodian?

A No. I forget whether there were six or ten when I finally left the Custodian's employ.

Q Do you know when that was?

A No, I don't.

Q What was done with those boats before you left, do you remember?

A They were tied up down here at Coal Harbour.

Q How effective would these boats have been in the condition in which you found them for the purposes for which they were intended?

A With the amount of repairs, just as good as ever.

Q But at the time you saw them there? Would they have needed substantial repairs or not?

A Some would and some wouldn't. Some of the men who bought from me took them to Victoria and were fishing inside three weeks.

Q And what about the majority of them. Can you make any statement as to what most of them would have required? A: Well, paint and a few deck planks and rigging to replace any that had been broken.

Q What about the hulls?

A The hulls were in the majority of cases fairly good except for a bit of caulking here and there.

Q Do you know whether the hulls were in good shape?

A I would judge that by the amount of pumping I had to do.

Q That is the hulls were not bad?

A Well, some of them were pretty bad and some of them I never touched.

Q Are you able to make any average statement on that? A: No.

Q Were the majority-- A: I would say

the majority were in the better condition.

We did have one sink right at the float overnights.

Q Have you anything further to add that might help the commissioner to have an idea as to the condition and situation in regard to these boats?

A The only statement I would like to make is as far as I know the fishermen that bought the boats were fishing with them in a very short space of time,

CROSS EXAMINATION BY MR.McMASTER:

Q Would you agree that the fishing season usually ends in November in the Fraser?

A Depending on the type of fishing.

Q The type of fishing the Japanese were engaged in?

A Cod fishing, I don't know how long that keeps up. They have changed the regulations since then.

Q Back in 1942 you don't recall?

A No. I used to see them fishing in the Gulf Islands at all seasons; that is cod fishing.

Q Are you able to say positively that most of these persons would not have done their usual work on the boats in the months of November and December.

A Not other than engine repairs; if they took the engines out and overhauled them, but they do no planking repairs unless done under a roof.

Q You don't know whether that was done or not?

A No.

Q You say you were not allowed to haul the boats out of the water for any repairs. Did you do any caulking to the hulls or painting?

A We did no painting but we did haul a couple out they were leaking so bad.

Q That is just a couple? A: Yes. One sank at the float overnight.

Q Was that in New Westminster ? A: Yes.

Q You didn't haul them out at Vancouver?

A No.

Q You didn't do any painting in Vancouver?

A No.

Q When the boats were in the Fraser River did you have any trouble keeping them afloat?

A No, except one or two that were leaking.

Q With the exception of one or two?

A Yes.

Q You mentioned you went around with Mr.Gould some of the time while making these appraisals. For what purpose was that?

A I imagine for the Custodian to put a value on them.

Q Did Mr.Gould invite you to go or did the Custodian direct you to go with him?

A No, Mr.Gould asked me to go with him. I had to go down and pick him up when he came down to the Fraser.

Q Do you know what kind of values Mr.Gould was putting on these boats?

A A very fair market value as far as I know.

Q How do you know that?

A Well, knowing my own valuation, what I would have put on them in their condition, and I think as far as I know he was a fair valuator. He is not that kind of a surveyor; he is honest.

Q Did he disclose his valuation to you?

A No. In some cases we talked it over.

Q You mean in the few cases he talked over with you, he put a fair value on them.

A Yes.

Q But he didn't ask your opinion?

A No.

Q Did you look on your job more or less as being a caretaker of these boats as it were?

A I was employed to keep them afloat to look after them and try to sell them. I was not only a salesman, but caretaker as well.

Q And when someone was interested in a boat, what did you do?

A I was told so many men would come and we had the tender go to Westminster and pick up the men and I would show them the boats they wanted to see. They were all tied in rows of three. I would pick them up and they would go on each boat and have a look at them.

Q That is the Purchasers would?

A Yes.

Q Did you go on with them?

A No.

Q You stayed on the tender?

A I stayed on the tender. Sometimes I would go with them and sometimes I wouldn't.

Q They were buying the boats where is and as is?

A Yes.

Q So there wasn't much point in your going?

A' No.

Q Were there any facilities for them to take the boats

up out of the water to examine the hulls?

A No, in the Fraser they never took any of them up. They would start the engines and I would tow them to the float and put gas aboard and away they would go.

Q That was after they bought them?

A Yes.

Q I mean at the time they were looking at them?

A No. If they wanted to haul them up that was their business.

Q Were there any facilities to do it?

A No. I don't think it was looked upon by the Custodian as necessary .

Q And were there batteries in most of the boats?

A No.

Q So at the time they inspected them there would be no way of testing them?

A If they had magnetos on them.

Q I think Mr.Gould gave evidence that a large number of magnetos were missing ffom these boats, is that correct? A: Yes.

Q Mr.Thompson, when you were in the brokerage business what was the usual way you went about selling a boat?

A A man would come in and say "I want to buy a boat" I would say "How much do you want to pay for it" He would say one thousand dollars. I would go down the list and say "Here is a boat, do you want to look at it" We would look at it. I would say "Do you like it" Well, he would say "Well, I would like to see it hauled out" I would say "Alright, you will have to pay so much" and if he wished to pay it we would haul it out and let him

examine it. If he was satisfied he would purchase it.

Q What did you do about advertising boats when you were in the brokerage business?

A The ordinary methods, in the newspapers.

Q And would you just advertise the boat for sale once?

A Yes. "K.22, powered with a 6 horsepower Vivian 2 blocks, no gear, $1100.00" something like that.

Q And supposing within a week or two you didn't get your $1100.00 what would you do?

A Well, we would have to hang on to it unless selling for a customer.

Q Would you advertise it again?

A Oh yes, definitely.

Q I suppose in the process of showing the boat to the man you would point out to him the good features of theboat?

A I would point out any part of the boat I thought was not in good condition. I never at any time misrepresented a boat.

Q I would hope that is so. On the other hand, you would also be sure to point out in a private sale the good points of the boat as well.

A Well, we would advertise the boat. We had a list of all the equipment and also a chart at the bottom showing the condition of the hull, taking different sections of it, which was all filled in and usually signed by the owner.

THE COMMISSIONER Q: In the case of these vessels sold by the Custodian was there any information given the prospective purchaser as to the condition

of the hull?

A No, they were just sold as is.

Q What conditions were available if a man wished to have a vessel hauled out so that he could examine the hull?

A At Westminster he could have taken theboat to Mercers. I imagine that would be the nearest.

Q Would that have been expensive?

A Yes, it would average about $5.00 for a boat to haul it out, maybe $10.00, depending how busy they were.

Q Did any of these people who made inspections while you were there express a desire to have the vessel hauled out.

A No, because they knew--they figured they were getting them at a good price, because they were fishermen. There were some who were not fishermen and thought they were going to make good money fishing. Some of them did.

Q You referred earlier to the deterioration which apparently had taken place betweenthe end of the season and the time you took the vessels over?

A Yes.

Q Will you describe that deterioration in terms of what was normal in such vessels.

A Well the only way I can do it is you have four or five vessels tied alongside each other and every movement of the tide going up and down or boats going along, that creates a wash. That wash causes those boats to rub against each other and knocks them around which is bad for the sides and guard rails, etc.

Q Would that cause a greater detereioration than would normally take place in a vessel laid up?

A Very definitely.

Q Apart from that, was there anything abnormal in the amount of deterioration that these vessels had sustained.

A The thing that struck me most was the rigging.

Q The absence of rigging?

A Well, it had been broken, and the deck planks that should have been over the hatches were missing. It is hard to say where they went.

Q Are you able to put a money amount on the extent to which these vessels had deteriorated between the time that the season had finished and the time you took them over?

A It would be pretty hard to strike an average for the whole fleet.

Q Would it run inexcess of $200.00. I appreciate it is difficult for you to give anything accurate. What I am try ng to get at is the the extent to which they had deteriorated.

A The greatest difficulty would be the replacement of articles in there as equipment.

Q I am not referring to that. I am referring to normal deterioration that you would have expected.

A I think $150.00 would have pretty well covered it for painting and putting the boat in shape.

Q And on the average it is your view that these vessels had deteriorated to a greater extent due to the nature of the treatment they had.

A Yes, lying there in open weather--open to the weather.

Q Could you estimate the extent of that deterioration. How much would it exceed $150.00 normally?

A Well, it might have exceeded it, brought it up to $250;00, but normally if a boat is laid up in the winter and has been painted the previous year the extent of fixing it up in the spring with a man doing the job himself, $75.00 would cover it, because the boat is only painted every second year.

THE COMMISSIONER: Do Counsel wish to pursue the subject I have questioned the witness on?

MR.McMASTER: There is another matter I meant to deal with.

THE COMMISSIONER: Very well.

MR.McMASTER Q: I am informed, Witness, that the price of boat lumber increased between 1939 and 1942 by about 25%. How does that correspond with your experience?

A I imagine it did, because at that time boat lumber was getting very hard to get.

Q And I am informed that the price of engines increased about 33 and a third percent, is that correct?

A Yes.

Q I am also informed that the cost of labour in boat building places increased about 33 -1/3rd

THE COURT: Between what times,

MR.McMASTER: Between 1939 and1942.

A No, I don't think so It might have been in a shipyard. But don't forget the majority of these boats were built by the Japanese themselves.

Q I am talking about the ordinary small boat building place? A: A boat yard.

Q Yes? A: I don't think the costs advanced 33-1/3rd % .

Q Do you knowwhether it was 75¢ an hour for skilled labour in 1939? A: Something like that.

Q And it was around $1.00 an hour in 1942?

A Ofcourse at that time in 1942 I pretty well quit the boat business.

Q So you wouldn't know.

A No. I knowfrom my own sad experience taking my own boat in what it cost me.

RE-DIRECT EXAMINATION BY MR.HUNTER :

Q You made the rather general statement that these people who came there thought they were going to get a good buy. Would you explain that.

A Well, I think the idea was they thought they were going to get a boat cheaper than under ordinary circumstances.

Q Do you know why they thought that?

A Certainly.

Q Why? A: Because they were considered alien property.

Q But was there any reason for them to believe that?

A Other than what was general knowledge and general conversation among the fishermen.

Q These valuations that were put on by Mr.Gould, did you see them posted on the boats?

A No, they were not posted on the boats.

Q And the ones you sae you thought were fair?

A Very definitely.

Q So that if they paid that much they were paying a

fair price? A: Yes, they were paying a fair price when they had not only to take the chance of getting in trouble after but also take a chance of being able to buy the equipment necessary to carry on with the business they wished to go into, like fishing.

(Witness aside)

MR.HUNTER: This is the only witness we were able to get today, my lord, tomorrow we are only able to get two witnesses, Mr.McLennan of the Advisory Committee of the V.L.A. and Mr.Hilltout of the Advisory Committee. We were hoping to get Mr. Simpson tomorrow but he is at Chilliwack and we can't have him until Wednesday morning.

THE COMMISSIONER: What have you left after Mr.Simpson?

MR.HUNTER: Those are the only three.

THE COMMISSIONER: Will that conclude your case so far as the general evidence is concerned.

MR.HUNTER: As far as I know at the present time my lord. If we find somebody who might be of use later on we will apply to bring them in.

THE COMMISSIONER: There is not much prospect of our being occupied more than the morning tomorrow, is that right?

MR.HUNTER: Unless my friend's cross-examination is far longer than I suspect it will be.

MR. McMASTER: I was just wondering whether we might have the three of them on Wednesday.

MR.HUNTER: I can't do that. It is very difficult to get these men in. They are busy men.

THE COMMISSIONER: I fancy that is the situation. I would like to accomodate you. It might have been more satisfactory for all of us but it looks as if we have to accept the situation goverment counsel describes.

MR.HUNTER: These are busy men, and I don't wish to subpoena them if I can avoid it.

THE COMMISSIONER: No, and one doesn't want to cause them any more inconvenience than absolutely necessary. We will adjourn to resume at 10 o'clock in the morning with the idea that we are unlikely to be sitting tomorrow afternoon.

MR.McMASTER:THERE IS one thing I would like to speak to. The witness made the statement this morning as I recall it that the majority of the Japanese owned property at Steveston remained unrented for a year and a half.

THE COMMISSIONER: He said a year.

MR.McMASTER: I would think the Custodian should have in his files and fairly readily available information on that point and I would like to have it produced.

THE COMMISSIONER: Do you think you could get information on that. My recollection is he said one year.

MR.HUNTER: Perhaps Mr.Shears could give us some information.

MR.SHEARS: I can scarcely credit that as an overall statement.

THE COMMISSIONERL If you could let us have some information on the subkect in the morning, if not on Wednesday I will appreciate it Mr.Shears.

(ADJOURNED TO 10 a.m. DECEMBER 14,1948)

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

Deputy Official Stenographer