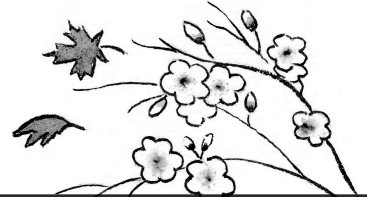


# Landscapes of Injustice

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## Landscapes of Injustice Research Collective Working Paper #4

### **Record Group: The Veterans Land Act**

by Nicole Yakashiro & the LoI Research Collective for the Government Records Cluster

January 2018

### Summary of the records and why they matter:

The Director, Veterans Land Act (VLA) record group ([RG38-E-4](#)), housed at Library and Archives Canada and selectively digitized for the *Landscapes of Injustice* archive, is a critical source-base for understanding the dispossession of Japanese Canadians as a *complex* and *specific* state project. A successor of the Soldier Settlement Board (SSB), the Veterans Land Administration (under the authority provided by the 1942 Veterans Land Act), was a branch of the Department of Veterans Affairs that supported the settlement of returning veterans in Canada, primarily onto farmlands, by providing loans and other forms of assistance. Order-in-Council P.C. 5523 (June 29, 1942) gave the VLA power to seek out Japanese-Canadian rural properties for soldier settlement as early as 1942 (before the Office Custodian of Enemy Property authorized the disposal of all Japanese-Canadian-owned property). The VLA would go on to purchase a substantial number of these properties from the Custodian—“en bloc”—at a price far below the land’s value. With seventeen rich files relating to Japanese Canadians and their former properties, the VLA records broadly offer:

- (1) a contained body of sources that attend specifically to the dispossession of the *rural* properties owned by Japanese Canadians before the war in areas such as the Fraser Valley and Vancouver Island;<sup>i</sup>
- (2) insight into both the *enormity* and *particularities* of the dispossession and its administration by illuminating the numerous agents, bureaucrats, bodies, and offices that participated in the confiscation, management, appraisal, sale, and purchase of these rural properties;<sup>ii</sup>
- (3) a difficult ground for us to consider the role of some of the most complicated *beneficiaries* of the dispossession (i.e. veterans)—how do we reconcile sympathy and financial support for returning veterans with the profound losses of Japanese Canadians?;<sup>iii</sup>  
and
- (4) a reference from which the Japanese-Canadian community may draw connections to their or their family’s past(s) on rural lands in British Columbia before 1942.<sup>iv</sup>

### A brief timeline of VLA activity shown in these records:

This series of documents traces the SSB/VLA’s involvement in the dispossession of Japanese-Canadian-owned rural properties during numerous historical phases important to *Landscapes of Injustice* (note that these are general dates, many of which overlap significantly):

- (1) in 1942, the SSB/VLA surveyed the rural properties Japanese Canadians were forced to leave on the coast and began early discussions of a sale with the Office of the Custodian of Enemy Property;<sup>v</sup>
- (2) in 1943 and 1944, the VLA participated in lengthy, detailed negotiations with the Custodian of Enemy Property regarding the VLA’s purchase of these lands (approximately 750 parcels for \$850,000 in June 1943). The VLA also dealt with the

transfer of titles and unusual cases (e.g. leases arranged through the Pacific Co-operative Union) at this time;<sup>vi</sup>

(3) in 1945 and 1946, the VLA continued to manage outstanding cases (e.g. those of Japanese-Canadian soldier settlers and their properties), but struggled to properly dispose of all properties acquired in the purchase from the Custodian to veterans;<sup>vii</sup>

(4) in 1947, the VLA faced scrutiny from the public during the hearings of the Standing Committee on Public Accounts and in that same year (and until 1950), they would attempt to justify certain valuation and sales decisions during the Bird Commission;<sup>viii</sup>

(5) in 1950 and 1951, once Japanese Canadians were legally permitted to return to the coast, the re-settlement of Japanese-Canadian soldier settlers on their former properties was more seriously considered, but only under the condition that they be required to pay debts incurred on the property and surrender any awards received from the Bird Commission.<sup>ix</sup>

### **Primary source examples:**

The VLA records consist of appraisal reports, property data, details of sale, and extensive correspondence, primarily between public servants and government bodies involved in the process (though letters from Japanese Canadians such as soldier-settler Inouye can also be found). Together, they capture the bureaucracy of this complex project, but they also demonstrate how individuals thought and felt about their actions—and the consequences of them. The following are just a few examples of the types of records found within this record group. Short analyses accompany the pieces in this selection to demonstrate the potential that these documents have to *tell a new, evocative, and important story* about the dispossession of Japanese Canadians.

- (1) **Ivan T. Barnet, District Superintendent (SSB/VLA), 1942:** *“The more I think of the Japanese problem, the more I feel that [...] it is essential to see the thing through and these people should be cleared entirely off this Coast regardless of where they were born.”*

Ivan Barnet was second only to Gordon Murchison, the Director, within the SSB/VLA. During the early stages of their involvement with Japanese-Canadian-owned rural properties, Barnet discussed the matter extensively with Murchison and undoubtedly steered some of the Director’s decisions. They corresponded about administering the appraisal process, but most striking was Barnet’s evocative, often malicious letters concerning Japanese Canadians and their properties. As an authority for the VLA, Barnet’s strong opinions on these issues demonstrates how racism and xenophobia mobilized at the hands of influential (though little-known) government agents. *See Appendix for source.*

- (2) **E.H. Coleman, Under Secretary of State, 1943:** *“The Japanese representative on the Committee, Yamaga, felt it his duty to resign from the Advisory Committee...”*

As a deal between the SSB/VLA and the Custodian of Enemy Property was finally negotiated for the sale of 769 formerly Japanese-Canadian-owned properties in June of 1943, Under Secretary of State E.H. Coleman wrote to the Secretary of State. Noting that

an agreement was reached, Coleman only briefly mentioned the resignation of Yasutaro Yamaga (the only Japanese Canadian who sat on the Advisory Committee on Rural Properties for the Custodian of Enemy Property), during the process—a process that Yamaga found to be abhorrent (see UBC-RBSC, Yasutaro Yamaga fonds for more). This memorandum, while firm evidence of the dispossession, also suggests that the government recognized the injustice of its protocols and took steps to “save face” in what they termed a “delicate situation.” *See Appendix for source.*

**(3) Gordon Murchison, Director of the SSB/VLA, 1947: “*The appraisal of real estate is not an exact science. It is at best an expression of opinion ...*”**

In May of 1947, Gordon Murchison took the stand at the federal government’s Standing Committee on Public Accounts hearings in defense of the widely criticized actions of the SSB/VLA during the dispossession of Japanese-Canadian-owned rural properties – a process that they facilitated alongside the Custodian of Enemy Property. A series of hearings prompted by concerned politicians and the public, these records demonstrate the concerted (and at times, anxious) effort by the VLA authorities to justify their decisions (some of which included the sale of properties to even non-veterans) as awareness about these injustices grew. *See Appendix for source.*

**(4) Zennosuke Inouye, Japanese-Canadian soldier settler, 1944: “*...I can not refrain from resenting your action of taking away valuable property from a pensioned returned soldier of the last war who fought for Canada for the purpose of giving to another soldier who is returning from the present war.*”**

In 1944, from an internment site in Kaslo, veteran Zennosuke Inouye wrote in protest to the VLA – demanding that his property not be sold and that the transfer of his property from the Custodian to the VLA was “completed against [his] will.” Inouye’s story is one of several, in which Japanese-Canadian soldier settlers saw their lands threatened during negotiations between the Custodian and the VLA, despite being veterans of Canada themselves. It was not until 1948-49 that the reinstatement of properties belonging to these veterans would become possible, after several years of resistance from individuals such as Ian Mackenzie who strongly opposed the return of Japanese Canadians to the Pacific Coast. Even so, soldier settlers like Inouye were required to pay substantial “debts” to the VLA for holding the property during wartime. *See Appendix for source.*

## **Appendix:**

**(1) Ivan T. Barnet to Gordon Murchison, 1942 August 17**



Find complete file on Zotero: CA > LAC > RG38 > Volume 403 > File V-8-10, Part 1: Japanese and their Farm Properties > digitized part 2, .pdf pages 13-19. (Note: pages of this letter have been omitted for length.)

Personal and  
Confidential  
Via Air Mail



SOLDIER SETTLEMENT OF CANADA

YOUR FILE NUMBER.....

PLEASE QUOTE FILE.....

VANCOUVER, B.C., August 27, 1942.

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

Dear Boss:-

Possibly at some time or other when you lived in British Columbia you may have sat by some creek or river in the late fall and watched the gulls feed on the dead fish. Further, you will have noticed the old king-pin, long after he was full, still trying to drive the rest of the gang away from the spoil - goodness knows for what reason.

This whole Japanese picture is much the same to me. Things look reasonably smooth on the surface today, but the currents, and cross currents which have been a problem since the beginning are many and varied. As I have stated often before I saw no particular handicaps, or problems in doing the appraisal job, and to date this theory has proven to be correct; although, here again, I have always felt that the real problem would not arise until the Government decided to take over these properties, if this should finally be the course. Then there would be all kinds of legal material lined up to take up the cudgels for the owners.

I had hardly turned my attention to the problem of leases, etc., until it was clear to me that, if the thing was to be run reasonably smoothly until the curtain was wrung up on the next act, I would have to step into the picture and give the matter my full attention with the minimum of staff involved. I have already told you that I put McKay on the field work, reporting directly and only to me, and getting his orders in the same way with practically nothing in writing. The only other man in the office touching the Japanese problem is Kirk who in turn reports direct to me, and handles the counter. I understand Kirk's father took seriously ill in Victoria, and he has not been here this week. McKay was in the country Monday and Tuesday, and I took the counter myself. There is practically a continuous line of people coming in inquiring about leases already in existence, or wanting to lease.

The best description of the majority of these people is what I call the 'white man's burden', and it is only the odd one you would pick out of a crowd if you wanted a labourer, and had the chance to make a choice. Now and again a first class man does show up.



some concern. Apparently they are now being told there will be no further payments made at present, and if they are in debt to the Association they must continue to ship any fruit to them that still remains on the properties. In fact these tenants are very definitely tied to the Association. In the two interviews I have had with Shimek he has been very agreeable, but McKay tells me he had occasion to go in shortly after your letter to Mr. Cruickshank was received, and very little attention was paid to him.

I am not sure of the exact nature of the annual report the Co-Operative Union has to make to the Registrar of Companies, etc., in this province each year, nor do I know how often they have to file a list of their shareholders. A large number of the shareholders of this Co-Operative, and also the Maple Ridge one at Haney, must have been Japanese. Naturally I have no knowledge whether any steps have been taken to transfer these shares to white people. It does seem to me, however, that there is a very real and effective way of getting at the facts so far as these Associations are concerned. It seems to me that so long as even one share is held by a Japanese, the Government under the Order in Council under which we are operating, to say nothing of the powers under the Custodian's Act, has the right to put in chartered accountants to find out the exact financial situation of these Associations.

I have been curious about their financial standing, particularly since the meeting was held at which the resolution was put through petitioning the Government to bonus the growers on this year's crop. McKay contacted a number of these tenants when he was appraising, and he has allowed no grass to grow under his feet since he has been put in charge of leases. He tells me that a number of these people, and more particularly Mennonites who were put on these farms, are now practically without funds after working all year. I do not think they ever will see any money for the simple reason that the amount they agreed to pay for these leases will be away in excess of the net returns after deductions are made for pickers, fertilizers, transportation of pickers to the farms and various other items.

The more I think of the Japanese problem, the more I feel that, as the Government has committed itself to an expenditure that will run into millions, it is essential to see the thing through and these people should be cleared entirely off this Coast regardless of where they were born. In examining the appraisals of Japanese lands as they pass over my desk I sometimes wonder whether there was any national motive in the selection of their holdings. If you will cast your eye over the situation in the Delta Municipality you will observe that there is poultry accommodation for about 65,000 birds based on four square feet to the bird. It is probable that half of these houses are not up more than a year or two, and many of them have never had a bird in them. In fact some of them are not yet quite complete, and quite a number of them are double-deckers. People often wonder how



the Japanese got money during years which were pretty tough sledding for the average white man in the poultry business to erect all these new houses. Most of the wells on these places have electric pumps, and in some cases the wells in one farm are connected to the wells on the next farm. Granted the water supply in the locality is not a good one, but one wonders if there was some larger motive in this construction work. Some people think these poultry houses were built to house troops if the Japanese were ever successful in landing them. They are all in an area of not more than two square miles, and approximately two miles by the nearest road from a bunch of Japanese holdings on the River Road. Those fellows on the River Road are practically all fishermen, and no one knows how many of them were probably skilled in naval matters. From these holdings one looks right up the river to New Westminster.

I have on my desk at the moment tax notices covering 24,700 acres at Fort McNeill held in the name of the N.S. McNeil Trading Company Ltd., This is about 180 miles up the coast of Vancouver Island, obviously a timber berth. As already stated I did not take the view that we were expected to appraise timber propositions as we have no qualified cruisers on our staff. On Tuesday I had a young Swede in the office wanting to buy one of the Japanese properties on the River Road, and he happened to mention he was now living and working at Fort McNeill for a logging outfit. He told me the McNeil Trading Company was a Japanese outfit which had been working in a big way for about four years, but was now closed down with only a caretaker in residence. I notice the tax notices are all in care of the Custodian. We are also aware of numerous other timber berths held by the Japanese. I believe they have, or had very large holdings in the Queen Charlotte Islands.

At Shimek's meeting the other day a young Japanese got up wanting to know if the resolution was passed requesting the Government to pay .3¢ a pound for raspberries and strawberries whether it applied to loganberries. I cite this as an indication of the gall of these people even at this day and hour. If any of us was unfortunate enough to be living in Japan today we would never get so far as attending a meeting, much less asking questions at it. McKay tells me he called at one place this week where there were greenhouses. On inquiry the daughter admitted they had notice to vacate. He asked her if they had made arrangements to rent the greenhouses and she told him they had not, and, anyway, the Government was responsible for their property. I have no doubt that many of these people think they can hold the Government responsible for any destruction, or deterioration in their holdings and, when this war is over, if they have any money no doubt they will be able to find white lawyers who will go into the Courts with any kind of a fantastic case.

Probably now you have some idea why I liken these holdings to the carcass of a fish with the gulls all sitting around

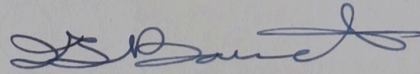


feeding on it. It appears to me that everybody, including the Japanese owners, and the tenants, is out to get everything possible from these properties. Although I am generally silent in regard to the definite purpose in mind, I feel that you should know, confidentially, some of the thoughts in the minds of both Mr. McKay and myself, these last few weeks particularly. I realise we are living in times when it is very easy to let ones thoughts run away with one, but my intuition tells me that the Japanese problem must yet be tackled with a quiet but firm hand. Mr. McPherson has expressed thanks to McKay that we have taken some of the load off his shoulders.

I hope you were able to forget your duties of state when having a few days rest, as I appreciate you would have many problems awaiting your return. Nevertheless I felt that you should have some of the slants in this Japanese picture on which I could not write you officially.

Kind regards,

Yours very truly,



District Superintendent.

ITB:B



(2) E.H. Coleman to the Secretary of State, 1943 June 3

*Find complete file on Zotero: CA > LAC > RG38 > Volume 403 > File V-8-10, Part 3: Japanese and their Farm Properties > digitized part 3, .pdf page 15.*

Copy.

CANADA  
Department of the Secretary of State

Memorandum  
for the Secretary of State:

After negotiations between the Custodian's representative and the Soldier Settlement Board, an offer of \$850,000 for some 769 parcels of Japanese lands in British Columbia has been accepted. The acceptance has the concurrence of the Advisory Committee headed by Judge Whiteside. The Japanese representative on the Committee, Yamaga, felt it his duty to resign from the Advisory Committee, no doubt under pressure from the evacuated Japanese.

Mr. McPherson sends me a memorandum in which he says:

"You will recall that a prepared statement was given to the press with the approval of Mr. Justice Smith and His Honour Judge Whiteside; such statement setting out briefly your policy of liquidation and indicating that the Japanese and the public generally would be informed in due course of the procedure to be adopted. The Japanese newspaper, the New Canadian, which is published in the interior of British Columbia at Kaslo, has referred to this prepared statement, specifically mentioning the fact that the statement indicated additional information would be made available to the public in due course.

Knowing the delicate situation which exists in Vancouver and in the interior camps, I would recommend that you consider the advisability of a prepared statement being given by the Custodian to the Canadian press to the effect that the sale of the agricultural lands in the Fraser Valley has been negotiated with the Soldier Settlement of Canada. Such a statement would forestall considerable newspaper comment and carry out the implied undertaking in the press release above referred to. If my recommendation is considered favourably, Mr. Murchison, the Director of the Soldier Settlement of Canada, might be interested in considering the release of a statement by his Department at the same time."

It is a matter of common gossip in British Columbia that some of the Japanese have raised a fund and have retained the services of a solicitor with the view of taking action in the Courts to prevent the liquidation of Japanese property. We can scarcely conjecture how such an action may be framed, but if it is taken I presume the Department of Justice will arrange to defend the action.

It occurs to me that you may wish to discuss the advisability of preparing an announcement with your colleague from British Columbia, the Honourable Mr. Mackenzie, and possibly with the Honourable Mr. Crerar.

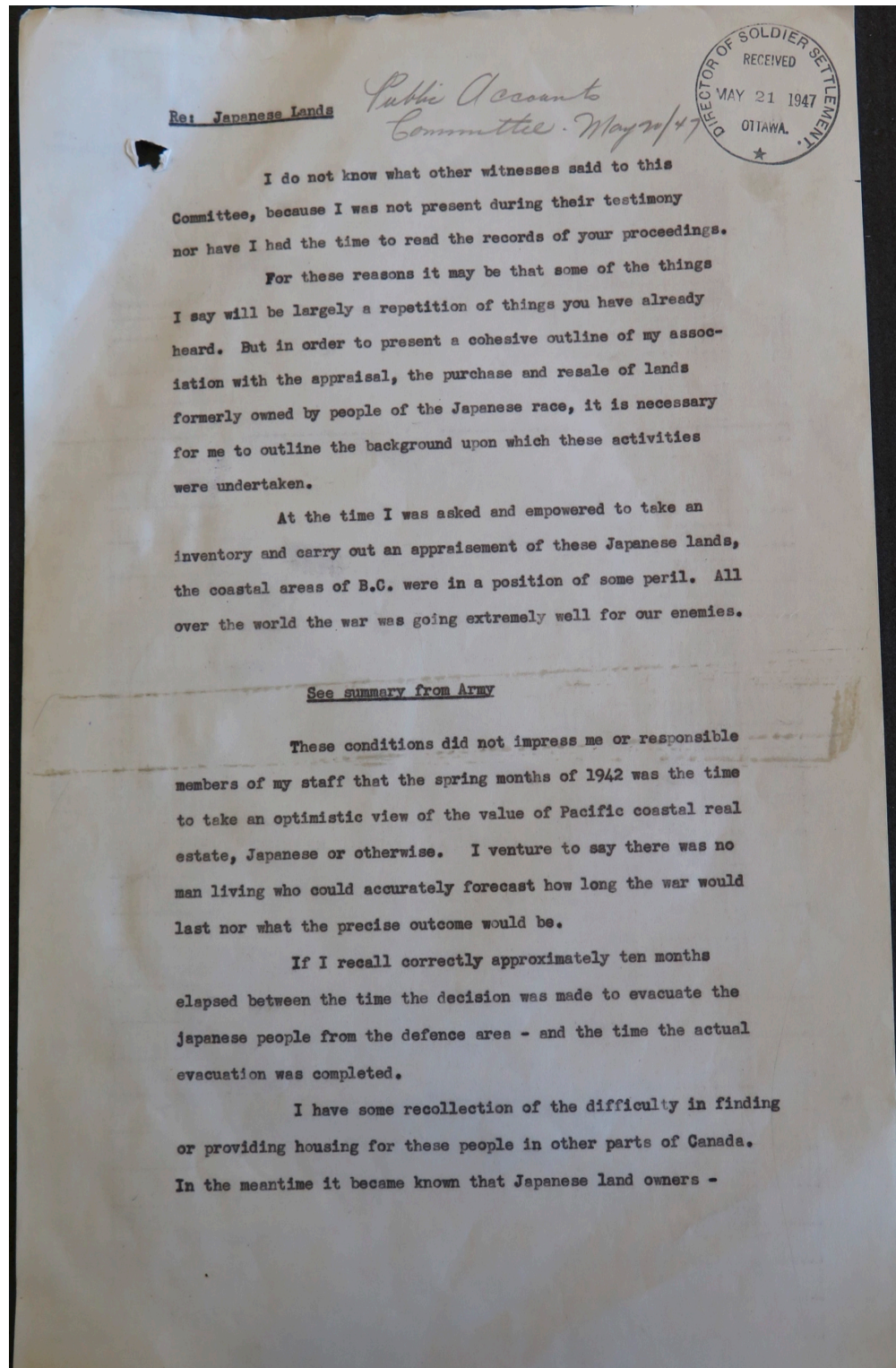
E.H. Coleman,  
Under Secretary of State.

Ottawa, June 3, 1943.



(3) Gordon Murchison, prepared testimony for the Public Accounts Committee, 20 May 1947

Find complete file on Zotero: CA > LAC > RG38 > Volume 403 > File V-8-10, Part 4: Japanese and their Farm Properties > .pdf page 69-78.





in the certain knowledge they would be obliged to leave the defence area, were making emergency rentals of their properties. Having regard to the uncertainty as to how long the war would last - and to the specialized type of agriculture for which these lands were being used by their owners - it appeared a practical certainty that future trouble was in the making if rental agreements or term sale agreements negotiated by the Japanese were not brought under control by competent authority. I might mention here that the B.C. Security Commission lacked the authority to deal with this aspect, and the Official Custodian was not empowered to deal with the land until the owner had been actually evacuated.

I think this Committee will have a better appreciation of some of the problems involved when I tell you that these Japanese farm properties averaged a little less than 14 acres in size and with an average of slightly more than 5 acres under cultivation. There were greenhouses with an aggregate of 450,216 square feet of glass, used mainly in the production of tomatoes and cucumbers. There were poultry houses sufficient to accommodate 190,000 birds. There was a total of approximately 1,850 acres used for the production of small fruits, rhubarb, asparagus and hops - fully 50 percent of this acreage was in strawberry plantations. Agriculture of this type requires a great deal of hand labor and patience, which is characteristic of the Asiatic people. But in their absence - it seemed highly problematic that there would be sufficient labor available to maintain such properties - and particularly because of the attractive rates of pay for labor required in war industry.

So here was another factor which indicated that caution was needed in appraising these properties.



Added to this was the fact that there was an annual municipal tax bill of approximately \$40,000 to be paid regardless of who operated or occupied these lands and regardless of whatever revenue might be derived from rentals.

The appraisal of real estate is not an exact science. It is at best an expression of opinion based on factors which create or diminish dollar values. We did not appraise these properties from the standpoint of their potential speculative real estate value - or of their speculative value for sale during the war to persons in Canada who were participating in the financial prosperity produced by a state of war. We appraised them as the accredited agents of the Dominion Government to determine what in our judgment was the value of these properties, having regard to the hazards and uncertainties which existed in the early months of 1942. I submit that the appraisal made of these lands placed the Dominion Government in possession of a safe index upon which to determine the equity of the Japanese owners when they were evacuated. It provided a sound reflection of the problems that would inevitably be encountered if the lands were held under administration for an indefinite period and it provided an index to the compensation that might be paid to these people if a program of liquidation were decided upon and sales made at prices less than appraised values.

The appraisal work actually commenced on May 4, 1942, and by the end of August 1942 the work had been practically completed. By that time 939 of these properties had been examined, with an aggregate appraisal of \$1,059,419.00.

At this point I should like to make it clear - if this has not already been done by previous witnesses - that order-in-council P.C. 5523 of June 29, 1942, authorized the Director of Soldier Settlement to make this appraisal and also empowered the Director "to refuse to approve or approve either unconditionally or subject to such terms or conditions as to him seem fair and reasonable, the purchase, sale, lease



or other acquisition or disposition, or any agreement therefor, of any agricultural land in a protected area of B.C. owned by any person of the Japanese race or by any Japanese Company."

I think it is proper for me to say that the Dominion Government considered such control advisable to guard against private individuals or Japs trafficking in these properties and to enable the appraisal agency to carry out its work in an orderly fashion.

As an illustration of the need of control of this land I mention a situation which existed in the area surrounding Mission City. Here it was found that some 224 Japanese farmers were members of a co-operative marketing and shipping agency. The majority of the share capital of this co-operative was owned by these Japanese farmers, and under the terms of their membership there was a clause by which they were bound to deliver their total product to the co-operative or expose themselves to rather severe penalties. It appeared that immediately following decision by the Dominion Government to evacuate the Japanese, the management of this co-operative (which for all practical purposes centred in a certain white man, since deceased) by arrangement with the Jap shareholders - took immediate action to rent Japanese farms to white people under terms which, to say the least, were somewhat novel. The arrangement was that the co-operative borrowed funds from the local bank and after arriving at the rental consideration in each case the Jap owner was paid one half of the rental consideration in cash and given a post-dated cheque for the balance. In turn the tenants gave the co-operative promissory notes for the total amount and these notes were in turn endorsed by the Jap owners. The rental agreements contained a clause obligating the tenant to deliver all his 1942 and 1943 product to the co-operative. Because of the inexperience of some of these tenants - or because of some misrepresentation or misunderstanding as to the actual acreages



in productive crops - or because of unfortunate climatic conditions which occurred during the crucial growing and marketing period, considerable dissatisfaction resulted among the tenants. So far as I am aware the Bank and the co-operative came out of the deal in good order due to the careful administration of the Custodian. But the tenants did not fare so well.

It was administrative problems of this character which doubtless had some bearing on the Government's decision to proceed with a general program of liquidation of Jap assets including these farm properties. This decision was embodied in P.C. 469 of January 19, 1943, and I wish to emphasize that the first operative clause of that order-in-council revoked the authorities which had, up to that time, vested certain powers in the Director of Soldier Settlement. There were obvious reasons why these powers should be withdrawn, namely, that if the Director of Soldier Settlement and the Director the Veterans' Land Act (who were one and the same person) was to take any official interest in the purchase of any of these lands for the purposes of the Veterans' Land Act, he could not very well occupy the position of both judge and jury.

Another point which I wish to emphasize to this Committee is that when the Director of Soldier Settlement was instructed in April of 1942 to proceed with the appraisal of these lands there was no Veterans' Land Act on the statute books of Canada. It was enacted as of August 1, 1942, but there was no Director appointed until November 25, 1942. It would be preposterous to assume relationship between the appointment of a Director to administer an Act which would have effect all over Canada - and the liquidation of Japanese lands.

I am not so naive, however, as to suggest to this Committee that the Director the Veterans' Land Act was not in a good strategic position from the standpoint of acquiring some of these



lands for Veterans' Land Act purposes.

From this point on my position and activities can be stated very simply. Examination was made of the inspection reports of 1942. We disregarded those we deemed to be quite unsuitable or beyond the scope of the Veterans' Land Act, such as greenhouses or other types of property which were of considerable value and involving a lot of administrative difficulty. Our selection narrowed down to 768 parcels, which carried our valuation of \$867,021. We included a few which we might just as well have eliminated but there was the minimum or no improvements on them. I make no apologies for offering the Custodian \$750,000, or \$117,021 less than the appraised value. I did not know how long the Veterans' Land Act would have to hold them or what the overall future problems would be. The Custodian on the advice of his Advisory Committee, declined to accept this offer and in June 1943 I made a final offer of \$850,000 which was accepted. When it came to taking title from the Custodian it was found that some 41 properties had to be dropped from the deal for various reasons, such as the Jap owner having died and his affairs being administered by the official administrator. In some cases title difficulties were encountered or in others the encumbrances were in excess of the purchase price. I understand these properties were subsequently sold by the Custodian elsewhere. It was one of the conditions of my offer of \$850,000 in June 1943 that this price would include rentals collected by the Custodian for the year 1943. These collections amounted to approximately \$41,800. Payment of this sum to the Director was asked for because the Director the V.L.A. assumed liability for municipal taxes from January 1, 1943 and the taxes for that year were reported to be approximately \$40,000.

It subsequently developed - November 1943 - that we purchased from the Custodian an additional 12 parcels on the mainland and 33 on Vancouver Island and other gulf islands. The price paid



for these additional properties was \$45,812. Our appraised value was \$46,747.

It required quite a period of time to obtain title in fee simple for each parcel of land, and payments to the Custodian were made only as registerable titles were secured. This was spread over a period of approximately nine months. It was firm administrative policy - approved by my Minister - that these Jap lands should be withheld from sale to veterans until men who were serving overseas had a chance to get home and have an opportunity to buy them.

There were practically no veterans established under the V.L.A. until the close of hostilities in Europe, which was in May 1945. Thus we had these properties under administration for a period of approximately two years before we started to sell them.

In making plans for the sale of these lands to veterans - it has been deemed advisable to subdivide some of the larger parcels into two or more units and also to consolidate two or more of the smaller places into a single unit.

As of April 30 it was reported to me that 216 of these places have been sold in their original identity - 100 more in the same category have been tentatively sold. 123 of the original units have been broken up into 394 units and of these subdivided places, 213 units have been sold and 75 tentatively sold. All these sales were to veterans. In other words, 604 Canadian veterans have been taken care of, and there is sufficient land left to take care of approximately 400 more if they are interested in what we have to offer.

Here I want to emphasize to this Committee that sales made to veterans were at the prices paid by the Director as provided by Section 9 The Veterans' Land Act. I hope that statement will put an end to any rumors or suspicions that the Government - through the agency of the Director the V.L.A., has been doing any profiteering at the expense of Canadian veterans.



Sale has been made of a few parcels to non-veterans.

They were as follows:

1. A property consisting of approximately 78 acres sold to a religious order. The cost to the Director was \$4,725. The sale price was \$5,500 cash. This sale was in accordance with Section 22 of the V.L.A., which authorizes the Director, among other things, to sell land which is at his disposal for sale, for religious purposes.
2. A parcel containing 100 acres on Salt Spring Island in the Gulf of Georgia. This property consists chiefly of rocky wooded hill, without any improvements. It could be used as a base for a commercial fisherman or as a firewood proposition. The Director bought it for \$245.00. There was no demand for it by veterans. It was advertised for sale by public tender - four offers were received ranging from \$750 to \$2,000. It was sold to the highest bidder under authority of P.C. 5285 of January 3 this year, pursuant to Section 21 of the V.L. Act.
3. Three bush lots comprising approximately 38 acres 5 miles from Haney B.C. These were undeveloped places which had been logged off years ago and growing up with fair sized second growth softwood interspersed with stumps. The Director paid \$433 for these parcels. There was no demand by veterans. They were advertised for sale by public tender and brought a price of \$3,050. This price doubtless reflects the demand there is at the present time for any kind of small logs and firewood.

There may be some differences of opinion in the sales policy pursued by the Director, having regard to the rapid rise in real estate values in the area centering on the largest Canadian city on the Pacific coast - once the perils of war had abated. I have three principal observations to make on that point if any one cares to raise it;



1. When these lands were purchased I was acting for the Dominion Government in the capacity of a trustee looking to the long range interests of Canada's fighting men who were overseas. It would have been a breach of the trust reposed in me to recommend a general increase in sale prices to correspond with local inflation.
2. The great majority of these Jap lands require substantial repairs to the more or less ramshackle buildings before they are habitable, or new homes have to be built. The cost of construction nowadays is just about double pre-war costs. The Director and veterans and members of this Committee have a pretty clear appreciation of this and in my judgment the cost price to the Director of the improvements needed, plus the cost of the land - will produce a sale price to a veteran which is as equitable as it can be made under present-day conditions.
3. The Japanese farms are by no means the only properties acquired by the Director the V.L.A. prior to the commencement of active settlement of veterans. Lands were purchased all over Canada at close prices which a couple of years later could have been resold in the open market for very considerable increases - but they weren't - they were sold to Canadian veterans at cost to the Director, as provided by Section 9 of the V.L.A.

In conclusion - may I say a word on behalf of the branch of the Public Service which I have the honor to head.

Regardless of some criticism we get now and then, and I suppose some of it is merited - there has developed over the past twenty odd years a considerable degree of both Government and public confidence in the reliability, rugged honesty and efficiency of these people in matters relating to land and land values.

Commencing in the early twenties this staff was designated as the land settlement branch of the Department of Immigration and Colonization. During the tough thirties it was this organization that was mainly called upon to service the appraisal requirements of



Boards of Review under the Farmers' Creditors' Arrangement Act of 1935. Many thousands of farm properties, all over Canada, were inspected and appraised for that purpose. During the war we were frequently called upon by the Department of National Defence to assist and advise on land matters of considerable magnitude. We represented the Dominion Government in acquiring the freehold lands required for the construction of the Alaska Highway. During and since the war we have purchased many Millions of Dollars worth of real property for the establishment of Canadian veterans. I mention these things to this Committee to indicate that a great fund of practical knowledge and experience was brought to bear on the part assigned to us in connection with Japanese lands.

Acting for the Dominion Government, we examined this situation in a spirit of realism - justice and equity for all parties concerned. We were considerate and prudent in our estimates as became those who were asked to undertake serious responsibilities of this nature during the grim and perilous days of 1942.

When that duty had been discharged in good faith we proceeded to act in equally good faith on behalf of Canadian veterans by buying these lands at the fairest price we could obtain.

I submit that, in the circumstances, the Japanese people were dealt with justly and equitably. The Canadian public was protected and Canadian veterans have been given whatever advantage arose from the purchase of these lands in the midst of a great war which, but for the grace of God and our fighting men and allies might have lasted much longer and turned out quite differently than it did.



(4) Zennosuke Inouye to Director of Veterans Land Act, 29 September 1944

Find complete file on Zotero: CA > LAC > RG38 > Volume 403 > File V-8-12: Japanese Lands – Soldier Settlements > .pdf page 50.

COPY

Kaslo, B.C.  
September 29th, 1944.

Director of Veterans Land Act,  
Ottawa.

Dear Sir:

Re My farmland which is described as  
S $\frac{1}{4}$  of NW $\frac{1}{4}$  of Sec.32, Tp.2 Dist. N.W.  
and in the Municipality of Surrey

I am informed by the Custodian that the above property has been transferred by the Custodian of the Department of the Secretary of State to you.

This transaction has been completed against my will, and I have never given the custodian any consent for the sale nor have I been consulted by the Custodian of this transfer until the transfer was completed.

I understand that you are acquiring Japanese owned farmland in the Fraser Valley for the purpose of reselling them to soldiers who are returning from the present war.

I am an ex-service man of the last great war serving in P.P.C.I. and 52nd Battalion while overseas. Returning from the oversea service in 1919, I acquired the above farmland which was then uncultivated wild land. However, I changed this land into cultivated productive small fruits farmland (32 acres were cleared since I bought this land) and all buildings including dwelling houses, two root houses, a barn and woodshed thus raising the value of the property from the original buying value of \$3200 to about \$14000. I raised my family in this farmland and all of my 5 children eldest of whom is 22 years old were all born there and brought up there, and we enjoyed our home life there until we were forced to evacuate in 1942.

From the above circumstances I can not refrain from resenting your action of taking away valuable property from a pensioned returned soldier of the last war who fought for Canada for the purpose of giving to another soldier who is returning from the present war.

On the above ground, I hereby lodge my protest to you and the Custodian for the action taken on my said property.

Yours truly,

"Z. Inouye"



### Other related records in the *Landscapes of Injustice* archive:

The following is a list of closely related record groups in the project's digitized archive. Though not every record relating to the VLA and its administration, these sources capture a significant amount of material closely associated with the VLA records.

- ❖ **LAC, RG14, Volume 666, Appendix 14:** from the Standing Committee on Public Accounts investigation into the sales of Japanese-Canadian-owned rural properties by the Custodian and then the VLA. See also, **Appendix 8**.
- ❖ **LAC, RG117, Volume 2496, File 57899, Soldier Settlement and Veterans Land Act:** contains rich correspondence concerning the dispossession policy of rural properties, maintained by the Office of the Custodian of Enemy Property. Includes records concerning the role of the Pacific Co-operative Union and other berry growers' organizations, as well as that of the Advisory Committee on Rural Properties (this file likely contains several duplicates found in RG38). See also **Volume 2203, File 11201, Part 4**, which concerns the flaws in the VLA appraisals; **Volume 2472, File 55908**, on the Bird Commission, which contains exhibits presented at the commission, several of which concern the rural property question; **Volume 1, File 2 Part 5**, which speaks to the Advisory Committee on Rural Properties and the resignation of Yasutaro Yamaga, the Japanese Canadian representative on the committee.
- ❖ **LAC, RG33-69, Bird Commission:** includes case files for a number of rural (as well as urban) Japanese-Canadian-owned properties. Also included is testimony from central actors in the rural property disposition process, i.e. Barnet, appraisers, auctioneers.
- ❖ **LAC, RG13, BAN 2000-D1084, Box 9, File 143829:** for context in the establishment of an Order-in-Council to give governmental control over rural properties (dated 1942). See also, **RG2-A-1-A, volume 1764, Order-in-Council P.C. 5523** (June 29, 1942): a central legal document that outlines the beginning of the disposition of rural properties.
- ❖ **MCA, Pacific Co-operative Union fonds, Minutes:** contains minutes from 1932 to 1944.
- ❖ **CSUR, Thomas Reid fonds, Box 1, File 37:** though a small file, correspondence illuminates a particular dynamic whereby Japanese-Canadian-owned property was deemed inferior (not unlike the urban situation). From R.C. Palmer of the Richmond Municipality: "you would be in the same opinion that you would not want your son to come back and live in a Jap house and feel that he was getting something."
- ❖ **TFRBL, Frank G. Shears Collection, Box 11, File 2-3:** Advisory Committee on Rural Properties, meeting minutes from July 1944 to March 1947.
- ❖ **UBC-RBSC, Yasutaro Yamaga fonds** (translations pending).
- ❖ **UBC-RBSC, Inouye family fonds, Box 2, File 9:** includes correspondence between Japanese-Canadian soldier settler Zennosuke Inouye regarding his property.

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<sup>i</sup> Because the VLA was interested in agricultural lands for veterans' settlement, this body of records gives specific insight into how the dispossession of rural properties was facilitated and managed. See for example, a letter from Murchison to Barnet, 1947 October 16, that discusses issues to consider in preparation for the Bird Commission, specific to agricultural lands: "depleted fertility [...], the risk of deterioration [...]. There was also the labour factor resulting from the removal of the Japanese people and the problems which would arise in connection with the Administration of these lands" (RG38, Volume 403, File V-8-10, Part 1, digitized part 4, .pdf page 7-8). Agricultural lands posed different problems for government agents; an enduring issue was the question of leases arranged with local unions (e.g. the Pacific Co-operative Union). For a troubling description of this issue, see a letter from Mrs. Robert Arkell to E.H. Coleman (RG38, Volume 403, File V-8-10, Part 1, digitized part 3, .pdf pages 28-29). Also see, RG38, Volume 404, File V-8-11 for more on the technicalities around leases.

<sup>ii</sup> Indeed, the dispossession of rural properties was a widespread and lengthy process. But it was also replete with difficulty and peculiarities. Comprehensively, this record group captures both views. Though we see the broad strokes of the dispossession in for example, the Master Conveyance (RG38, Volume 403, File V-8-10, Part 6) and in lists of properties determined suitable or unsuitable for soldier settlement (RG38, Volume 403, File V-8-10, Part 1, digitized part 7), it is the correspondence between individual agents of these policies that tell us the an on-the-ground, specific story of this injustice.

<sup>iii</sup> Throughout these records, the needs of veterans are often situated in opposition to the rights of Japanese Canadians (see for example, RG38, Volume 404, File V-8-11, digitized part 1, .pdf pages 35-36). This will be a critical part of telling a story about the dispossession. For more on the veterans' settlement itself, see RG38, Volume 405, which contains files on individual veterans and their "progress" on properties formerly owned by Japanese Canadians. Veterans received generous financial support as they settled on these properties through the VLA's "lease to own" program.

<sup>iv</sup> Files such as the Master Conveyance (RG38, Volume 403, File V-8-10, Part 6) and the lists of unsuitable and suitable properties (RG38, Volume 403, File V-8-10, Part 1, digitized part 7), contain family names and details about properties for reference. Japanese-Canadian individuals are also mentioned sporadically within the records.

<sup>v</sup> This was a formative period that led to the forced sale of Japanese-Canadian-owned agricultural lands to the VLA in 1943. For early correspondence among the VLA, and between the VLA and the Custodian in 1942, see in particular, RG38, Volume 403, File V-8-10, Parts 1-3 (predominantly Parts 1-2). Some evocative examples include: a letter from Barnet to Murchison, 1942 March 12, suggesting the sale of all Japanese-Canadian-owned property "en bloc" for soldier settlers, replete with discussions of "Oriental" versus "white" labour (Part 1, digitized part 6, .pdf page 37-40); a letter to Murchison from E.H. Coleman, Under Secretary of State, 1942 May 21, discussing the draft recommendation for Order-in-Council P.C. 5523, whereby Coleman suggests that the "evacuation" of Japanese Canadians was critical for a policy of dispossession to be further advanced (Part 1, digitized part 5, .pdf page 44); a letter from Barnet to Murchison, 1942 June 2, explicitly advocating for the permanent exclusion of Japanese Canadians: "We must maintain this Pacific Coast as a white man's country" (Part 1, digitized part 5, .pdf page 24-28); as well as protest letters from Japanese Canadians such as Y. Yamada (Part 2, digitized part 5, .pdf page 22).

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<sup>vi</sup> For more on the 1943-1944 period, see RG38, Volume 403, File V-8-10, Parts 2-4. Part 3, in particular, contains extensive correspondence leading up to the sale of the properties. For an example, see RG38, Volume 403, File V-8-10, Part 3, digitized part 3, .pdf page 19. This memorandum notes that at one time the Custodian valued the properties at 1.25 million dollars, compared to the final sale price of \$850,000.

<sup>vii</sup> For more on this period, see RG38, Volume 403, File V-8-10, Part 4. Though an agreement had been reached in June of 1943, in the years 1945 and 1946, the VLA had more decisions to make, regarding: the settlement of Japanese-Canadian soldier settlers (for an example see, RG38, Volume 403, Part 4, .pdf page 131), and the potential sale of outstanding properties to “anyone who can qualify” and non-veterans (see RG38, Volume 403, Part 4, .pdf pages 114-115 and page 108). One of these letters (pages 114-115) is from Murchison and speaks to the “advantageous prices” at which the VLA acquired these rural properties.

<sup>viii</sup> For records relating to the Standing Committee on Public Accounts hearings, the Bird Commission, and the VLA’s anxieties and preparations for both, see for example: a scathing editorial from the *Globe and Mail* and the VLA’s response (RG38, Volume 403, File V-8-10, Part 4, .pdf pages 85-86); and correspondence from Murchison to Barnet, 28 July 1947, regarding the Bird Commission and the sale of these properties to non-veterans as “out” (RG38, Volume 403, File V-8-10, Part 4, .pdf page 11). Also see, RG38, Volume 404, File V-8-16 for more on the Public Accounts Committee.

<sup>ix</sup> See RG38, Volume 403, File V-8-10, Part 5 for correspondence regarding the re-settlement of Japanese Canadian soldier settlers. For example, see a letter from Murchison to M.P. Tom Reid regarding Ian Mackenzie’s objection to the return of any Japanese Canadians to the coast (digitized part 5, .pdf page 72), and other correspondence regarding soldier-settler Zennosuke Inouye’s property (digitized part 4, .pdf pages 14-15). Also see, RG38, Volume 404, File V-8-12 for further discussion of Japanese Canadian soldier settlers and their properties.