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SOLDIER SETTLEMENT OF CANADA

VANCOUVER, B.C., June 2, 1942.

G. Murchison, Esq.,  
Director of Soldier Settlement,  
O t t a w a.

Dear Mr. Murchison,

Appraisal of Japanese Lands

I spent last Thursday and Friday in the country again acquainting myself with greater detail on the ground in regard to the Japanese lands, and the localities in which these properties are located. I also had a full discussion with both appraisal teams. I took the boys who are working out of Abbotsford over Matsqui Municipality, and showed them the majority of the Japanese properties which they have to appraise. Mr. Ramsay is not familiar with Matsqui, and they all wanted the general background which they considered I could give them.

I think our men are doing a good job. Irrespective of whether or not their yardstick of values is correct I feel they are attempting to appraise one property fairly with another, and if it should come to the purchase of these lands, and it is necessary to increase the values, this could be done largely on a percentage basis. The whole problem is full of contradictions of various kinds, but I have told the appraisers not to worry as this is bound to crop up in any appraisal job of such magnitude.

Yesterday I spent the day, without break, reviewing appraisals, and ran across situations such as the following.

- (1) One property had been purchased early this year by a Japanese for \$1100 cash; our appraisal is \$1027, and the assessment \$2300.
- (2) Another property had been purchased a few years ago for \$1000. The owner must have given title and taken back a mortgage for \$900. Our appraisal is around \$400.
- (3) A 10 acre property which the owner brought out of the bush in about twenty years, (with a house on it which he claims will have cost him around \$6000 when completed) had grossed the Japanese \$4000 from his crop last year. Our appraisal is around \$2100. I think for practical purposes that our appraisal is not far wrong for the simple reason that a ten acre farm in the hands of the average man cannot support a \$6000 house although the man in question has proven by his efforts that it can be done. However, with a family of six or

seven children who work with him, a man can keep practically all the money in the family; whereas, the man who has to do all his own work, and hire labour, might only have \$400 or \$500 to himself at the outside out of a gross profit of \$4000. Complications are many and varied.

Last night I burned some midnight oil reading the report of the Committee on the Veterans' Act. I feel satisfied that you will run against stubborn opposition on an Act of this nature as the vast majority of people cannot visualize land being used for any purpose other than farming, despite the fact that we have hundreds of living examples before our eyes out here, especially on small holdings. As a matter of fact, a very large percentage of our settlers in the Fraser Valley do not get their living wholly from the land. In spite of this I am still struggling to quite a degree with our appraisers in any endeavour to show them that if we settled, say two thousand men in the Fraser Valley, at least one thousand, and possibly nearer fifteen hundred, will have to go on properties which in my opinion in the hands of the average man we will have to state we do not look upon as self supporting farm units; also that the individual will be at liberty, and will have to look to other sources to find part of his livelihood and means for repaying the advances. It is not that our men are not sincere when expressing their opinions. They seem to be unable to visualize that not only will we have to in the future, but at present we are using thousands of acres primarily as homes.

As an example, in all the appraisals made by Ralph Brown at Mission I doubt if he has once stated that the property is fully suitable for Veteran Settlement. He turns down practically every one for some reason or another. Other appraisers obviously are still playing with the idea of merging a number of properties into one big unit, overlooking the fact entirely that, though this may be sound agriculturally, it will not meet the problem we will have to face.

The next man who knows little or nothing about dyke and drainage charges, and has been on the bench lands, goes into the dyked districts and forthwith doubles the valuations when he finds the crops more abundant. He overlooks entirely that there may be an unpaid capitalization of \$50 an acre against the land plus the maintenance charges. I have also noticed the remark from time to time that no one but a Japanese could make a success on a property. The people of British Columbia have developed a complex over the last twenty-five years that the Oriental can succeed where the white man fails. The white man is doing truck and small fruit farming successfully elsewhere in Canada, and other parts of the world, and he can do it here if he will only change his line of thinking. The difference was rather aptly expressed by Mr. Godfrey when he made the comment that, when the white man went on relief, apparently the Japanese tightened his belt, and worked a little harder to support himself and his family. The dire

necessity of having to paddle his own canoe made him better equipped to face his handicaps.

As far as I can ascertain the Japanese planted probably over one hundred acres in hops in the last two or three years, and the kiln for curing hops which was built at Mission apparently was financed by the Japanese. Most of these hops are in blocks of not more than one or two acres on the individual farms. When I found that the Haas Hop Company at Sardis was going to work most of these small hopyards I was at a loss to understand how they could be interested in these small acreages as their own yards at Chilliwack are in three or four blocks, all comparatively close together. I think they now have over 800 acres in hops. I discovered that most of the hops the Japanese have are cluster hops, and this is the variety the Haas Company is short on.

I hear that Mr. Shimek, or his Company, have an advance in the neighbourhood of \$150,000 from the bank, and a number of Japanese have received fairly substantial cash payments on their leases from this source. Probably for the first time in history the Japanese have received payment for a crop in advance at a figure equal to what they would have made net if they had handled the crop themselves. A number of the people with whom Shimek has arranged leases are Mennonites of fairly recent vintage from the Prairies. Already some of them are wondering where they are going to get any money out of these crops for themselves at \$100 an acre rent.

I believe that Shimek is agitating to bring in five to ten thousand pickers from the Prairies. It appears that the fly in the ointment is that the railways want the return fare guaranteed. They say that once the picking of the small fruits is over these people could then move into the tree fruit picking in the Okanagan, and the picking of hops, etc.

Some of the leases that are said to have been arranged by the Custodian do not appear to have any rhyme or reason to them. I noticed one yesterday where the tenant was to give the Custodian half the crop for the use of the property. There is about five acres of poor hay on the place which may be worth \$25 to \$30 standing this year. There is a good house on the property which should bring at least \$10 a month. It is obvious to me that the man handling this work must know little or nothing about farming as he did not see that the rental value of this property is in the house, and not in the land.

I am enclosing a clipping taken from Saturday's "Sun". There are all kinds of viewpoints on the Japanese situation. One often wonders what is behind some of these undercurrents. As I told you when I was in Ottawa, I have refrained from contacting any of the Government organizations that are mixed up in the Japanese situation until the necessity arises, or I have instructions on the point from you.

I still hold the view that once this year's crop

is off a number of the strawberry plantations will have no further value as the labour will not be put into them to maintain them. Already the appraisers are commenting on the weed situation. One must remember that all these plantations look better today than they will again this year as, to date, we have had good growing weather. Once we get some warm weather, however, the berries will not look so bountiful on the bench lands.

I have kept in close touch with the boys in horticulture who have been studying the raspberry problem around Mission during the past eight or ten years. To date they have not been able to arrive at a definite conclusion as to why raspberries on the older ground no longer produce satisfactory canes. With this background you will see that I am not very optimistic as to the value of a raspberry plantation in the hands of a tenant. In other words, I doubt how much value there will be in the strawberry and raspberry plantations in 1943 in a number of these properties. It is for this reason that we are largely confining our values to the land. During the twenty odd years I have spent out here I have seen good raspberry plantations, without buildings, selling at \$1000 an acre, and later it was difficult to find a buyer for the same ground at any price, and eventually the land got into the hands of the taxing authorities.

You will recall the area south by west of Abbotsford, commonly known as the Peardonville country. It has been built up largely with Mennonites in the past ten years who have gone in chiefly for small fruits and poultry. Some of these people obviously are now beginning to cash in on their efforts. The country is comparatively flat over a big acreage, and is largely underlaid with gravel which at some places comes almost to the surface. Other sections have six inches to a foot or eighteen inches of silt over the gravel. The surveyors are working over this area at the present time, and apparently the Air Force are making a minute check of it from the air as well as on the land. The location, in my opinion, is first class as an air field as this area is as free from fogs as any I know of in the Fraser Valley. If the air currents are good then it should make an ideal field. With bulldozers the country can be levelled in very short time as there are few ravines, and those in existence are not deep. It should make a splendid all year round field. Recently the Delta Field was abandoned. I understand that training school has been moved to the Prairies. Your knowledge of the Delta will give you an idea what some of the problems were that must have confronted them there. The field in the Peardonville area will likely take some of the holdings in which we are interested. I believe also that surveys are being made in the vicinity of Courtenay which will affect some of our holdings in that area. I understand this district is being surveyed as a training field for Commando work.

In checking up on our collections yesterday I find we have taken in as much money so far this fiscal year on due payments as

we did last year, and prepayments are slightly ahead of last year - this in spite of the fact that we are without a field supervisor on the job, and two of the office staff are putting in full time getting out plans and sketches from the Land Registry Office for the field men. Almost every day some settler pays off his loan, and I do not feel well unless I see at least one or two letters in the mail asking the amount of their total debt.

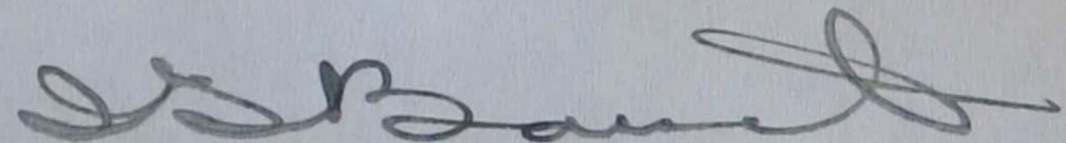
I felt that I could give you a better interpretation of our problems by a personal letter than under an official communication. I still feel that when the necessity arose to move the Japanese out of the Defence Area, we would be making a big error if we ever permit these people to establish themselves in Canada again. It will mean a hardship to many of them but, as a Nation, they saw fit to overrun lands of other Nations. We must maintain this Pacific Coast as a white man's country, and again educate the white man to realize that he can make a comfortable living in any of the occupations which the Japanese has been peacefully but aggressively dominating

The weather has been cool and showery, and the countryside as a whole is looking beautiful. Good hay crops as far as tonnage is concerned are assured. The berry crop is heavy, but dry warm weather is now required to ripen it. Some berries are being picked but on account of the excessive moisture they are moulding and rotting on the vines. The flavour will be nothing to write home about until the weather warms up.

I see no immediate serious problems cropping up in Soldier Settlement with all our staff working on this Japanese problem. I think on the whole the boys are reasonably content on the job. I authorized them to go home over the 24th of May at Government expense as I felt the cost to the Government would be less than keeping them in the hotels, and they would feel better for getting home to see their families. I am satisfied it was the right course to take as I see from the appraisals received yesterday that a number of them who stayed at the hotels worked over the weekend. I am going to suggest that those who are away from home work this weekend, and next Monday, add this time to a longer holiday on the first of July.

I hope that at the sittings of your Committee the Prairie Members can appreciate that Canada produces other products besides wheat and some livestock. Some of the Japanese greenhouse men are producing more off five acres than some of the Prairie farmers are off 3000 acres.

Yours very truly,



District Superintendent.