Name of Claimant HANEY MILLS LIMITED Case 1386

Custodian File 15609

REAL PROPERTY

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

PERSONAL PRORERTY

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

NETS

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

MISCELLANEOUS CHATTELS

Claim for goods Sold By Auction	Sale Price of Goods Sold By Auction	Rebates of charges 30% of Sale Price	Ratio in % of Sale Price to Claim	Claim for goods Declared Not Found, Recorded Now Missing, & Sold Not Paid	Application of % ratio to amount in next preceding column	Sale Price of goods Sold by Tender	12% of Sale Price	
						6000.00		3,000.00

TOTAL RECOMMENDATION	3,000.00

1540

CASE No. 1386.

IN THE MATTER OF THE "INQUIRIES ACT"

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

JAPANESE PROPERTY CLAIMS COMMISSION

BEFORE

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

Vancouver, B. C.

November 3rd, 1948

IN THE MATTER OF THE CLAIM OF

THE HANEY MILLS LIMITED

(TAKAMOTO YOJIRO)

PROCEEDINGS AT HEARING

APPEARANCES:

G. W. McPHERSON, Esq., appearing for the Dominion Government.

R. J. McMASTER, Esq., appearing for the Claimant.

A. WATSON, Esq., Secretary

MRS. E. BLYGH, Official Reporter

THE COMMISSIONER: Have you the claim there, Mr. Secretary?

THE SECRETARY: It is Page 1386, Takimota Yojiro

THE COMMISSIONER: I thought this was the Haney Mills.

MR. McMASTER: My lord, the claim was filed before the amendment to the terms of reference by Mr. Takimota .

THE COMMISSIONER: Oh yes.

MR. McMASTER: He is the sole beneficial owner.

THE COMMISSIONER: You are substituting the claim?

MR. McMASTER: Yes, my lord. I would like to refer to the claim as filed as item No. 41 -- Referring to the claim as filed, Item No. 41, the real estate will be dealt with as his personal property and Mr. Hunter is appearing on that.

THE COMMISSIONER: I don't hear you, Mr. McMaster.

MR. McMASTER: Mr. Hunter is appearing for the Crown on that.

THE COMMISSIONER: Well, that is not definite at all now. It is to be disposed of after this case.

MR. McMASTER: It will be disposed of after this case. Item No. 2 is personal property. Item No. 3 is personal property and will all be dealt with at the same time as Takimota's personal claim is dealt with .

THE COMMISSIONER: It will all be dealt with at the same time.

MR. McMASTER: Yes, and item No. 4, the Alumet Lake property, with reference to which I made an

application --

THE COMMISSIONER: That has been abandoned.

MR. McMASTER: I thought you were going to rule it was outside the terms of reference.

THE COMMISSIONER: Well, that has been done.

MR. McMASTER: Well I thought it was not on the record.

THE COMMISSIONER: Well, if that is so the item made under claim 4 filed by Takimota Yojiro has been dealt with earlier after I heard arguments from both counsel and I reached the conclusion that the claim does not fall within the terms of reference to me, and therefore has been struck out.

MR. McM ASTER: With regard to item No. 5, that refers to 309, the Haney Mills, with respect to which an application has been pending as to whether it is outside the terms of reference and it is my opinion that the hearing of that claim will be heard after the logging case.

THE COMMISSIONER: Is that satisfactory to you, Mr. McPherson?

MR. McPHERSON: Yes.

MR. McM ASTER: Item No. 5, not in brackets -- 1,-- deals with personal chattels and will be dealt with in Mr. Hunter's claim. And item 5-- 2, is the claim that is to be heard this morning, which is the company claim and with respect to which I am asking to make an amendment and I have provided my learned friend with copies of the amendment.

THE COMMISSIONER: What is this company's name? Is it the Haney Mills Limited?

MR. McMASTER: Yes., the Haney Mills Limited and the specific property we are dealing with this morning is the millsite at Stave Falls, which is leased property on which was situated certain buildings and machinery.

I would ask leave now, my lord, to file the amended statement with regard to this portion of the claim, and if your lordship would be good enough to refer to it, it may need some explanation.

(DOCUMENT MARKED EXHIBIT No . 1386/1)

THE COMMISSIONER: No. 1. Well, should this not be filed as a wholely separate and distinct claim from the claim filed by Takimota, his being a personal claim. My suggestion is that we should strike out from his personal claim the claim made under paragraph 5 - 2, and I will give you lease now to file and present a claim by him and Haney Mills Limited .

MR. McMASTER: My lord, I would point out one difficulty and my learned friend and I agreed on the solution of it, if it meets with your convenience. All that was transferred to the company was his resold interest in the Stave Falls Mills, my lord. There will be a question as to whether the machinery was part of the company or part of his personal property but however, my learned friend and I have readhed an agreement that it should be dealt with in the one hearing.

THE COMMISSIONER: Dealt with as what though?

MR. McMASTER: Under the company claim.

THE COMMISSIONER: Just what does that mean. Is the government counsel conceding that the machinery was transferred.

MR. McPHERSON: My lord, the government will contend that in the transfer of the leasehold of the Stave Falls Mills site, there were included the buidings on the property and the machinery in the buildings, even though the transfer does not specifically say so, and they therefore be - came part of the company's assets, and the only problem between my learned friend and I is this: there are certain shortages and there was a vesting of Takimata 's personal assets and my learned friend will argue because there was a vesting of the assets it is the government's responsibility while the government will contend the shortages occurred while the property was still under Takimota 's control.

MR. McMASTER: Well, all that is involved is $600.00.

THE COMMISSIONER: In so far as machinery is concerned.

Mr. MCMASTER: In so far as the shortages are concerned. If I might refer to the amended statement.

THE COMMISSIONER: I am not treating it, Mr. McMaster, as an amended claim at all. I am giving you leave to file a new claim and when we come to deal with Takimota's personal claim under subparagraph 5 -- 2, that will have to be struck out or later withdrawn.

MR. McMASTER: That is right.

THE COMMISSIONER: Do you call it the Stave Falls mill?

MR. McMASTER: Yes, my lord.

THE COMMISSIONER: Under the circumstances you had better set this up as a claim by the Haney Mills Ltd?

MR. McM ASTER: That is correct.

THE COMMISSIONER: You can do so later on.

MR. McMASTER: Yes, my lord.

THE COMMISSIONER: Yes, you may proceed now.

MR. McMASTER: My lord, before proceeding with the evidence, so that there will be no confusion about the claim and the manner in which it is set up, I might explain -- that you will notice two-thirds of the way down the list the adjustment in lumber, 1944 which was reduced from $40.00 to $34.00 --

THE COMMISSIONER: Where is it?

MR. McMASTER: About two-thirds of the way down, my lord, "less adjustment in price of lumber".

THE COMMISSIONER: Less adjustment in price of lumber, yes.

MR. McMASTER: I may say in respect of that, in first delivering particulars to my learned friend, my client had estimated the value of the mill buildings on the basis of the cost of lumber in '44, being $40.00 a thousand, and he subsequently ascertained that $35.00 a thousand was a correct price for it; and accordingly I advised my learned friend of this change last night and I think that

we are agreed it would be simpler to knock off one-eighth on the price of the chattels -- on the buildings if they were to be used and on the buildings themselves, rather than have to adjust each individual item.

ThE COMMISSIONER: Well, I find some difficulty in following this, Mr. McM aster. The figure of $6,750.00 is that the total of what has gone before.

MR. McMASTER: That is the total of what appears above that, and that is the amount that he put on the buildings on the premises. If the mill could be used as a lease or a new lease, he claims that the fair market value should be $750.00, on the basis of new lumber, but on the basis of $35.00 a thousand, he says if it could be used in that manner it would be $50.00.

THE COMMISSIONER: I think you should give me some of the background. I must confess I do not know what you are talking about at all.

MR. McMASTER: Well, I will ask my learned friend if he does not agree to it and it can be stated separately. M r. Takimota, in carrying on the business under the name of the Fern Ridge Lumber Company -- (which was just a firm name) took a sub-lease to this property in Stave Falls in or about 1908, from the Robert McNair Shingle Company.

THE COMMISSIONER: The Fern Ridge Lumber Company?

MR. McMASTER: Yes. And the provisions of that lease

were that it was for a five-year period, and under the arrangement that he made to acquire the lease he purchased three buildings that were already on the premises. Subsequently he erected new buildings and made improvements to the premises, which are the various items shown in the claim, down to the point of the adjustments that I have referred to.

THE COMMISSIONER: That is the $6,750.00 claim?

MR. McMASTER: Yes, my lord. Now he made improvements on the premises and he also brought onto the premises a quantity of machinery, some of which was installed.

He was evacuated from that area in or about February of March 1942, before his mill was entirely completed; and subsequently hewas evacuated out of the protected area.

He instructed Mr. Russell, his counsel, to incorporate H aney Mills Ltd., and by agreement between Haney Mills Ltd., the Custodian and himself, he caused to be transferred to Haney Mills Ltd., the sub-lease to the Stave Falls property.

Now that lease expired or was due to expire in or about the end of December, 1943 andMr. Russell or Haney Mills Ltd., negotiated a new lease at that time.

THE COMMISSIONER: That is in 1943 or '42?

MR. McMASTER: '43 is correct -- yes, in '43 -- I am not sure of the exact date at the moment.

The new lease -- the head lease was changed

from McNair Shingle Company to Butlers Shingle Company -- Allan McDougall Shingle Company -- and Allan McDougal Shingle Company gave a sub-lease to Haney Mills for a term of five years . Yes, that was entered into on the 1st of March,1943, which would mean that it would expire the 1st of March,1948. The sub-lease contained a restriction that only electrical power would be used on the premises.

THE COMMISSIONER: Just before you get too far: in 1942 the Haney Mills Ltd., was incorporated. Then did the Haney Mills take a lease or become tenant of anybody

MR. McMASTER: By agreement with the company Takimota transferred the sub-lease that he had to Haney Mills Ltd.

THE COMMISSIONER: That was an asbolute assignment of the lease, was it?

MR. McMASTER: Yes, I believe so, my lord.

THE COMMISSIONER: Then what followed that?

MR. McMaster: Well, whether it was actually assigned or not -- that is another question -- my learned friend raises the question, and I don't think it is at all material, my lord. That lease in any event expired in 1943.

THE COMMISSIONER: Yes.

MR. McMASTER: And a new sub-lease was entered into on March 1st, 1943, with the Allan McDougal Butler Shingle Company who had then become the head lessors.

THE COMMISSIONER: Yes.

MR. McMASTER: The sub-lease was for a term of five years.

THE COMMISSIONER: Yes.

MR. McM ASTER: And this contained a covenant that only electric power would be used on the premises.

THE COMMISSIONER: Yes.

MR. McMASTER: The Custodian sold the premises I believe on February 2nd, 1945, -- in or about January or February 1945, in any event, which would mean that at that time there was remaining approximately three years under the lease.

THE COMMISSIONER: The Custodian sold the unexpired term with all the buildings and the machinery situated on the leased premises, is that it?

MR. McMASTER: That is my understanding.

THE COMMISSIONER: Yes.

MR. McMASTER: My lord, I might say originally my client was claiming that the mill could have been sold as a potential going concern. He apparently was ignorant of this covenant, which would have restricted the use only of electrical machinery and he had no doubt steam power machinery there; and he therefore, in amending his claim, has taken the position with regard to machinery he must concur that the majority of it, if not all of it, would have to be sold not for use on the premises, and he has set up his claim in that manner.

THE COMMISSIONER: Yes.

MR. McMASTER: However, he considers that it might have been possible to sell the lease hold interest, the unexpired term of the lease hold business and the building situated on the lease hold property for use as a mill site, either with some person purchasing it, and considering carrying on for the balance of the term in any event, and the possibility of being able to obtain a renewal of the lease, or another lease. So he has set up his claim with respect to the buildings on the basis of the possibility of their being used as a millsite.

That is the first column of figures appearing on the claim.

THE COMMISSIONER: Well, this was not a portable mill?

Mr. MCMASTER: No, my lord. It was a fairly large mill.

However, in the alternative he has set up the buildings had only a salvage value then, in the column on the righthand side of the claim.

If the buildings could only be salvaged, my lord, then the claimant has set out his claim with respect to salvage only on the right hand side of the claim as filed.

Now at the foot of the claim he has dealt with the problem of thefts. The inventories of the respective appraisers indicate that certain of the machines had parts missing therefrom. I think there were actually four machines that are involved, my lord.

THE COMMISSIONER: Yes.

MR. McMASTER: And the claimant is only claiming with

regard to any thefts or destruction with respect to those four machines.

THE COMMISSIONER: Yes. Well, I take it there is likely to be some question as to whether these articles were stolen during the period when Takimota was in control or whether it was during the period when the Custodian was in control.

MR. McMASTER: That is correct, my lord.

THE COMMISSIONER: Yes.

MR. McMASTER: With respect to the machinery, however, apart from the parts that may have been stolen, the claimant is accepting the inventories produced by the Custodian, and the appraisal of the National Machinery Company in particular, and has fixed his value that he has placed on the machinery on the basis of the National Machinery estimate of its value, less 40%, as will appear in their appraisal.

With one exception of the fire bricks mentioned in their appraisal, my lord, (which he does not consider to be machinery), he has made a claim here with regard to the fire bricks.

There is just one further thing that I might draw your lordship's attention to. In dealing with the increased value of the machinery, if there had been no thefts and in claiming $600.00 for it, he has before claiming $600.00 written off 40% in regard to the machinery and the condition in which it was.

THE COMMISSIONER: Yes.

MR. McMASTER: My lord, the claimant will require an interpreter this morning, and my learned friend has agreed that I should do a certain amount of leading, subject to his objection, in order to expedite the proceedings.

THE COMMISSIONER: Very well.

MR. McMASTER: I will now call Mr. Takimota.

THE COMMISSIONER: Mr. Secretary, you had better swear Mrs. Smith as interpreter in each of these corporate claims.

MR. McMASTER: There is only one thing I would like to clarify, for the sake of the record. As I understand it, my learned friend has agreed to accept the undertaking that was given in Mr. Norris' letter.

THE COMMISSIONER: Have you a copy of that letter?

MR. McPHERSON: Mr. Norris advised me last night there was a copy.

THE COMMISSIONER: I found it in my files and advised counsel in the last few days.--

MR. McPHERSON: You will recall Mr. McMaster reserved his position on this particular case.

THE COMMISSIONER: I think we had better have it clear on the record just what the understanding is. Have you a copy of that letter, Mr. McMaster.

MR. MCMASTER: I haven't a copy of that letter, my lord, but I have a copy of my client's instructions here though.

(Mrs. Irene Smith, sworn as Interpreter)

TAKIMOTA YOJIRO, being first duly sworn, testified as follows:

THE COMMISSIONER: Just a minute, the oath is not as you have expressed it, Mr. Watson.

THE SECRETARY: You mean the Japanese oath.

THE COMMISSIONER: Yes.

THE SECRETARY: (Reading Japanese oath)

THE COMMISSIONER: That is all right now.

MR. McMASTER: May I say I have received the following instructions from my client with respect to any matters that are being dealt with they are within the terms of reference with the Haney Mills, "Re: Haney Mills Limited and re Japanese Property Losses Commission:

"I, the undersigned, being the beneficial owner of all the shares of the above named company, prior to liquidation, hereby instruct you to notify the Honourable Mr. Justice H. I. Bird, the Commissioner Japanese Property Losses Commission, that if he, as Commissioner, hears and disposes of the claim of Haney Mills Limited, in the same way as if it was a claim made by an individual of Japanese origin I will accept the recommendation or determination of the Honourable Mr. Justice Bird in that Commission, as final and conclusive , and will not thereafter seek recourse to the courts to establish any claim for losses suffered by the company, or by any of the shareholders as a result of

the evacuation programme and subsequent disposition of the assets of the company, and for so doing this shall be your sufficient authority. Signed by my client".

THE COMMISSIONER: That situation is accepted by government counsel?

MR. McPHERSON: Yes, my lord. I have not seen the letter, I have just heard it read now by counsel.

THE COMMISSIONER: Well, shortly, the understanding is the claimant in presenting the claim here, realizes that he is bound by whatever conclusion I reach, and that any right of action he may have in some other form is now abandoned.

MR. McMASTER: That is against the government and the Custodian, my lord.

THE COMMISSIONER: Against the Government of Canada, or the Custodian.

MR. McMASTER: Yes, and that deals with matters that you consider are within the terms of reference.

MR. McPHERSON: I presume the reference to the Custodian includes Official Liquidator, I would assume that.

MR. McMASTER: Oh, yes.

THE COMMISSIONER: Yes, it should be that. Now you may proceed.

DIRECT EXAMINATION BY MR. McMASTER:

Q Now witness, in or about June of 1942, did you instruct Mr. Allan Russell, a solicitor, to incorporate Maney Mills Limited?

A I was most anxious to hold Takimota Mill Company, so I asked for advice of Mr. Russell and this was the result.

THE COMMISSIONER: Ask him to answer the question. Did he instruct Mr. Russell to incorporate Haney Mills Limited?

A Yes.

MR. McMASTER: And why did you instruct him to incorporate that company?

A I was most anxious to hold Takimota mill company and so I asked for advice from Mr. Russell, and that was the result of the advice that I took from him.

Q Now the only other shareholders in the company were Mr. Russell and Mr. Allan Butler, is that correct? A. What was the other gentleman's name?

Q Mr. Russell and Mr. Butler?

A Yes.

Q And they each only held one share?

A Yes.

MR. McMASTER: My lord, I believe my friend will admit the agreement dated June 30th, 1942, between Haney Mills Ltd., and Yojiro Takimota and the Custodian for enemy property for Canada and he has produced a copy for me here and I would ask to file a copy as the first exhibit.

THE COMMISSIONER: Yes.

(DOCUMENT MARKED EXHIBIT No. 1386/1)

MR. McMASTER: Now, Mr. Takimota, you first leased

the Stave Falls property from Robert McNair Shingle Co. Ltd, is that correct?

A Yes.

Q About what date was that?

A It was January -- about January 1938.

THE COMMISSIONER: I think on those formal matters you might lead him.--

MR. McMASTER: A little more -- yes. I might say I on the next point the claimant has been unable to find the original lease, or any copy of it. He has given me an unsigned copy of the agreement -- a memorandum rather of December 30th,1937, relating to the making of the lease; and also I have obtained from Mr. Russell's file (which my friend has seen) a copy of a letter dated January 1st, 1938, purporting to have been signed by Robert McNair Shingle Company Ltd., referring to the agreement which was about to be signed.

THE COMMISSIONER: If there is no question about it, can we not take it as an established fact, or is the government questioning it?

MR. McPHERSON: I do not think there is anything material in he documents. The documents were not executed and Robert McNair Shingle Company did not h ve a lease at the time they made a sub-lease. I am quite agreeable to admitting the documents going in although they were never signed.

THE COMMISSIONER: Do we accomplish anything at all --

MR. McMASTER: I think we accomplish the fact that it was his original holding.

Q I produce to you a memorandum dated November 7th,1937 reporting to be from the Robert McNair Shingle Company, and a letter of January 30th, 1938 purporting to be from the same company. Do that memorandum and the letter set out the terms of the arrangement you made with the Robert McNair Shingle Company?

A Yes.

Q And at the time that you entered into that arrangement there were three buildings on these premises: the old mill, the first aid house, and the old office, is that correct?

A Yes.

Q I would ask to file those documents just referred to as Exhibit 2.

THE COMMISSIONER: You are putting in the copy of the letter and the memorandum as one exhibit?

MR. McMASTER: They could be marked separately.

(DOCUMENT MARKED No. 1386-2)

(DOCUMENT MARKED No. 1386-3)

MR. McMASTER: Now, afteryou obtained the lease referred to in the memorandum and the letter, did you buildings and construct the improvements that are shown in your claim form as being new?

A Yes, I have.

Q Now referring to your claim form Mr. Takimota -- to the list of figures appearing under the heading, "If millsite used under existing lease or new lease ", will you explain to the Commissioner how you arrived at the values you have

placed on the various buildings shown in your claim? A. I considered the value of the property and the value of all the materials that I would be using and I came to the conclusion of the price that I have claimed.

Q In estimating those values did you allow anything for depreciation, having regard to the age of the building?

THE COMMISSIONER: Which buildings are you referring to-- under the second column?

MR. McMASTER: Yes, under the column " If millsite used"--

Q In considering those values did you take into consideration depreciation having regard to the age of the buildings?

A I have considered the depreciation of the --

THE COMMISSIONER: I am sorry, I cannot hear you.

A I have considered the depreciation of the property but the value of this was if I used new material and renovated the property that I would come to this value. This would be the value that I had come to.

THE COMMISSIONER: I don't know that I can follow that, Mr. McMaster?

MR. McMASTER: No , I cannot follow it either.

MR. McPHERSON: My lord, if Mr. McMaster knows that he did take into account depreciation in these figures, I would not mind Mr. McMaster stating that. He took care of the documents.

MR. M cMASTER: Q; In arriving at the figures the claimant took the 1944 cost and estimated the

depreciation: that is the replacement cost and the depreciation cost. I think it would be much simpler if I explain the matter in which he arrived at this salvage value.

THE COMMISSIONER: It shows 1944 replacement cost less depreciation. Does he know how old it was.

MR. MCMASTER: Yes, it shows in the claim these buildings were built -- the new buildings and improvements were built in 1940 and 1941.

THE COMMISSIONER: Yes, I see.

MR. McMASTER: Q; Now with regard to the salvage value of the buildings, my lord, the claimant took the 1944 price of lumber. You will notice he sets out "Less adjustment in price of lumber, 1944 reducing from $40.00 to $35.00 per thousand, or one-eighth." He allowed for one-quarter of the lumber in the process of salvaging. He then estimates that it would cost $500.00 to do the salvage job and he estimates the value of the lumber -- that is the good lumber that had been saved -- the 75% originally he estimated it at $30.00 a thousand, but by virtue of finding the difference in new lumber he reduces that by one-eighth also.

THE COMMISSIONER: He takes the 1944 replacement cost at $35.00 a thousand, is that it?

MR. McMASTER: Yes, and he knocks off one-quarter for what you lose when you salvage -- unuseable lumber.

THE COMMISSIONER: Yes.

MR. M cMASTER: And he allows the $500.00 labor cost in salvaging, and he says the value of the lumber -- the 75% of the lumber that you saved would be $26.00 a thousand roughly, my lord.

THE COMMISSIONER: Just let me follow you. It is less 25% .

MR. McMASTER: Yes, and then he says the lumber which had been salvaged would e worth $26.00 a thousand and my understanding of that is on the premises, my lord.

THE COMMISSIONER: Now when and as of what date were all these calculations made?

MR. McMASTER: As at the date of sale -- the beginning of January 1945, and I think it shows in the statement the 1944 price.

THE COMMISSIONER: Is that $26.00 a thousand figure calculated on the price of new lumber or the price of second hand lumber?

MR. McMASTER: It is his estimate, my lord, of second-hand lumber which had been in this mill for five years, but the mill had not been in operation, and had been subject to wear but not to stress.

THE COMMISSIONER: Yes.

MR. McMASTER: Q; Now, witness, do you remember when you first advised the Custodian that there was machinery in these buildings belonging to you?

A Yes, the Custodian wrote down a list of all the things that were left there.

THE COMMISSIONER: I am sorry, Mrs. Smith, I cannot hear

you. A. The Custodian wrote down a list of all the things that were left there.

THE COMMISSIONER: The question was as of what date did he advise the Custodian that there was machinery left in the building?

A It was in 1942 -- September 1942 -- Mr. Jack Morrison wrote down all the list.

MR. McM ASTER: Q: The Custodian has produced to me a statement Mr. Takimota, dated October 2,1943, which was purportedly signed by you and I believe you have told me it was signed by you and witnessed by Mr. Green on October 9, 1943. Now is that the list you are referring to as advising the Custodian of what was in the mill, or did you advise him prior to that time?

A I think it was the one that I referred to.

Q Then it was in September or early October 1943, that the Custodian first got a list of the machinery, is that right?

A Yes.

THE COMMISSIONER: Are you putting that in as Exhibit 4?

MR. McMASTER: Yes, my lord. I want to refer to it further, however, it might be marked now ax Exhibit 4.

(DOCUMENT MARKED EXHIBIT No. 1386/4)

MR. McMASTER:Q:Mr. Takimota , do you recall the circumstances under which that list was taken?

A I think it was taken after I returned to Lilooet?

Q Does he know who made the list that was in there?

A If I remember right it was Mr. Jack Morrison who made the list.

MR. McM ASTER: I understand my lord, that my learned friend agrees on that. It was Mr. Morrison, wasn't it?

MR. McPHERSON: Yes.

MR. McM ASTER: And the Custodian's department made a list of the machinery that is made therein, and Mr. Takimota signed it in the presence of Mr. Green who is also an employee. Yes, it was made at Stave Falls if I remember rightly and Mr. Takimota was there and Mr. Morrison made the list.

Q Now, Mr. Takimota, the new inventory made by National Machinery Company on which you based the claim in regard to the value of machinery, shows --

THE COMMISSIONER: That is going to be put in later, is it?

MR. McM ASTER: Yes.

THE COMMISSIONER: Perhaps I might have it now.

MR. McMASTER: I think it might be as well.

(DOCUMENT MARKED EXHIBIT No. 1386/5)

MR. McMASTER: My lord, if I might just pl ce before you the list of the National Machinery Company so that you will follow what I am speaking about, and my learned friend will be filing the field reports subsequently.

THE COMMISSIONER: Well, could you mark it now?

MR. McM ASTER: Well, Mr. Field's report will include this inventory and certain other inventories so

rather than clutter up the record I think it is just as well to include them --

Q Now in the inventory of the National Machinery Company it shows "4 block Screw Type carriage, 72 inch opening, 36' long with flat and V rail, with Willett Electric Set Works, motor and electrical connections missing, also dogs incomplete." If you will just follow that, it is the second item.

THE COMMISSIONER: Yes.

MR. McMASTER: Q: Were the motor and electrical donnections in the engines at the time you were evacuated?

A Everything was complete except the motor. The motor was transferred to the Haney Company.

THE COMMISSIONER: I am sorry, I did not hear the answer.

A Everything was complete except the motor and the motor was transferred to Haney Company.

MR. McMASTER: I might say my lord, he had a warehouse down in Haney.

Q And did that situation apply at the time you were evacuated from the protected area?

A I am sorry, I didn't hear that.

Q Was that also true at the time he was evacuated from the protected area?

A Yes.

Q Now if the National Machinery Company's appraisal, of the fair value, without the motors and with the dogs missing, at $1600.00 is a fair value, what would you say would have been the fair value

of that machine in the condition in which you left it -- that is, as to completemess?

A I would have thought they would have been about $300.00 in addition to what I have claimed.

MR. McPHERSON: My lord, Mr. McMaster discussed these shortages with me last night and gave me the figures which I assumed he is now going to bring out with the witness. I am quite agreeable , if Mr. McMaster wants to make a statement as to the value they placed on the missing equipement--

THE COMMISSIONER: Yes, it would shorten things up considerably.

MR . M cMASTER: I think my learned friend is correct -- when he says I hppe to bring it out. The value of the machine complete, except for the motor, which he says is not there, is $1800.00 as at the date of sale. However, further down the page you will notice an item -- about halfway down -- one only "9 by 10 Slide Valve Centre Crank engine, 36 inchs by 18 inches. Flywheel, Governor and other parts missing. Scrap value. "

THE COMMISSIONER: Yes.

MR. McMASTER: The claimant says that that was complete at the time of evacuation, and its value at the date of sale, if it had been complete, would have been $200.00.

With regard to the next item, "Miscellaneous parts of a side-crank engine piled indiscriminately under the mill -- scrap value $200.00". He says that was complete at the time of the evacuation

and its value would have been $700.00 at the date of sale, if it had remained complete.

Now in the appraisal, which I am sorry your lordship has not before you, which was made by Galbraith & Sulley, and was referred to in Mr. Field's report, he refers to one-1/16th inch lap grinder and 1/16th inch brazing clamp and he says, "Appraising strip of essential parts and no value". But the Sulley and Galbraith appraisal was made after the National Machinery appraisal, and it would appear that the grinder and clamp were there. The claimant says those were left with their essential parts there at the time of his evacuation, and that the value at the date of sale, if those had been found to have been complete at that time, would have been $125.00.

THE COMMISSIONER: Are they referred to?

MR. McMASTER: I am sorry they are not referred to in the National Machinery Appraisal. I assume the National Machinery did not think they were worth mentioning.

THE COMMISSIONER: What are these items again?

MR. McMASTER: I will just describe them.

A one-sixteeneth inch lap grinder and 1/16th inch Brazing clamp. The value if complete at the date of sale by the claimant is $125.00.

THE COMMISSIONER: Both.

MR. McMASTER: Yes, together, my lord. I think they are used together.

My lord, I might say I will be calling evidence

with regard to the value of those machines, if complete.

The claimant differs from his expert in respect to only one of the machines -- the one that he claims $700.00 for. The claimant claims $700.00 and I think a value will be given of $600.00.

Your witness.

THE COMMISSIONER: Well, perhaps we might break off now before you start the cross-examination.

(PROCEEDINGS RESUMED AFTER SHORT ADJOURNMENT)

CROSS EXAMINATION BY MR. McPHERSON:

Q Mr. Takimota, you were evacuated from the protected area of British Columbia on August 31st,1942, is that correct?

A Yes.

THE COMMISSIONER: August 31st,1942.

MR. McPHERSON: Yes, my lord.

Q And on May 9th,1942, you completed a J.P. form for the Custodian. Is that correct?

MR. McMASTER: I don't know whether he will know what the J.P. form is.

MR. McPHERSON: Q; This is the form, Mr. Takimota, is that your signature?

A Yes.

Q And in this J.P. form completed on the 9th of May, 1942, you don't refer to any property at Stave Falls? A. I did not do it because I wish to hold the property that I have left.

MR. McPHERSON: My lord, I will file a copy of the J.P.

form as an exhibit -- the 9th of May,1942.

(DOCUMENT MARKED EXHIBIT 1366/5)

Q Now after your evacuation, did you return to Vancouver? A. Yes, I did.

MR. McPHERSON: If my learned friend will permit me, I have a report of the Royal Canadian Mounted Police on the number of permits granted to this man and to his daughter and to Mr. Congo to come to Vancouver, and I would like to put in evidence that he was in Vancouver at various times. If my learned friend will agree, I will read off the dates.

MR. McMASTER: Yes, my lord, I have read that document referred to by my learned friend, and I think he stayed a little longer on some occasions than appear here, after his permit had expired, and whether he had extensions or not, I don't know.

MR. McPHERSON: Without asking a question, the document I have,Mr. Takimota shows he came to Vancouver on September 14th, 1943, and he was supposed to return on September 25th, 1943. He came again to Vancouver on May 12th, 1944, and his permit expired on June 12th, 1944.

Q Now, Mr. Takimota, at the time that you were in Vancouver in May and June of 1944, am I correct that you went to Haney, and to Mission, and visited Stave Falls?

A Yes, I did.

THE COMMISSIONER: Five days?

MR. McPHERSON: No, ten days, my lord.

Q And you were -- my lord, the witness was again

in Vancouver on July 9th,1947, and his term expired on July 16th, 1946.

MR. McMASTER: That was after the date of sale.

MR. McPHERSON: Yes, that was after the date of sale. And then on August 4, 1948. I am just giving all the dates, and the documents also show, my lord, that the witness's daughter was in Vancouver on September 14,1943 -- September 14, 1943 to September 25, 1943, which coincides with her father's visit at that time, and with a Mr. Kondo.

Q Witness, Mr. Kondo is really your business manager, is he not? A: He was not manager, but he was a supervisor.

Q Yes, and Mr. Kondo speaks English and is a graduate of Toronto University, is he not?

A Yes.

Q And Mr.Kondo accompanied you to Haney, Mission and Stave Falls in May and June, 1944, did he not?

A Mr. Kondo came to Vancouver and accompanied me in May and June of 1944.

Q So that it is correct, is it not, that after your evacuation, you were, or your daughter and your business supervisor were in Vancouver from time to time discussing company affairs?

A Yes.

Q And am I not correct that the first time you told the Custodian that you had any equipment at Stave Falls was in October of 1943.

A I think it must have been about that time. I think it must have been about that time that he

informed the Custodan.

Q That is Exhibit 4, my lord. Now, with respect to the legal position ofthe Stave Falls Mill, did you have any discussions with a Mr. Smith, of the Robert McNair Shingle Company about the time of your removal from the power site -- that was inthe spring of 1942? To refresh the witness's memory, you know Mr. Smith?

A Yes, I have dealt with him for many years.

Q And you had a sub-lease from a company that he was interested in of the property? You had a sub-lease from the Robert McNair Shingle Company?

A Yes.

Q Am I correct that at the time of your evacuation there was a possibility that the head lease from the power company to the McNair Company might not be renewed, and you knew it might not be renewed? A: No, I was not certain that I could not renew the lease. I was under the impression that I would have the lease renewed.

Q Isn't it correct, Mr. Takimoto, that you went to Mr. Russell of the law firm of Tiffin & Russell and because of Mr. Russell's intervention you were able to get a lease from the Butler Company, who were able to get the McNair Company to withdraw from the picture, and you then had a lease from Butler rather than McNair?

A I did not think that it was better to get it from Butler Company than from Mr. McNair.

I did not go to Mr. Russell -- I did not go to Mr. Russell because of intervention for getting a new lease, but I went there to ask him to let me continue the old lease and let me hold the property that I was holding. I went there for advice on that, really.

Q Well, Mr. Takimoto, isn't it correct at the time the arrangement was made between the Robert McNair Shingle Company, your own Haney mills and the Custodian, under which agreement --

MR. McMASTER: Which agreement?

MR. McPHERSON: This is the agreement that you filed.

MR. McMASTER: But it isn't signed.

MR. McPHERSON: I am sorry. I will correct that statement, my lord, and will ask this question:

Q Isn't it correct at the time you made the agreement of June 30, 1942, which has been filed as Exhibit 1, isn't it?--

THE COMMISSIONER: The Claim Form has been marked as Exhibit 2 --or 1, I should say.

MR. McPHERSON: Q: -- which was filed as Exhibit 2, under which you were going to transfer the lease of the property to the Haney Mills, Limited, isn't it correct that prior to that time it had been found impossible to get the Robert McNair Company to agree to make that transfer; and as a result of Mr. Russell's intervention, the Allan, McDougall, Butler Shingle Company stepped in in the place of the McNair Company? My lord, rather than get involved in this cross-examination

-- if my learned friend will interrupt if I make a mistake in thefacts -- it is my understanding that the Robert McNair Company had the head lease from the power company, and they had to give a sub-lease to Mr. Takimoto and that about the time of his evacuation, or shortly after, negotiations, were pending about the renewal of the lease and the sub-lease, and Mr. Russell, acting for Mr. Takimoto, was aventually successful in getting the Robert McNair Company to give up their rights to a renewal of that lease, and the lease was given by the power company to the Allan, McDougall, Butler Shingle Company, which then gave a lease to the Haney Mill Singhle Company.

MR. McMASTER: I think that is substantially correct, except I think the circumstances are these: Mr. Russell negotiated to get the Robert McNair Shingle Company out of the picture, but he acted as a director of the Haney Mills Company in making the new lease; and my instructions are he did not consult with my client as to whether Robert McNair Shingle Company were to be out of it or anyone else. I cannot see that it is very material, but I make that statement.

MR. McPHERSON: Q: Mr. Takimoto, at the time that the Haney Mills, Limited was incorporated, Mr. Russell wrote you a letter dated July 13,1942, and I show you a copy of the letter. Do you remember reeeiving this letter?

A I don't quite remember that I have seen this

letter, as I have left everything to my daughter -- everything that is concerned with the office.

MR. McPHERSON: Perhaps my learned friend will agree that the letter was written. You have a copy of it?

MR. McMASTER: Yes.

THE COMMISSIONER: What is the date of the letter?

MR. McPHERSON: The letter is dated July 13, 1942, and is from the Tiffen & Russell firmto Mr. Takimoto; and refers to the fact that he was instructed to incorporate Haney Mills (reading same). And I would like to file that as an exhibit.

(DOCUMENT MARKED EXHIBIT NO. 1386-6)

Q Mr. Takimoto, at the time that the Haney Mills, Limited was incorporated, and these assets were transferred, it was agreed, was it not, that 7,000 shares would be issued either to the Custodian or to yourself? My lord, it is not necessary for the witness to really answer that. It is in the agreement that the 7,000 shares were issued.

Now, Mr. Takimoto, what was the consideration for the 7,000 shares?

THE COMMISSIONER: You might get that more rapidly if you tell him what you think the consideration was.

MR. McMASTER: The agreement, my lord, should speak for itself.

MR. McPHERSON: I don't think it does. It is a question of the interpretation of the agreement, but the Government contends at the time of the trans-

fer of the lease there was a transfer of the mill buildings and the machinery, and that is what he was getting the shares for.

THE COMMISSIONER: Well, put the question to him. I have not the agreement, have I?

MR. McMASTER: Yes, Exhibit 3, I think it is, my lord.

MR. McPHERSON: Q: Mr. Takimoto, am I correct that at the time the Haney Mills, Limited was incorporated, and at the time you arranged for a transfer of the lease, you were including in the assets of the Haney Mills, Limited, the mill buildings and the equipment in the Stave Fall mills? A: When the Haney company was incorporated, I was to have 70% of all the proceeds and 30% was to be divided between Mr. Butler and Mr. Russell.

THE COMMISSIONER: Now, what did he transfer to the company?

A I don't remember the exact amount here, but the amount was decided between Mr. Russell and myself.

MR. MCPHERSON: Q: Will you ask the witness if at the time that the Haney Mills was set up he transferred to the company the Stave Fall mill and the machinery in the mill, for which he was to receive 7,000 shares.

A Yes, it is so.

Q And in respect to the general administration of your affairs, am I correct that the Custodian was in touch with you before the evacuation

because of certain enemy debts owing by you to two men who had been interned?

A Yes, sir, there was.

Q My learned ffriend has stated -- well, first of all, my lord, I was going ahead at this time to establish the fact that Mr. Takimoto did retain Mr. Russell as hislegal adviser, and while I considered the claim not worth thee effort -- that is the claim for the missing equipment -- $600.00, it is almost necessary for me to establish that Mr. Russell was his lawyer, and that the machinery and everything was transferred to Haney Mills at the time the company was incorporated, and Mr. Russell managed Haney Mills until Mr. Field was appointed, and the Government would then become responsible for anything that was there when Mr. Field was appointed . And I was going ahead to show that his lawyer never appointed any caretaker or anyone to look after the property, and he,himself,had been on the property on several occasions and no effort was made to protect the assets; and my learned friend states now he is prepared to agree that Mr. Russell was retained by Mr. Takimoto as his lawyer.

THE COMMISSIONER: And that Mr.Russell managed the company?

MR. McMASTER: As a Director of the company, yes.

MR. McPHERSON: If my learned friend can agree the Custodian was not responsible for the property until the liquidator was appointed,I think I can

shorten my cross-examination considerably, and I think, as Mr. Russell was managing the company, that is the case -- that follows, my lord.

MR. McMASTER: I do not think that follows. That is a matter of argument.

THE COMMISSIONER: Well, in any event you are together on this point: Mr. Russell did manage the company as from the date of incorporation and the appointment of Mr. Field as liquidator, or executor. Is that correct?

MR. McMASTER: Yes, my lord, I am not objecting to that position.

MR. McPHERSON: Q: Mr. Takimoto, am I correct that the Stave Falls mills never operated as a sawmill?

A Yes, you are quite right.

Q Am I correct, Mr. Takimoto, that the machinery at this mill at the time you left was only about 30% complete?

THE COMMISSIONER: That is, for the purpose of the operation of the mill?

MR. McPHERSON: Yes.

MR. McMASTER: That is better.

THE WITNESS: I knew that 80% of it was complete, except the motor and the connections -- the electrical connections.

THE COMMISSIONER: He says 80.

THE WITNESS: Yes, 80%.

MR. McPHERSON: Q: Are these pictures of the mill property, Mr. Takimoto?

A Yes.

MR. McPHERSON: I would like to file these pictures, my lord, as an exhibit. There are ten pictures, my lord, and they are numbered.

Q What is No. 1? A: That is the old office building.

Q The old office building? A: Yes.

Q And what is the little building?

A That is the first-aid building.

Q The first-aid building? A: Yes.

Q And what is picture No. 2?

A That isn't mine.

Q It isn't yours? A. No.

Q And what is picture No. 3 --

MR. McMASTER: We are not claiming with respect to picture No. 3.

MR. McPHERSON: What is picture No. 4?

A The old mill.

Q That is the old mill? A: Yes.

Q And was the decking like that when you left?

A This is not finished decking here-- that is water there.

Q And No. 5-- what is No. 5?

A That is the conveyor. This is the boiler there.

Q And the conveyor was not completed?

A Except the chains, it was all ready -- everything was complete except for the chains.

Q And picture No. 6, those are the boilers?

A Yes.

Q And they were just sitting there. They had not been installed? A: No.

in 1943, remove certain equipment to Lytton, where you were building a sawmill?

A No, I did not remove anything. I did not remove anything to take it to Lytton.

Q Didn't you ship a railway car of sawmill machinery from Haney? A: I did not. I mean, I took some -- I used the railway to send the machinery to Lillooet -- not the machinery, but personal chattels and some lumber -- I used the railway to take it to Lillooet.

Q Did you take any machinery from Stave Falls and give to Mr. Reid to store in Vancouver?

A I did ask Mr. Reid to store something for me, but not anything from Stave Falls.

Q Now, when you were in Vancouver, and went to Haney in September of 1943, did you have a truck at the Stave Falls mill and remove some equipment?

A No, I never used any truck.

Q Was theArrow Transfer Company ever at the Haney mill at the time of your evacuation or after your evacuation -- at Stave Falls?

A No, I didn't.

Q Didn't you store a lot of machinery with the Arrow Transfer Company?

A The things that I had stored at Mr. Reid's, the Arrow Transfer Company had removed to its warehouse.

THE COMMISSIONER: To their warehouse?

A To their warehouse, yes.

MR. McPHERSON: I think, my lord, the witness is

endeavouring to tell the correct story. I do not think my learned friend will disagree in this, that the Arrow Transfer Company had certain materail in storage for Mr.Takimoto and they shipped it to Lillooet to build a mill.

THE COMMISSIONER: Well, he says they removed it to their own warehouse.

MR. McPHERSON: Yes.

Q Now, at the time you visited the mill, Mr.Takimoto -- in September -- in June of 1944, at the time you visited the mill in June of 1944, accompanied by Mr. Kondo, did you notice that any equipment was missing at that time?

A I don't remember noticing anything that was missing.

Q Were you at the Stave Falls mill in September, 1943, when you were in Vancouver?

A I don't quite remember if I went in September, 1944, to Stave Falls.

Q 1943? A:Yes, I do.

Q He did? A: Yes.

Q And isn't it correct that when you were there in 1943 there were certain items missing at that time? A: No, I don't remember.

Q Well, would these items have been so small you would not have noticed them?

A I walked upstairs and downstairs and all around, and I never noticed anything that was missing.

Q Well, Mr. Takimoto, at the time you made this statement with Mr. Morrison of Stave Falls in

1943, isn't it possible that the items which you are now claiming as missing were missing at that time? A: I did not tell him or notice anything that was missing -- only he wrote down whatever was there.

THE COMMISSIONER: He did which?

A He wrote down everything that was there and I did not notice what was missing.

THE COMMISSIONER: He is referring to Exhibit 4.

MR. McMASTER: Whenthe interpreter uses I, does he refer to the claimant?

A No, to Mr. Morrison.

MR. McPHERSON: Q: So at the time you were there at the mill in September, 1943, you don't remember whether the items which you claim were missing had disappeared then or after 1943?

A I never noticed anything that was missing, except that I heard other things had been missing.

Q At the time that you were removed from the power area -- this was before your evacuation in March, 1942, -- am I correct that you did not hire a watchman to protect this property?

A I did not get the watchman at all -- only an old man came to me and asked me if I would let him have the empty office so that he could stay there and watch and he promised to do all the watching, as much as possible.

THE COMMISSIONER: When was that?

MR. McMASTER: In March, 1942, I believe it was.

THE WITNESS: I think it was after I evacuated.

MR. McPHERSON: Q: Isn't it correct, Mr. Takimoto, neither you nor Mr. Russell nor anyone else on your behalf hired anybody or paid anyody to watch this property? A: I did not hire anybody or pay anybody to stay there, only I let him have the office rent free.

Q Isn't it a fact that certain Chinamen were on this property and you knew they were there?

A No, I don't remember.

Q Didn't you give any Chinamen permission to stay on the property?

A No.

Q Now with respect to the buildings, were they locked in any way? Could the buildings be locked up?

A The mill was not locked, but the house was all locked.

Q But the machinery was in the sawmill buildings?

A No, it was not locked and the machinery was in the sawmill.

Q Now, with respect to the mill buildings, Mr. Takimoto -- taking the claim of the company, you are claiming $300 for the old building, and you have stated that that was the replacement value in 1944, less depreciation. I suggest to you that $300 is what you paid for that building in 1938, is that correct?

A Yes, it is.

MR. McPHERSON: Rather than ask the witness, I wonder if my friend could tell me how he arrives at the depreciation of $300.00?

MR. McMASTER: My lord, with respect to the two items appearing after the new buildings, you will notice that those buildings in the claim follow after dealing with the additions to the property. The claimant agrees that he purchased the buildings for $300 apiece under the letter that we filed as Exhibit 3 -- I think it was the original arrangement with Robert McNair.

THE COMMISSIONER: Yes.

MR. McMASTER: And his position in drawing the claim was that there was other consideration moving with respect to those buildings, and they were worth considerably more than $300 at the time of his acquisition, and he considers at the time of sale they would have depreciated.

THECOMMISSIONER: He says replacement cost less depreciation in all these items, does he not?

MR. McMASTER: I am sorry -- perhaps I misled your lordship in that respect -- with respect to all the new buildings that appear onthe claim, that applies. With respect to the old building and the old office building, the basis of the claim is as I have outlined. He claims the buildings were worth considerably more than $300 at the time he bought them and that their depreciated value would be about $300 at the time of the sale.

MR.McPHERSON: Q: Now, Mr. Takimoto, in your original claim,you were claiming 110 squares of corrugated iron and you have now increased that

to 650 squares. Where did you find the difference in the corrugated iron? How did you get that?

A How much did he increase it? I did not quite get that question.

Q He was claiming in the original claim for 110 squares and he is now claiming 650. How does he explain that? A: When I first claimed 110, it was really a miscalculation and 650 is correct.

MR. McMASTER: My lord, I wonder if I might say in that respect we did not have the pictures that had been filed in the first instance, and I advised my client he would pretty well have to take what Mr. Robinson said, whose appraisal will be filed later, as the amount of corrugated iron that was found there; but when I showed Mr. Takimoto the pictures yesterday, he said the roofing was still on there at the time those pictures were taken and he therefore estimated the total amount of corrugated iron was 650 squares.

THE COMMISSIONER: Where isthe amount in the original claim?

MR. McMASTER: Well, my friend is referring to the claim which I delivered to him the other day, which has been amended for the purpose of filing today.

MR. McPHERSON: Q: Mr. Takimoto, didyou negotiate for the sale of this mill with Jim Lim?

A Yes, I did.

Q Was that in October, 1943?

A Yes, it was.

Q Was that in October, 1943?

A Yes, it was.

Q I show you a statement-- a copy of a statement which I have extracted from Mr. Russell's files.

MR. McMASTER: You did not produce it to me.

MR. McPHERSON: No, this is a statement extracted from Mr. Russell's files.

Q Mr. Takimoto, can you advise his lordship whether ornot this is a statement you prepared as a basis for negotiating with Jim Lim?

MR. McMASTER: You might let me see it.

MR. McPHERSON: Yes.

Q Can you tell his lordship whether or not that is a statement that you prepared, and I show you, for example, wages paid here for the building of the mill. You show wages here for all of these men, and you show your own wages.

MR. McMASTER: Well, my lord--

THECOMMISSIONER: Yes.

MR. McMASTER: -- in fairness to the witness, I think he would have to go over every item of that. I have a copy of what he said to Mr. Russell and I do not recognize it from this. I don't say this is not the correct document.

THE COMMISSIONER: Well, he is debating that with the interpreter.

THE WITNESS: This has nothigg to do with the sale of the property.

THECOMMISSIONER: What is the answer?

THE WITNESS: This has nothing to do with the sale of

the property.

MR.McPHERSON: I would ask, my lord, if it is convenient to your lordship that we adjourn now and Mr. McMaster and I can see what this statement is.

THE COMMISSIONER: Very well, we will recess until 2 o'clock.

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

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

Deputy Official Stenographer

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Vancouver, B. C.
November 3rd, 1948. 2.00 P.M.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. McPHERSON: My lord, my learned friend and myself have been discussing this case and the possibility of avoiding considerable evidence on both sides, and we have reached the point where we think we can terminate the cross-examination of Mr. Takamoto for the present at least on the understanding that the government could file with your lordship the report of the liquidator Mr. Field, together with a copy of the minutes of a committee meeting of Judge Whiteside's advisory committee at which this matter was discussed, and on the basis of the evidence your lordship has heard today and on the basis of that report and the committee's minutes, your lordship might feel that you had sufficient material on hand to arrive at some recommendation as to whether or not the claimant is entitled to any award on the sale of his property. This, of course, is restricted entirely to the Stave Falls mill property and has nothing to do with the timber berth 309.

THE COMMISSIONER: That still will have to be dealt with, as I understand it, after you have Mr. Russell report.

MR. McPHERSON: Yes, my lord. And so far as the government counsel is concerned -- and my learned friend has agreed with me -- on the basis of this

evidence you have we would be quite prepard to let our cases stand on the evidence before your lordship, unless you feel you would like to hear some additional evidence.

THE COMMISSIONER: I gathered from your remarks that you do not feel entirely happy about the situation from the government's point of view, having in mind the reports you are now going to file.

MR. McPHERSON: Yes, my lord. I think the picture as far as the government is concerned is that the liquidator was given a mill to dispose of with no equipment and buildings, and it was not a completed mill; the mill as such had no timber of its own. It had been previously disposed of. So he was faced with the problem of really salvaging what he could, which may not represent what Mr. Takamoto thinks the mill was worth as a fair market value proposition.

THE COMMISSIONER: Or what somebody else might think the mill was worth as a fair market value proposition.

MR. McPHERSON: Yes, or what somebody else might think it was worth. And in view of the fact there was only one person who could bid, one person who had the timber that could be used in the mill, and he is the man who made the bid, and also in view of the fact he had previously made a higher offerh which might indicate a higher market value. His previous offer was $7800.00 and he subsequently paid only $6,600.00. Also in view of the fact there was certain missing equipment,

and the government doesn't feel we can prove when the equipment disappeared and the claimfor missing equipment is $600.00, the government really feels that the liquidator did the besthe could with what he had, but having consulted the Advisory Committee they recommended to him he take the $6,000 offer which was not equal even to the lowest combination of appraisal.

THE COMMISSIONER: I see. This $7800.00 offer was one made to Takamoto himself and not to the Custodian, is that correct?

MR. McPHERSON: Yes, it was negotiated between Jim Lim and Takamoto, and Takamoto refused it before. That was before the Custodian had taken over the mill-site.

THE COMMISSIONER: What did the Custodian sell at?

MR. McPHERSON: The Custodian sold later at $6,000 to Jim Lim, and the lowest valuation that the liquidator had received, the lowest combination of valuations was approximately $7300.00, and Mr. McMaster and myself had discussed the missing equipment, and we feel in view of the uncertainties, a figure of around $400.00 as far as counsel is concerned, might represent a fair claim against the government for the missing equipment.

So if you added that to $7300.00 you get a figure of $7700.00, which again is pretty close to Mr. Lim's offer.

THE COMMISSIONER: These valuations were furnished to the Custodian by various experts employed by him?

MR. M cPHERSON: The experts were employed first of all by Mr. Russell, Takamoto's solicitor, and then one other expert was employed by the Custodian, and then I think there were three more experts employed by the liquidator, Mr. Fields. So that you have a great number of valuations which will be indicated in the report I would file as an exhibit.

THE COMMISSIONER: Very well. I take it you are content with this proposed solution, Mr. McMaster?

MR. McMASTER: Yes, my lord. I would like to draw to your attention that I don't agree with all my learned friend said with regard to the Crown's case. I draw your lordship's attention to the fact there were a number of valuations made. The maximum valuation on the basis of the claim would be $5,937.00 on the machinery and $5500.00 on the buildings , or a total of $10,437.00. There are other valuations between that and the figure my learned friend has mentioned of $7300.00.

THE COMMISSIONER: $5937.00 and $5500.00?

MR. McMASTER: Yes.

THE COMMISSIONER: That would be a total of $11,437.00.

MR. McMASTER: That is correct, my lord, $11,437.00. So that the valuations the liquidator had varied between $11,437.00 and $7300.00; and it would seem to me that with the evidence placed before your lordship together with a consideration of the valuations, perhaps your lordship might be able to make a recommendation without the necessity of taking further time on the case.

THE COMMISSIONER: While I appreciate the assistance that counsel have given to me in regard to it, I am not prepared to reach any conclusion, even on the statements of counsel, until such time as I have read these documents, and I will then call both of you in so that we may discuss the situation further.

MR. McMASTER: I would like to file the report of the liquidator, dated 12th July 1948.

(LIQUIDATORS REPORT 12th JULY 1948, MARKED EXHIBIT No. 1386/8)

THE COMMISSIONER: You are content to have the report filed without having it formally proved?

MR. McMASTER: Yes, my lord. If it should be necessary to prove it, I will ask my friend to prove it.

THE COMMISSIONER: Yes.

MR. McPHERSON: I would like to file a copy of the extract of minutes from the Rural Advisory Committee of January 18,1945, Judge David Whiteside's committee, which relates to this.

(EXTRACT OF MINUTES JANUARY 18,1945 MARKED EXHIBIT No. 1386/9)

THE COMMISSIONER: So far as the chattel feature we discussed this morning relating to lost articles is concerned, it does appear to me that the Custodian even although he had not taken over in any form this mill , undoubtedly was aware of the fact that machinery was there, and it occurred to me this morning that he was spending a good deal of time on a comparatively small item. Consequently

I am glad too learn that counsel have considered the possibility of some recognition by the government of the responsibility with respect to those lost, destroyed or solen articles. I will take this matter under consideration and will call upon you later after I have an opportunity of reading the transcript.

Just where do we stand in regard to timber berth 309?

MR. McPHERSON: Just before we discussed timber berth 309, your lordship might like to have a copy of the letter from Mr. Campbell, representing Lim, who made an offer of $7800.00. If your lordship would like to have the letter, my friend agrees it could be filed without proveing it.

THE COMMISSIONER: Is that satisfactory to you, Mr. McMaster.

MR. McMASTER: Yes,

MR. McPHERSON: It is dated March 16th,1944, H.D. Campbell, to the Custodian.

(LETTER MARCH 16th,1944, MARKED EXHIBIT No. 1386/10)

THE COMMISSIONER: That includes the main claim apart from 309, does it?

MR. McPHERSON: Yes, my lord, except that for the purpose of the record I assume my learned friend understands that in the government not putting in its case at this time or producing any evidence about the policy of liquidation or in reference to Judge Whitesdie's Committee, the government is not in any way recognizing or admitting that the sale was

not properly conducted or that the committee and Mr. Field, the liquidator, didn't act properly. The admissions we are making today are, I presume, without prejudice in case your lordship feels the case should go on.

THE COMMISSIONER: I quite appreciate the situation and I think that counsel ought to be commended for the stand each of them has taken. If it is possible to reach a conclusion on the material already adduced before me, which is reasonably acceptable to both parties, I can see no reason to spend several days going into evidence that might not produce any different result, and it is on that footing that I am prepared to accept counsel's suggestion that I consider this evidence now. If I should come to the conclusion that it isn't practicible to dispose or settle the matter in the way counsel suggest, then I will go on and hear all the additional evidence that he wishes to adduce. Now as to 309.

MR. McMASTER: With respect to 309, my understanding is that we are waiting for Mr. Russell's return to Vancouver, that if that return is in the near future, counsel will arrange to meet with your lordship and have your lordship hear Mr. Russell's evidence or statements and that if your lordship finds the matter to be within the terms of reference, the whole matter will be investigated following the Deep Bay case .

THE COMMISSIONER: The question as I understand it that is to be considered in the light of the evidence Mr. Russell can give is as to whether or not there was a sale made by Mr. Russell through his instrumentality, he acting directly for Takamoto, or in any case Takamoto having agreed to the terms of sale arranged by Mr. Russell. Is that the situation?

MR. McMaster: I think it goes a little further than that, my lord. I think I have admitted that Takamoto signed a consent. It is a question, as I understood it, as to whether that was a willing consent that was to be determined.

THE COMMISSIONER: I see. Your contention for the purpose of the record being that the consent was not a willing consent.

MR. McMASTER: That is correct.

THE COMMISSIONER: And that issue, we hope, will be determined as a result of the evidence that will be introduced to Mr. Russell before me.

MR. McMASTER: Yes, my lord.

THE COMMISSIONER: Very good. I will hear from counsel later as to when Mr. Russell is available, and in the meantime I can consider this transcript and the evidence adduced up to date.

MR. McPHERSON: My understanding, my lord, is that Mr. Russell will return to Vancouver on Monday morning and I will endeavor to get in touch with him immediately so that I could arrange with your lordship and Mr. McMaster.

THE COMMISSIONER: Very well.

MR. McPHERSON: The other question is, Mr. Takamoto has a personal claim which I understand will be going on presumably tomorrow morning.

THE COMMISSIONER: Very good.

MR. McPHERSON: Mr. Hunter will be appearing for the Crown.

THE COMMISSIONER: Yes. Then we will adjourn to ten o'clock tomorrow morning.

(ADJOURNED UNTIL 10.00 A.M. NOVEMBER 4th, 1948)

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

Deputy Official Stenographer

2:30 P.M.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Well, perhaps we might get Mr. Russell to give an outline of his own activities in connection with this timber berth.

ALAN McPHERSON RUSSELL, witness.

THE WITNESS: The Alan-Butler Shingle Company, Limited, are and always have been clients of mine. They sold timber berth-- whatever the number is.--

THE COMMISSIONER: 309.

THE WITNESS: -- to Mr.Takamoto.

THE COMMISSIONER: Q: Well, that was prior to Pearl Harbour? A: Yes, the date will appear here some place. It had nothing to do with the Custodian -- it was before there was such a thing, or such a person, I should say. Mr. Takamoto got behind in his payments, and in an endeavour to induce him to pay up, we proceeded under the agreement to terminate it - that is, under the terms of the agreement.

Q That was a formal cancellation authorized by the terms of the agreement?

A That is correct. He was given due notice under the agreement. No payment was made and the agreement was terminated. How, I don't remember, but it was delivered to me possibly by Alan, Butler and McDougall, -- that is theonly way I can think of it now. I cannot think of any other reason why I should have had it. But the effect of it

was all Japanese assets were vested in the Custodian-- or the Japanese property -- that was by reason of the notice.

Q That would be some time after the cancellation had become effective?

A On receiving that notice, The point that disturbed me was were our proceedings before the date of vesting, or were they still current, unknown to us that the vesting had taken place. I checked up on my records and determined the date the agreement was over. I went over that, and that was my first visit to the Custodian's office-- to Mr. McPherson's office, to ascertain the exact date of the vesting order.

Q Can you give us first of all the date when Takamoto's rights were terminated under this notice?

MR. McPHERSON: 24th March, 1942.

THE COMMISSIONER: 24th March, 1942, Takamoto's rights in Block 309 were terminated.

THE WITNESS: Is the notice there?

THE COMMISSIONER: And it was then that you visited the Custodian? A: Just to ascertain that fact. When I learned the date, I said, "Those assets belong to the Alan Butler Shingle Company and the Japanese have no interest in it." Is this the notice?

MRS. McARTHUR: Yes.

A I have no record of this.

THE COMMISSIONER: I can quite appreciate that.

THE WITNESS: Yes. The notice of cancellation reads

as follows; It is: "In the matter of an indenture dated 15th February, 1940", and evidently this agreement was originally made between Henry William Butler and Takamoto. Anyway, he was just an officer. And then it describes the property. (Reading).

THE COMM SSIONE R: I don't know that we need all this on the notes. Just get down to the fixing of the time.

A Well, this is where it fixes the time. It will just take a minute, (reading same). That is where it is declared after the termination of the said period it is null and void, "and to enter upon the said timber berth 309." That was the 24th day of March, 1942.

Q 24th March, 1942 was the date the notice was given and it became effective 15 days later.

A This is it. "Since 15 days have elapsed since the last notice was given to you -- the said vendor hereby gives you notice". The other was just an intention to give it, and this is final -- "that he will immediately re-enter on timber berth 309 and take possession thereof," and it was dated at Vancouver, B.C. this 24th day of March, 1942.

Q So the effective date is the 24th March, 1942?

A Yes. I don't know that that is the date exactly.

MR. McPHERSON: The vesting order is 4th April, 1942.

THE COMMISSIONER: And the order vesting Japanese property in the Custodian --

MR. McPHERSON: That is Takamoto's property?

THE COMMISSIONER: Yes, Takamoto's property. He vested his property as of the 4th April, 1942. Well, that seems quite clearly to dispose of the first issue as to whether at the date of vesting in the Custodian there was any title in Takamoto in this timber.

A I was acting for Takamoto and I was taking the possession. We owned the property and we re-possessed it.

THE COMMISSIONER: Is there any contention about that?

A But I was not acting for Takamoto at the time I sent this potice. I had never met him, -- at least, I don't know that I had. It was just the name of an agreement for me.

Q Well, at that time you purported to act for Alan Butler and his company?

A Yes.

Q And you did not purport to act for Takamoto?

A I had not met Takamoto at that time, and if I had I don't remember it.

Q Well, what are the facts as to how the timber came back into Takamoto, or in the company in which he was interested?

A The facts are these, my lord; When I went to visit Mr.McPherson I was kept waiting a few minutes, and there was a Japanese sitting there who had turned out to be Takamoto-- although I did not know him then. He was sitting in the office there and when I was called in to Mr.

McPherson's office, Mr. Takamoto was called in -- I am just guessing now -- I think, due to the fact, he thought that I was acting for Mr. Takamoto, and he arrived at the same time I did -- and I don't know why, at that time, and I have since found out and explained the circumstances to him, and at that time I believe that Mr. Mc Pherson suggested that Mr. Takamoto would be well advised to have a solicitor, and as I was there and Mr. Takamoto, we went out together and he came over to my office. He was not getting a solicitor in connection with this 309. It was in connection with the sale that he was making of other properties. As far as 309 was concerned, he was through and out.

I have just picked up my docket, which I had not looked at since the bill was prepared. April 9th, 1942, is the first entry of Takamoto's affairs, "Attending Mr. Kongo, when instructed to act for Mr. Takamoto."

Q And that was in connection with the Allouette property? A: Yes.

Q Andnot 309? A: No. Now, Mr. Takamoto -- I explained to Mr.Takamoto he had no further interest in 309 and he had been foreclosed, and I explained that to him; and he asked me if I would speak to Mr. Butler about it, because he had paid a good portion of the purchase price -- I think over half of the figure, and I then interceded with Mr. Butler and said

Mr. Takamoto would like to pay the balance of the purchase price and Mr. Butler agreed. The reason for starting the action was to bring the matter to a head. He did not want to deprive him of the purchase price he had paid, and he agreed if he would pay the balance and any costs that Mr. Butler had incurred, he would be re-established because he figured he was entitled to it, and he paid the amount in full.

Now, Mr. Takamoto could not hold timber in his own name, being Japanese. At least, that was my opinion, and I suggested to Mr. Takamoto that he should form a company to take title to this timber. Therefore, the Haney Mills -- I have just forgotten the name of the company-- was formed, and Mr. Takamoto asked me, of course, to act as a director and he also asked me to ask Mr. Butler if he would act as a director, which Mr. Butler did, simply because I asked him to do it. And I believe -- I haven't looked at the document since, but I believe the monies that Mr. Takamoto had on hand with us in the trust fund were, on his instructions, paid to Mr. Butler -- that is the balance owing to him, and the property, I think, was transferred directly --yes, I think it would be directly to Haney Mills, Limited. I don't believe it went to Takamoto and then to Haney Mills, because we would have had to register it in a Japanese name first, so I thinkit was a straight document to Haney Mills, Limited. That is the

document, anyway.

Q Now, at the time this transaction was carried out, what instructions, if any, had you had from the Custodian? A: To vest this property in --?

Q No, what had you done with the Custodian relative to the transaction which you are now describing, namely, the incorporation of this company, and the transfer of the timber berth to the company?

A Well, I don't know, unless I informed the Custodian of what we were doing. I may have done that. I guess I must have informed him, because I just heard Mr. McPherson say a few minutes ago an agreement was drawn by which Mr. Takamoto agreed that the shares xhe received in the Haney Mills, Limited, for his interest in the property were to be allotted to Mr. Takamoto or to the Custodian, as directed.

THE COMMISSIONER: Have you got that document?

MR. McPHERSON: Yes. I think it was filed the other day as Exhibit 1,

THE COMMISSIONER: Have you got the exhibits in this?

Mr McMASTER: It is dated June 30, 1942.

THE COMMISSIONER: Well this, apparently, is not the one and this is not the right file. It is Haney Mills file I want.

MRS. McARTHUR: Would you like to see it?

THE COMMISSIONER: All right. The Custodian does not do anything under this, does he, Mr. McMaster, except to consent to the transaction.

MR. McMASTER: The agreement is that he consents to the property being transferred to the Haney Mills, Limited.

MR. McPHERSON: Takamoto undertook to do that.

MR. McMASTER: He agreed for it to be transferred, and how the Custodian comes into the picture is that the shares were to be issued to the Custodian or to Takamoto.

THE COMMISSIONER: Takamoto could not hold anything himself in any case, in his own name.

MR. McMASTER: He could hold shares, if they were vested in the Custodian.

MR. McPHERSON: I think the order forbade Takamoto holding property and he would have to register it under the Land Act.

THE WITNESS: The Provincial law, also.

THE COMMISSIONER: The Provincial law would forbid the holding of timber. I agree with you there. That is under the Forest Act.

THE WITNESS: That is why I used the Haney Mill, Company. I was not only concerned with the Provincial law, but with the Dominion law, but when it comes to shares, that is another thing.

MR. McMASTER: As to the shares, he could have held them under the Order-in-Council, unless the Custodian was specially vested -- and in the agreement he entered into with the Custodian, and under the terms of it, he agreed to have the timber assigned to the company. It provides the shares shall be either issued to the Custodian or to Mr. Takamoto,

and as Mr. Russell says, "as the Custodian directed."

MR. McPHERSON: I think, Mr. Russell, the point you would have to have in mind with regard to the shares of this company, as Mr. McMaster acknowledged the other day, and Mr. Takamoto admitted he had a debt of $15,000.00 and the interest of the Custodian was from a creditor's standpoint, and he wanted to control these shares from a creditor's standpoint.

THE COMMISSIONER: Well, at this time in June, 1942, under the Order-in-Council, the shares did not vest in the Custodian, did they?

MR. McPHERSON: They had to be specifically vested, and they were not specifically vested.

THE COMMISSIONER: There is no special vesting order?

A Not until after Mr. Haney was appointed director of the Haney Mills.

MR. McMASTER: Now, there is the point there, that there was an order vesting everything of Takamoto's in the Custodian back in April 4th, and it is true those shares did not exist in April, but surely the order spoke not only of what he had in his hands but what he subsequently had.

MR. McPHERSON: Are you saying if a vesting order was issued, it would apply to future property also?

MR. McMASTER I think it would, under those circumstances.

THE COMMISSIONER: I do not know how it could be, because, you see, a vesting order must relate to

things in being and there would have had to have been a subsequent vesting order of these shares, because they were not in being at the time of the vesting order.

MR. McMASTER: In those circumstances, I find it hard to understand why the Custodian required that he should have the right to determine these 7,000 shares would issue to Takamoto. Why shouldn't Takamoto be free to take his 7,000 shares?

THE COMMISSIONER: As Mr. Russell says, Takamoto was heavily in debt and the Custodian was interested in seeing that any creditors were paid.

MR. McMASTER: The only way to protect those creditors would be to step in and say, "You cannot take these shares."

THE COMMISSIONER: Well, he did not even go that far, as I understand it. He was given the right under the Statute to acquire the shares, and the shares never were acquired until long afterwards. Is that not the situation?

MR. McMASTER: They were never issued.

THE COMMISSIONER: They were never allotted.

MR. McMASTER: What I understand from Mr. Russell and the correspondence, it was at the discretion of the Custodian.

THE COMMISSIONER: The agreement will speak for itself.

MR. McPHERSON: The Custodian does not deny he had the right to take over the shares. The agreement speaks for itself. The Custodian had the right to take over the shares.

THE COMMISSIONER: All this agreement says is in paragraph 3. Now, it appears to me that that fits in completely with Mr. McPherson's statement, because the Custodian has power to direct, and assuming there were still liabilities when the shares were allotted, he can direct that they be allotted to the Custodian. On the other hand, if there were no liabilities, the Custodian would have no interest or concern in them and he would then allot them to Takamoto.

MR. McMASTER: I find it inconsistent that the Custodian should say anything to Takamoto about the company. Why should he dispose of timber berth 509?

MR. McPHERSON: I might explain from the Government's standpoint the Custodian had two creditors to consider. In consideration of the Custodian saying, "You can put this into the company, together with the timber berth that Mr. Butler is prepared to give back toyou, we will allow you to put it into the company, but we must retain control of the company's shares in order to protect the creditors." But the Custodian, realizing in the meantime that Mr. Takamoto had retained a reputable firm of lawyers, said, "The Custodian wants you to keep reporting to them," and as they had sold 309, and certain monies were paid, the Custodian was relying on that, and it was not until the timber berth was disposed of, and Mr. Field came into the picture -- in order to get

Mr. Field into the picture under the original Order-in-Council, Mr. Field vested the shares, giving him the right to deal with the assets, but up to then the Government would contend that the Custodian had no interest in this property.

THE COMMISSIONER: The document will speak for itself as to what the Custodian's interest was, and apparently he had the power to dispose of these shares, but he never did.

MR. McPHERSON: I understood one of the points my learned friend was hanging his theory on was that Mr. Russell was acting for the Custodian; that Mr. Russell was the Custodian's agent. That was the argument you made the other day.

MR. McMASTER: No, that was the argument I made with regard to the Allouette, but I don't think I laid emphasis on it on 309.

THE COMMISSIONER: Well, there is nothing in it from what Mr. Russell tells us nowk, in any case.

THE WITNESS: I was acting for Mr. Takamoto.

THE COMMISSIONER: Q: Did you at any time have instructions from the Custodian--- apart from Takamoto-- well, really these are not instructions in the terms of the agreement.

A In acting for Mr. Takamoto, I sometimes had authority and permission from the Custodian to do what I thought best for Takamoto. I was only acting for Takamoto -- and Mr. Kongo, he speaks very good English -- he is a graduate from the University of Toronto --

Q He was agent for Takamoto?

A Mr. Kongo had been his manager at the mill and spoke perfect English, and I was very careful to explain to Mr. Takamoto that I was very busy at that time and if he employed me as solicitor he would pay the same fees as any other client, and I also had him bring up a Mr. Ide(?) -- I am not sure on this point, but I believe he was an interpreter anyway. He was a friend of Mr.Takamoto, and he spoke very good English, and I went through all that again with him,-- not that I was thinking of these proceedings--I had no thought of these proceedings, but Mr. Takamoto did not speak perfect English and I wanted the others to know the consequence of what he was doing when he was employing me.

Now, as to timber berth 309, it was vested in Haney Mills, Limited, and there was a conveyance drawn up to hold this property for him. He did want to hold the property, and that was why I attempted to hold it for him.

There are two sides to this. The Custodian did tell Mr. Takamoto, and he did tell me, because I was doing my best for Mr. Takamoto, to stop this sale, as Mr. Takamoto wished to keep the property,and I have a note on June 23rd or June 22nd -- what year would that be?

MR.McMASTER: '43.

THE WITNESS: I have a docket note here.

MR.McPHERSON: It would be September, '43 --there was

a meeting.

THE WITNESS:Yes, I have September 22 and 23 scratched out and 22 written in,"Attending office of Custodian with Mr. Takamoto and Ichi", I don't know who Ichi is now.

MR.McMASTER That is his daughter.

THE WITNESS: "And conferring with Mrs. Alexander and Mrs.McArthur -- returned to my office.Engaged two hours." I believe that was the time. Now, whether it was or not, we were both told if Mr. Takamoto did not sell the property, the Custodian would vest the shares and deal with it himself. So as a result of that, I explained to Mr. Takamoto what that meant. Mr. Takamoto was, in fact, told that, or if not, I was told and I told him.

THE COMMISSIONER: Q: Well, what was back of it? Why, at this stage in September, 1943, was the Custodian taking this position? Was that disclosed to you? A: Why he was taking that position?

Q Yes. You see, this is the first time that the Custodian had apprently used any pressure in connection with the timber berth or the sale of it. A: Well, I don't know that I was told as to that.

Q What was your conclusion?

A That the Custodian did not wish, for the purpose of Government policy, the timber held sterile. He wanted to get it into operating

hands. Whether that was his reason or not, I do not know. That was what was in my mind. I have forgotten whether he told me that, or whether I think that now at this stage; and as a result of that, Mr. Takamoto realized that he could not hold it. He would either sell it himself or the Custodian was going to gyest the shares in himself and sell the timber.

Q Was there any time fixed on it by the Custodian at that time?

A I see no note in my docket of that, but I would be inclined to think there was a time fixed.

MR. McPHERSON: There is correspondence -- I think Mr. McMaster has that --in 60 or 90 days.

MR. McMASTER I don't think I have anything about that particular period.

MR. M cPHERSON: There was a meeting as to the sale of the assets at Haney Mills, in which was included the timber berth. The liqudiation of Japanese assets, as you will recall, started in the spring of 1943, and a general policy was then in effect of liquidating assets, but I think your lordship would be interested in knowing whether there were any negotiations with Takamoto during the past year.

THE COMMISSIONER: Let us get this phase of it cleared up -- what is found in that paragraph there?

MR. McPHERSON: It is 60 days.

MR. McMASTER: What does my learned friend have reference to?

MR. McPHERSON: This is a memorandum which says, "Acting under advice fromMr. Shears and Mr. Wright, it has been arranged with Mr.Alan Russell, of Tiffin, Russell, DuMoulin and Brown, Barristers, Credit Foncier Building, that the Custodian will divest himself of his authority over the shares held by Takimoto in the Haney Mills Company, Limited,on the understanding that the assets of the company will be voluntarily liquidated within a period of 60 days, that in the event of failure of Takimoto to initiate the necessary steps to this and within this given time, the Custodian will proceed to liquidate."

THE COMMISSIONER: What is the date of that?

MR. McPHERSON: September 23rd,1943.

THE COMMISSIONER: That would be the meeting to which your docket entry relates?

MR. McMASTER: If you are going to put in part of this memorandum, you should put in the rest. This explains the situation.

THE COMMISSIONER: Well, let us have the whole part that relates to that.

MR. McPHERSON: (Reading): "This action is being taken on the understanding given by Mr. Russell, solicitor for Takimoto that all creditors of Takimoto formerly doing business under the trade name of the Fern Ridge Lumber Company, have been taken into consideration and will be adequately provided for out of the available assets.

Over and above the offer of $6,000 for the

timber berth alone, which is the main asset of the Haney Mills Company, Ltd., Mr. Russell states that two offers of $11,000 each have been submitted to him by T.J. MacMillan, Lumberman, and a client of Mr. McDougall, Barrister, respectively.

At a meeting held on the morning of September 22nd with Mr.Takimoto, his daughter Mrs. Ishii, Mr. Allan Russell and Mr. Alexander, it was explained to Mr. Takimoto that the Custodian, having taken into consideration the best interest of Mr. Takimoto himself, together with the fact that it has been reported that the standing timber on T.B. 309 (Haney Mills) is becoming infested with hemlock beetle (a condition admitted by Mr.Takimoto) has definitely decided that this property should be liquidated within the very near future, and that if Takimoto does not wish to authorize such liquidation himself the Custodian will do so. Mr. Takimoto appeared to be reconciled to the invevitability of parting with his property, expressed himself as having absolute confidence in Mr. Russell as his solicitor and co-director of hisccompany, and asked that he might be allowed to remain in Vancouver to facilitate the sale. Mr. Russell was advised that the Custodian would have no objection, but that he would have to, on Mr.Takimoto's behalf, arrange for any necessary extension. In the meantime, Mr. Takimoto undertook to supply the Custodian with a list of equipment and machinery." --

THE COMMISSIONER: That seems to be clear.

THE WITNESS: It is my recollection that Mr. Takimoto did find a purchaser and did make a sale, but certainly he knew -- if he didn't, the property would be vested in the Custodian. That is what I understood and that is what I was advising him.

THE COMMISSIONER: Now, had there been offers on your part, or on Takimoto's part prior to September, 1943, to sell this timber berth?

A Yes, but still for the same reasons -- because we were aware -- or because I was aware of the fact if he did not sell in time that it would be vested in the Custodian.

MR. McMASTER My lord, if I might draw Mr. Russell's attention to a letter he wrote to Mr. Takimoto dated April 28th, 1943. I believe it was copied from his file. (Reading letter.)

THE COMMISSIONER: What is the date of the letter?

THE WITNESS: April 28, 1943.

THE COMMISSIONER: What was the price the timber was ultimately sold at?

MR. McPHERSON: $14,000.00, plus $1,000.00 charges.

THE COMMISSIONER: Well, apparently it was the best offer you had prior to April, 1943, was $8,000.00. Is that the situation?

A Well, I guess prior to that letter.

MR. McMASTER: Well, I think that included the offer of Stave Falls of $6,000.00.

THE COMMISSIONER: At that time he was offering $6,000 for the timber.

MR. McPHERSON:The original offer was $3,000,00 and then six and then 10 and then fourteen.

THE COMMISSIONER: Mr. Russell, getting down to this meeting in September, 1943, what was done by you andTakimoto in consequence of that meeting, or subsequent to it?

A I believe, and I have not looked at my records, that Mr. Takimoto was then out of town, (which I believe he was) and I arranged with the -- I believe it was the Securities Department of Eastwood(?) and the Mounted Police to allow him to come to Vancouver for the purpose of seeing if this matter could be straightened up to his satisfaction.

Q Well,he was here apparently on this date in September, 1943.

A Yes.

Q How soon after that was this sale arranged?

A I see a docket entry, my lord, of September 27, 1943, "Attending with Mr. McDougall", and my recollection of that would be it was Mr. Reg. McDougall.

Q Yes, the lawyer,-- not your principal?

A No, theother McDougalls had never anything to do with this.

MR. McMASTER:That is the McDougall I was referring to.

A "Attending with Mr. McDougall, Takimoto and Mr. Antoin at Haney, when Mr. McDougall's offer accepted and when he received written instructions from Takimoto to accept $14,000.00, plus the

licence fee.

THE COMMISSIONER: That was only four days after you had this meeting in theCustodian's office?

A Yes.

Q Now, howdid it come about that you found a purchaser so quickly? Was it someone who had been bidding on it before?

A I didn't find the purchaser. Mr. Takimoto was able to find him. How, I don't know. He found Mr. Anton -- I don't know how he found him, mind you-- I don't know whether he found this purchaser in four days, but prior to that he had been advised by me the inevitable would happen; that he should be watching out for a purchaser, the best purchaser he could get, unless he wished the timber vested in the Custodian.

Q Does your docket show any meetings with Mr. Anton and the Custodian prior to the 23rd of September? A: I see September 1st, attending Mr. Eastwood -- attending with Mr. McDougall--and this is in my docket and I do not know how he came into it, but it would be the Mr.McDougall, the lawyer, because Mr. Allan was never in this. The only reason would be that Mr.McDougall was making an offer.

Q There is nothing prior to that, is there? That is September 1st.

A Yes, I see on May 8, 1943, "Attending Mr. McDougall when he called and offered $10,000 for timber berth 309."

Q That was in May, so apparently the negotiations were continuing over a period of about six months.

A If I could call on my recollection, I believe Mr. McDougall was acting at that time for Mr. Peter Bain, and as I recall it now, Mr. McDougall--

MR. McPHERSON: Mr. MacMillan acted for Mr. Bain.

A Mr. MacMillan is not a lawyer.

MRS. McARTHUR: No, he is a timber broker.

THE WITNESS: Well, whoever Mr. McDougall made that offer on behalf of. I don't know. My recollection is tit was Mr. Bain, but it finally came down to this, that Mr. Anton was offering more than Mr. Bain and Mr. McDougall found Mr. Anton. Mr. McDougall found they were both his clients, and he was in rather an awkward position, and he stepped out of it and I negtotiated with both Mr. Bain and Mr. Anton, I think, myself, because in any event I took the highest offer. But you were asking if there was any reference to negotiations, and I see there was.

THE COMMISSIONER: Well, that looks as if it had been running along for some little time. Now, are there any questions that you would like to ask Mr. Russell, Mr. McMaster?

MR. McMASTER: I have a copy here --on the 21st September, there appears to be a note of a conference with Mrs. McArthur, Mr. Shears and Mr. McDougall.

A On what date?

CROSS-EXAMINATION BY MR. McMASTER:

Q September 21st. A:Well, wouldn't that be the one that I have marked here as the 22nd?

Q This shows Mr. McDougall attending at conference. Does yours? A: I don't see it here, but if we put it in our bill we must have had it. It would not be there otherwise.

Q And then on September 27th, "Attending Mrs. McArthur when she called and attending Peter Bain and taking instructions."

A That is correct.

Q What did that refer to?

A Well, if I read this to you, this would probably explain it. This is on the 27th:

"Attending Mrs. McArthur when she called re Peter Bain and taking instructions re carrying on", and "attending Mr.McDougall and Mr. Bain and conferring on this matter. Attending further on Mr. Bain and asking for further offer." I just did that to help Mr. McDougall out, to make sure that I gout out of the envious point of having two clients.

"Attending Mr. Bain when he offered $14,000 and advising Mr. McDougall's offer was higher and I intended to accept same." Because I did not tell Mr. Bain what Mr. Anton's offer was, and I said, "Give me your highest offer," and he offered $14,000.00, but Mr. Anton had offered $14,000.00 plus arrears of licence fees.

Q At the end of that item, "attending on Mrs. McArthur when she called"--

A Yes, I see that.

Q What I am interested in is, why were you negotiating or dealing with Mrs. McArthur while these negotiations were going on?

A I don't know,unless she called on me to ask what we were doing.

Q You have two references there -- one in which you discuss your difficulties with Mr. Bain, and then you are in touch with her again.

A I think this is it. My recollection may be at fault. I think Mr. Bain went direct to the Custodian to try to induce the Custodian to have me accept his offer. I believe that happened, but I am not sure of that.

Q He had done that more than once before?

A I think that is what she had done, and I was doing the best I could for Mr. Takimoto.

THE COMMISSIONER: Well, that would be perfectly natural. Is there anything further you wish to ask him, Mr. McMaster?

THE WITNESS: I think Mr. Bain thought he could put a little pressure on me by going to Mrs. McArthur or the Custodian.

THE COMMISSIONER: Have you anything further?

MR.McPHERSON: Q: Mr. Butler was on the Board of Directors of the company?

A Yes.

Q And he was the one who sold the timber berth to

Takimoto? A: Yes.

Q Did he approve or recomend the sale of $14,000.00?

A He had very little to do with it. I asked his opinion of the purchase price, $14,000.00, and he said if it was his timber he would sell it for $14,000.00. As a director of the company, he was satisfied to take that price.

Q Yes, and how much did Takimoto pay for the timber?

A Well, I would have to look at the agreement.

MRS. McARTHUR: $6,920.00.

THE WITNESS: Whatever is set out in that agreement.

THE COMMISSIONER: When did Mr. Takimoto buy it?

MRS. McARTHUR: On the 15th February, 1940.

MR. McPHERSON: Q: And there had been negotiatons, as you have indicated from your docket -- there had been negotiations to sell this property, and $14,000 was the best offer you could get?

A Yes.

MR. McMASTER: Hadn't Takimoto consistently taken the position he did not want to sell up to the date of that meeting?

A Yes.

Q Then the negotiations were with the directors? And as far as he was concerned, he was not interested. A: Oh no, the directors had nothing to do with finding this purchaser. He brought Anton into my office. At least, we went up to Haney -- he brought in Mr. Anton. I never saw him before. As far as I am concerned, this company and the directors

felt this way about it. It was completely a vehicle to hold the property in Mr. Takimoto's name, and the directors did nothing, and the only thing I did was to ask Mr. Butler as to what he thought of the purchase price of $14,000.00.

THE COMMISSIONER: Have you any objection to it?

MR. McPHERSON: Q: Have you any record as to whether the Custodian approved the price? Was the Custodian involved in the negotiations as to price?

A Not that I know of.

Q Did you have a cruise of the timber? Did anyone cruise the timber, or did you just assume the people you were dealing with knew what the timber was? A: Mr. Takimoto found Mr. Anton, and Mr. Anton and Mr. Takimoto negotiated the sale price, but whether they had a cruise made or not, I don't know.

THE COMMISSIONER: Well, you would assume the purchaser knew the timber. He does not buy that kind of thing unseen.

A The purchaser had other timber interests. I don't know whether he owned it or not, but he was taking out poles in that neighbourhood.

Q And there is no minute in regard to this transaction?

MR. McPHERSON: Well, there would not be any in the Custodian's record.

THE COMMISSIONER: No.

Q Any minute in the company's record?

MR. McPHERSON: The Custodian has not the company's

records. Mr. Russell still has them.

THE COMMISSIONER: Q: Mr. Russell, would it not be imperative that you should at least have a directors' resolution approving it?

A Yes, that would be correct, and I discussed it with Mr. Butler that we had to pass a resolution, but we simply acted as trustee directors for Mr. Takimoto.

Q It would be interesting to see whether Mr. Takimoto was present at the meeting that authorized the execution of the documents, or the acceptance of the offer, whatever it may have been.

A Well, he was present, according to my docket. "Attending with Mr. Takimoto, Mr. Anton and Mr. McDougall when received instructions from Mr. Takimoto to accept Mr. Anton's offer of $14,000.00, plus original licence fees." That is where I got my instructions.

THE COMMISSIONER: Where are the written instructions?

MR. McPHERSON: I think it would be in the files. That is a copy that Mr. Russell has.

THE COMMISSIONER: I do not think any such document has been filed as yet.

MR. McMASTER: No, it was referred to in the informal discussion we had, but we did not file any documents that day.

THE COMMISSIONER: Well, I think it might be desirable that this copy should be filed with this record. There is no question of it being a true copy.

MR. McMASTER: I have not seen the original, but my

instructions are that he signed the instructions.

THE WITNESS: My lord, could I say that I only considered the Haney Mills as a vehicle. I considered Mr. Takimoto my client, and I would have ~~the~~ taken instructions from him and I would not have allowed the company (which was really Takimoto) to have gone through the motions of signing, if I had not had his instructions.

THE COMMISSIONER: Yes. I think it would be just as well to attach that to the transcript.

(Copy referred to by Commissioner, as follows:

"September 27, 1943.

A. M. Russell, Esq.,
Barrister, &c,
850 West Hastings Street,
Vancouver, B.C.

Dear Sir:

I hereby instruct you to sell to Nels Anton Timber Berth 309 for the sum of $14,000.00, the purchaser to assume all licende fees now owing and unpaid in respect thereof.

Yours truly,

"Yojiro Takimoto'

Yojiro Takimoto."

THE WITNESS: So any resolution of the directors would be merely a formality.

THE COMMISSIONER: Yes, it would.

MR. McPHERSON: Well, here it is. The company did execute a document.

THE WITNESS: Yes.

THE COMMISSIONER: There probably would have been a

minute authorizing the affixing of the seal to that document.

Now, do any of you require anything further of Mr. Russell?

MR. McPHERSON: I don't think so.

THE COMMISSIONER: I do not see any reason to keep you any longer, Mr. Russell. Thank you. It has been most helpful, from my point of view.

(Discussion).

(PROCEEDINGS ADJOURNED TO NOVEMBER 16th, 1948, at 10:00 A.M.)

E. Blaggs

Amended Claim

IN THE MATTER OF A COMMISSION TO INVESTIGATE
CLAIMS OF JAPANESE CANADIANS FOR PROPERTY
LOSSES

TO: The Commissioner,
Office of the Custodian,
Royal Bank Bldg.,
Vancouver, B.C.

Pursuant to the notice issued on the 26th day of September, 1947, I submit the following claim:

1. NAME: HANEY MILLS LTD.

2. PRE-EVACUATION ADDRESS: 744 W. Hastings St., Vancouver, B.C.

3. PRESENT ADDRESS: c/o Yojiro Takimoto, Lillooet, B.C.

4. (a) Timber Berth 309, Blocks 1 and 2, Mission District:

Interest in property: Licensee.

Estimate of value at date of sale:
Marketable Timber: 40,000,000 ft.

Claim:	$95,000.00
Amt. received:	14,000.00
	$81,000.00

(b) Stave Falls Mill site buildings and machinery:

Gross Claim: $13,050.00	
Received: 6,000.00	
Maximum Net Claim:	7,050.00
TOTAL LOSS:.....	$88,050.00

6. Total claim: $88,050.00

7. Place at which claimant prefers to be heard:
VANCOUVER

8. Do you require the services of an interpreter at the hearing: YES

Yojiro Takimoto
CLAIMANT.

DOMINION OF CANADA)
PROVINCE OF BRITISH)
COLUMBIA)
TO WIT:)
)

I, YOJIRO TAKIMOTO, of the Town of Lillooet, in the Province of British Columbia, DO SOLEMNLY DECLARE THAT:

The information set out in the form above is true and correct to the best of my knowledge, information and belief and I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of "The Canada Evidence Act".

DECLARED before me at the City of Vancouver, in the Province of British Columbia, this 4th day of November, A. D. 1948.

Yojiro Takimoto

A COMMISSIONER FOR TAKING AFFIDAVITS
WITHIN BRITISH COLUMBIA.

IN THE MATTER OF A CERTAIN COMMISSION
TO INVESTIGATE CLAIMS OF JAPANESE
CANADIANS FOR PROPERTY LOSSES

AND

IN THE MATTER OF THE CLAIM OF HANEY
MILLS LTD.

I, MITSUYE ISHII, of the Town of Lillooet, in the Province of British Columbia, MAKE OATH AND SAY:

1. THAT I am fully conversant with both the Japanese and English languages.

2. THAT I did interpret into the Japanese language and read the annexed claim form and the Statutory Declaration affixed thereto to Yojiro Takimoto before he executed the said form and made the said declaration and he appeared to fully understand the same.

3. THAT the said Yojiro Takimoto did sign the said claim form and make the said declaration in my presence.

SWORN BEFORE ME at the City of)
Vancouver, in the Province of)
British Columbia, this 4th day)
of November, A.D. 1948.)

Mitsuye Ishii

A COMMISSIONER FOR TAKING AFFIDAVITS
WITHIN BRITISH COLUMBIA.

Case 1386
Dec 8/47

NOV 19 1947

NOTIFIED

IN THE MATTER OF A COMMISSION TO INVESTIGATE CLAIMS OF JAPANESE CANADIANS FOR PROPERTY LOSSES

ACKNOWLEDGED

TO:

The Commissioner,
Office of the Custodian,
Royal Bank Bldg.,
Vancouver, B.C.

Lethbridge Convention

22

Pursuant to the notice issued on the 26th day of September, 1947, I submit the following claim:

1. NAME: TAKAMOTO, YOJIRO (RCMP) Reg. No. 10672

2. Pre-Evacuation Address: 2601 Dewdney Trunk Rd., Haney, B. C.

Haney mills

3. Present Address: Lillooet, B. C.

4. REAL ESTATE

(1) (a) Street Address: 2601 Dewdney Trunk Road, Haney, B. C.
(b) Legal Description: situate in the Municipality of Maple Ridge: Lot 1 of Lot 16, Block 2, Section 245, Township 12, Group 1, N.W.D.
(c) Type of Real Property: Residence, (1 acre)
(d) Interest in the property: Sole owner
(e) Estimate of fair market value at date of sale:

Land and Buildings:	$12,000.00	
Amount credited by the Custodian:	6,249.71	
(f) Loss:	$ 5,750.29	$5,750.29

(2) (a) Address: Dewdney Trunk Road, Haney, B.C. (adjacent to 2601)
(b) Legal Description: Situate in the Municipality of Maple Ridge: Lots 2 and 3 of Lot 16, Block 2, Section 245, Twp. 12, Group 1, N.W.D.
(c) Type of Real Property: Lumber Yard and gas station (2 acres)
(d) Interest in Property: Sole owner:
(e) Estimate of fair market value at date of sale:

Gas station business, Pump Tank and covering shelter:	$ 750.00	
Lumber Shed, Planer Shed, 1800 Gallon Water Tank, on 24' structure; water pump and piping:	3,625.00	
Land:	900.00	
	$ 5,275.00	
Amt. credited by the Custodian:	1,530.25	
(f) Loss:	$ 3,744.75	$3,744.75

(3) (a) Address: Haney, B.C.
(b) Legal Description: Situate in the municipality of Maple Ridge, Portions of 403 and 404 (sketch 3041) 1 and Pt. of 403 and Pt. S. W. 1/4 /16 (Sketch 7912) 12
(c) Type of Real Property: Sawdust storage: and vacant land:
(d) Interest in property: Sole Owner
(e) Estimate of value at date of sale:
Land only: $200.00
Amount credited by the Custodian: 50.00
(f) Loss: $150.00 $150.00

(4) (a) Address: Alouette Lake, B.C.
(b) Legal Description:

(c) Type of Property: Sawmill business including chattels, stock-in-trade and lease:
(d) Interest in property: Sole owner chattels, stock-in-trade and lessee of lands:
(e) Estimate of value at date of sale:
Chattels, stock-in-trade and lease: $70,000.00
Amount credited by the Custodian: 35,000.00
(f) Loss: $35,000.00 $35,000.00

Struck out.

(5) (a) Address: Mission District, B.C.
(b) Legal Description: Timber Berth 309 Block 1 & 2, Mission District:
(c) Type of Property: Timber Berth
(d) Interest in property: Licensee.
(e) Estimate of value at date of sale
Marketable Timber: 40,000,000 ft: 95,000.00
Amount received: 14,000.00
(f) Loss: 81,000.00 $81,000.00

TOTAL LOSS:.....$125,645.04

5. PERSONAL PROPERTY:

(1) (a) Place Left: 2601 Dewdney Trunk Rd., Haney, B.C.
(b) Type of premises in which left: House and Garage:
(c) How stored or packed: Not stored or packed:
(d) In whose care left: The Custodian's agent:

	(e)	Itemized description:		
	1.	Coal and wood stove, Estimated value:	$ 50.00	
	2.	Parlour carpet: Estimated value:	100.00	
	3.	Garden Tools: Estimated value:	115.00	
	4.	Quantity of rail rod spikes & angle bar: Estimated value:	200.00	
	5.	1 Donkey for loading lumber: Estimated value:	500.00	
	6.	1 Donkey for making roads: Estimated value:	500.00	
			$1365.00	
		Received from or credited by Custodian:	nil	
	(f)	Loss:	$1365.00	$1365.00
(2)	(a)	Place Left: Physical assets Stave Falls, B.C. Share Certificates, 850 W. Hastings Street:		
	(b)	Type of premises in which left: Physical assets on the property, shares in office:		
	(c)	How stored: Physical assets in buildings on premises:		
	(d)	In whose care left: The Custodian:		
	(e)	Itemized description: All of the shares in Haney Mills Limited which operated a sawmill at Stave Falls, B.C., including sawmill machinery, stock-in-trade, leasehold premises: Estimated value of shares (being value of the business:	$40,000.00	
		Credited by the Custodian:	6,000.00	
	(f)	Loss:	$34,000.00	$34,000.00
		TOTAL LOSS:.....		$35,365.00

6. Total claim including real and personal property (this figure arrived at by adding 4 and 5: $161,010.04

7. Place at which claimant prefers to be heard:
KAMLOOPS

8. Do you require the services of an interpreter: at the hearing? YES

Yoshito Takamoto
CLAIMANT.

DOMINION OF CANADA)
PROVINCE OF BRITISH)
COLUMBIA)
TO WIT:)

I, YOJIRO TAKAMOTO, of the Town of Lillooet, in the Province of British Columbia, DO SOLEMNLY DECLARE THAT:

The information set out in the form above is true and correct to the best of my knowledge, information and belief and I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of "The Canada Evidence Act".

DECLARED before me at the City of Vancouver, in the Province of British Columbia, this 13th day of November, A. D. 1947.

Yojiro Takamoto

A COMMISSIONER FOR TAKING AFFIDAVITS
WITHIN BRITISH COLUMBIA

NOV 19 1947

IN THE MATTER OF A CERTAIN COMMISSION
TO INVESTIGATE CLAIMS OF JAPANESE
CANADIANS FOR PROPERTY LOSS

AND

IN THE MATTER OF THE CLAIM OF YOJIRO
TAKAMOTO

I, S. YASUURA, of the Town of Lillooet, in the Province of British Columbia, MAKE OATH AND SAY:

1. THAT I am fully conversant with both the Japanese and English languages.

2. THAT I did interpret into the Japanese language and read the annexed claim form and the Statutory Declaration affixed thereto to Yojiro Takamoto before he executed the said form and made the said declaration and he appeared to fully understand the same.

3. THAT the said Yojiro Takamoto did sign the said claim form and make the said declaration in my presence.

SWORN BEFORE ME at the City of Vancouver, in the Province of British Columbia, this 13th day of November, A. D. 1947.

S. Yasuura

A COMMISSIONER FOR TAKING AFFIDAVITS
WITHIN BRITISH COLUMBIA.

DATED: November 1947

IN THE MATTER OF A COMMISSION TO INVESTIGATE CLAIMS OF JAPANESE CANADIANS FOR PROPERTY LOSSES:

CLAIM of YOJIRO TAKAMOTO

CAMPBELL, BRAZIER, FISHER & McMASTER
BARRISTERS AND SOLICITORS
1408 ROYAL BANK BUILDING
VANCOUVER, B.C.

IN THE MATTER OF THE JAPANESE CLAIMS COMMISSION

	Board Feet	If Millsite used under existing lease or a new lease	If Salvage Only
	(1)	(2)	(3)
(1) New Bunk House 16 x 24 x 8 1" & 2" rough lbr.	4250	$ 150.00	$ 95.00
(2) New Office 20 x 28 x 8 1" & 2" rough lbr.	5760	200.00	130.00
(3) New Toilet & Bathhouse 12 x 12 x 8 1" & 2" lbr.	2400	75.00	55.00
(4) New Band Mill 24 x 52 x 20 10"x10" Timbers & 2" planks	23650	900.00	530.00
(5) New Log Deck 18 x 20 x 16 8"x8" timbers	5640	175.00	105.00
(6) New Log Chute 12 x 120 Various sizes of Timbers 4" planks	26850	1000.00	605.00
(7) New Sawdust Bunker 16 x 28 x 20 Various sizes of Timbers 3" planks	4250	150.00	95.00
(8) 4 New Sawdust Conveyors Various sized Timbers & 3" planks	38445	1300.00	865.00
(9) New Portions of wood & sawdust conveyor to burner, various sized timbers & 3" planks	24850	950.00	555.00
(10) New boiler house shelter Timbers 4" x 6" up to 10" x 16"	13640	450.00	285.00
(11) New decking & timbers on old mill	35000	1400.00	790.00
		6750.00	4110.00
(12) X. Less adjustment in price of lbr. 1944 reducing from $40 to $35 per M or 1/8th		850.00	510.00
		5900.00	3600.00
(17) Add salvage 650 squares corrugated iron @ $1 per square on average			650.00
			4250.00
(Above buildings constructed by claimant with new lumber in 1940-41) Less cost of salvaging			500.00
			3750.00
(13) Add salvage 30,000 fire bricks @ $5 per M		150.00	150.00
(14) Old Mill Building		300.00	150.00
(15) Old Office Bldg. & First Aid Bldg.		300.00	150.00
(16) Machinery resale value for use other than on the property		5800.00	5800.00
		12450.00	10000.00
Sold by Custodian		6000.00	6000.00
		6450.00	4000.00
Increased value of machinery if no thefts (allowing 40% off for sale other than on the property)		600.00	600.00
Net Claim		7050.00	4600.00

EXHIBIT No. 1386-1
DATE 3 Nov. 1948
FILED BY R. J. McMaster

EXHIBITS

COPY

(1) Court

7

MEMORANDUM OF AGREEMENT made in triplicate

the 30th day of June 1942,

EXHIBIT No. 1386-2
DATE Nov. 3. 1948
FILED BY R. J. McMaster.

BETWEEN:

HANEY MILLS LIMITED, a company incorporated under the laws of the Province of British Columbia, and having its registered office at Room 1009 Credit Foncier Building, 850 West Hastings Street, in the City of Vancouver, Province of British Columbia, (hereinafter called "the Company")

OF THE FIRST PART:

AND:

YOJIRO TAKIMOTO Lumberman, of the Town of Haney, in the Province of British Columbia, (hereinafter called "Takimoto")

OF THE SECOND PART:

AND:

THE CUSTODIAN OF ENEMY PROPERTY FOR CANADA,

represented by his Deputy GLENN WILLOUGHBY McPHERSON, having an office in the Royal Bank Building, in the City of Vancouver, Province of British Columbia,
(hereinafter called "the Custodian")

OF THE THIRD PART:

WITNESSETH that in consideration of the mutual agreements of the parties hereto, IT IS HEREBY AGREED as follows:-

1. Forthwith after the execution of this agreement Takimoto, with the consent and approval of the Custodian, which consent and approval is hereby given, shall cause Allen, McDougall, Butler Shingle Company Limited to assign, transfer and set over unto the Company all its right, title and interest in and to Timber Berth No. 309, situate in the Province of British Columbia, subject to all the terms, conditions, stipulations and provisions contained in Licence to cut Timber No.542, from the Minister of Lands of the Province of British Columbia to the said Allen, McDougall, Butler Shingle Company Limited dated the 12th day of May, 1942, and covering said Timber Berth No. 309.

2. Takimoto and the Custodian shall assign, transfer and set over unto the Company all their right, title and interest in and to a sub-lease dated the 1st day of January, 1938, between the Robert McNair Shingle Company Limited, as lessor, and Takimoto,

as lessee, and covering that certain parcel or tract of land and premises situate, lying and being in the North-East quarter of Section Twenty-four (24), Township Fifteen (15), East of the Coast Meridian, in the Municipality of Mission, Province of British Columbia, more particularly described as follows:-

Commencing at the South West corner post of Emery's Lease, thence North 401.1 feet, following the Westerly boundary of said Lease to the North West corner post of said lease, thence West (S.74°33'30") to the East boundary Of Alouette power line right of way, thence South following the East boundary of said right of way 1610 feet more or less, thence East (N.74°33'30") to East boundary line of original lease being the East boundary of North East Quarter of Section Twenty-four Township Fifteen, thence North following said boundary 1240 feet, thence West (S.74°33'30") 609.02 feet following the South line of Emery's Lease to point of commencement; EXCEPT a strip of land 170 feet wide on the northern boundary thereof;

and in and to the said land and premises, SUBJECT to all the terms, conditions and provisions in the said sub-lease contained.

3. So soon as Takimoto shall have fulfilled his agreements with the Company particularly mentioned in paragraphs 1 and 2 hereof, the Company shall, at the direction of the Custodian, allot or cause to be allotted to the Custodian or to Takimoto, his executors, administrators or assigns, Seven Thousand (7,000) fully paid non-assessable shares in the capital of the Company.

IN WITNESS WHEREOF the Custodian has caused this agreement to be signed by his duly authorized Deputy, Glenn Willoughby McPherson, and the Company has caused its corporate seal to be hereunto affixed by the hands of its proper

officers, and Takimoto has hereunto set his hand and seal as of the day and year first above written.

The Corporate Seal of HANEY MILLS LIMITED was hereunto affixed in the presence of:-

"A.M.Russell"
Provisional director

HANEY MILLS LIMITED SEAL

SIGNED,SEALED AND DELIVERED by Takimoto in the presence of:-

"T. Ide"
Interpretor
1618 8th E,
Vancouver, B. C.

"Yojiro Takimoto" L.S.

SIGNED, SEALED AND DELIVERED by GLENN WILLOUGHBY McPHERSON, the duly authorized deputy of the Custodian of Enemy Property for Canada, for and on behalf of the said Custodian, in the presence of:-

"F.G.Shears

"G.W.McPherson" L.S.

(G.W.McPherson)
Authorized Deputy of the Secretary of State and /or Custodian.

COPY

DATED 1942

HANEY MILLS LIMITED

- and -

YOJIRO TAKIMOTO

- A G R E E M E N T -

TIFFIN, RUSSELL, DU MOULIN & BROWN
Barristers and Solicitors,
850 Hastings Street West,
VANCOUVER, B. C.

EXHIBIT No. 1386-3 ex 3
DATE 3 Nov. 1948
FILED BY R. J. McMaster

December 30, 1937.

MEMORANDUM re Stave Lake Lease to the Fernridge Lumber Company, Lease to be effective January 1st, 1938.

The Fernridge Lumber Company require a lease over a property described roughly as follows:

A distance of 1275 ft. in a northerly direction from a point where the present east boundary intersects the railroad track to a point along the railroad track northerly to a point 175 ft. south of the south-west corner of the Emory lease. This will be the centre line.

The outside boundaries of the lease will be from a point where the eastern boundary intersects the railroad track, north to a point 175 ft. south of the Emory line; thence west to a point on the railroad track 175 ft. south of the Emory south-west corner; thence further west in the same direction to the intersection of the B. C. Electric high tension line; thence south following the high tension line to a point 10 ft. south of the office buildings; thence east on a line that will intersect the railroad track, providing 10 ft. clearance south of the office buildings.

The price for the leased area to be $300.00 per year, payable $25.00 the firest of each month commencing 1939. The $300.00 for 1938 to be arranged in bracket payments.

The Fernridge Lumber Company is to purchase the present mill and platforms and all property on the lease, excepting the planing mill--which has been sold-- for $300.00 and a further provision of $300.00 for the office building and first aid building.

The payment for the first year to be, including the lease and buildings, $900.00 payable as follows:

$500.00 cash
75.00 April 1, 1938
100.00 July 1, 1938
50.00 per month on August 1, September 1, October 1, and November 1, 1938.
25.00 December 1, 1938,

making the total payments $900.00.

The time of the lease is to be five years with yearly extensions if required up to ten years and a further extension granted yearly until such a time as the timber is all cut, providing the tenancy is acceptable and the operators purchase electrical energy.

The lease to be extended yearly by mutual consent.

In the agreement a provision to be made for supplying the domestic and mill water supply from a stream and springs closely located to the mill.

The estimated energy to be provided for to supply seven motors would be as follows:

Band rig	75 h.p. to 100 h.p.
Edger	50 h.p.
Log haul	35 h.p.
Mill conveyors & sorting chains	100 h.p.

making a total of 250 to 300 h.p. preliminary installation. Planer and dry chains to follow will require an additional 75 to 150 h.p.

As a consideration for the granting of this lease, the Fernridge Lumber Company agree to give us the right to purchase their products at equal prices on terms with competitors and we, in return, agree to give the Fernridge Lumber Company first option on any timber we hold

on Stave Lake. Reserving only a small portion of tide lands that is now being logged by Al Kearsley for Mr. Emory.

Regarding the price of the timber it is understood that we will not charge any exhorbitant price because of timber shortage.

On the cash payment of $500.00, Mr. Takomoto wishes $300.00 to apply as the complete purchase price of the office and first aid buildings--those to be his property. $100.00 to apply as one-third payment on the mill price and $100.00 to apply as his first rent. The object of this set-up is to give Mr. Takomoto complete ownership of the office and first aid buildings. Should he care to remove these buildings, the moving to be carried out in workmanlike manner and any debris destroyed.

THE ROBERT McNAIR SHINGLE CO. LTD.

FWS:ER

Per

January 1, 1938.

FERNRIDGE LUMBER COMPANY,

Haney, B.C.

Dear Sirs:

In connection with an Agreement we are both signing, the stipulated area covered by the Lease has been drawn exactly the same as the B. C. Electric Lease, and it is agreed, rather than re-write the Lease that we make a covering letter eliminating a strip of 175 ft. wide on the northern boundary of the Lease. This is done to insure that you will not build a burner on this portion. This would interfere with Emiry's Fire Insurance, You are privileged, however, to use the ground should it become necessary, but not before you get our consent.

Also, in connection with the draft form we have drawn up we have both neglected, in the Agreement, to provide that should either of us acquire any other timber on or adjacent to Stave Lake, that either one of us will not dispose of the property without first offering the other the first right to purchase; and any and all timber that is logged or milled will be sold exclusively to The Robert McNair Shingle Company Limited.

We also agree to make time the essence of this Agreement, and this letter will form part of our contract of January 1, 1938.

Yours very truly,

THE ROBERT McNAIR SHINGLE CO. LTD.

Per:

"F. W. SMITH"

ACCEPTED:

FERNRIDGE LUMBER COMPANY

By Yojio Takimoto.

COPY

(20)

Vancouver, B. C.
October 2, 1943.

Report on Machinery and Chattels owned by Haney Mills Ltd.,
(Yojiro TAKIMOTO, #10672, Shareholder).

1. Machinery which is located on the Stave Lake Mill, Stave Falls, B. C.

- 6 large bandsaws
- 3 heavy steel bars.
- 1 bandsaw welding machine, mfg. by Govel Mfg. Co.
- 1 Electric set-work machine (motor left in Fernridge Warehouse) on carriage.
- 4 screw head block carriage, 62" open.
- 60" bottom and top head saw hawsk, complete except for blade.
- 1 drive roller, complete, 96' long.
- 1-4 head gear block carriage, with 1 hand double-set work, and 2 carriage wheels on rails.
- 1 canning gear complete.
- 1 band mill, complete except for blade.
- 19 all steel rollers, 8" x 24", inset in frameworks.
- 1-20' 4" steam pipe.
- 7 drive roller bearings.
- 1-15/16 drive roller shaft, 12' long, with 3 gears.
- 2 lumber director shafts.
- 1 header block (loose)
- 3 hand push carts.
- 2 conveyors, complete with chain.
- 1 lge. steam engine.
- 1 bottom of driver roller
- 1 sml. steam engine and 2 drive conveyors.
- 2 large boilers, 18' x 6'
- 4-6" pipes with flanges.
- 3-8" pipes with flanges.
- 3-8" ts.
- 1-6" T.
- 3-6" elbows.
- 1-4½" blower pipe fittings.
- 1-4½" valve.
- Large quantity used steam fittings and misc. machinery parts.
- 2 boilers grates (dismantled)
- 200' - 20" blower pipe.
- 1 heater, in shack across road from mill.
- Huge quantity of used fire brick sufficient for 3 boilers.
- Approximately 6-7 tons loose iron rails.

2. Machinery left in Fernridge Lumber Co. warehouse which previously belonged to the Stave Lake Mill now incorporated into Haney Mills Ltd.

75 1-5HP Electric Westinghouse Motor, Serial #4232620, set work machine above.
120 Approximately 150' 7" square conveyor chain.
125 Approximately 125' roller chain.
45 3-6' jump skids.
72 4-8' jump skids.
200 2 large jump skid hoists.
60 1 sml. jump skid hoist.
697

"Warehouse burnt down 15-10-43 H.F.G."

NOTE: Carl W. Reid, Shelly Building, Vanouver, B. C., has 7 drive rollers with gears which belong to the Stave Lake Mill, now Haney Mills Ltd.,

"Yojiro Takimoto"

"Witnessed H. F. Green"
"Oct. 9, 1943"

EXHIBIT No. 1386-4
DATE 3 Nov. 1948
FILED BY R. J. McMaster

COPY

506 Royal Bank Bldg.,
Hastings & Granville,
Vancouver, B. C.

S. ROSS & SONS
EXAMINED
Chartered Accountants

FOR THE OFFICE OF THE CUSTODIAN
JAPANESE EVACUATION SECTION

LIST OF MACHINERY AND EQUIPMENT
located on the west bank of Stave River, Stave Falls, B. C. being NE¼ Section 24, Township 15, East of the Coast Meridian in the Municipality of Mission.

(1)	1	Top and Bottom Saw Arbor complete with Guides, Pulleys, Bearings, etc.	500.00
(2)	1	4 Block Screw Type Carriage, 72" opening, 36' long with Flat and V Rail, with Willett Electric Set Works, Motor and Electrical connections missing also Dogs incomplete	1,600.00
(3)		First and Second sections of Rolls, Gear Driven with Lay Shaft, Bevel Friction Drive, Jump Skids, Jump Cylinder and Bell Crankshaft	1,000.00
(4)	1	only 8' Phoenix Double Cutting Band Mill Top Wheel very thin.	1,500.00
(5)	1	4 Block Rack and Pinion Hamilton 42" opening, Carriage with extra Headlock, Double Acting Set Works with Flat and V Rail	1,400.00
(6)	20	Dead Rolls 8 x 20" with Dolly Boxes	200.00
(7)		Swing Saw Frame for 30" Saw	100.00
(8)		1 only Double Friction Type Canting Gear	250.00
(9)	1	only 9" x 10" Slide Valve Centre Crank Engine 36" x 10" Flywheel. Governor and other parts missing. SCRAP VALUE.	25.00
(10)		Miscellaneous parts of a Side Crank Engine piled indiscriminately under the mill SCRAP VALUE	200.00
(11)	2	only 72" x 18" R.T. Boilers #11775 approximately 135 lbs. #11776 approximately 140 lbs.	1,200.00 1,500.00
(12)		There is also a considerable number of Fittings, Grates, and second-hand brick of indeterminate value. Valuation on Boilers to include whatever Fittings to be there. 6 Band Saw approximately 44' long and originally 14" in width but considerably worn down.	300.00
(13)	3	Hand Carts 10.00	30.00
(14)		Several tons of Iron and Steel, miscellaneous parts Cast Iron, etc. SCRAP VALUE	50.00
(15)		50' of #78 Chain with 2 only 12 tooth #78 Sprockets and 1 15/16" short Shafts.	40.00
			$ 9,895.00

fair value complete

1800

200

700

February 25th, 1944.

The above valuations are based on present day market rates where and as is and if taken out and shipped to Vancouver would realize about 60% of the above or even less.

FOR THE NATIONAL MACHINERY COMPANY LTD.

"J.G. Macdonald"

Reference Your File No. 11521 and 8714

FORM "JP"

COPY

HAMMOND

FILE No. 1386 - 5

FRASER VALLEY

OFFICE OF THE CUSTODIAN

DATE

FILED BY 3 Nov.1948

JAPANESE SECTION

C.W.McPherson

To be completed by persons of the Japanese race having property in any protected area. The proper administration of this property requires such persons to give full particulars as requested in this form.

PERSONAL INFORMATION

NAME: TAKIMOTO, Yojiro

HOME ADDRESS: 2601 - 5th Ave., Haney, B.C.

REGISTRATION NUMBER 10672 SEX: Male AGE: 60

OCCUPATION: Contractor

(If any business or businesses carried on, state where, under what name and whether carried on by yourself or in partnership with anyone; if partnership, give partner's name.)

EMPLOYER: Fernridge Lumber Co.,

MARRIED? Yes

NAME OF WIFE OR HUSBAND: Akino

ADDRESS OF WIFE OR HUSBAND: 2601 - 5th Ave., Haney, B. C.

NAMES OF ANY LIVING CHILDREN: Sumiko (F) Jimmy (M) Bobby (M)

ADDRESS OF CHILDREN: 2601 - 5th Ave., Haney, B. C.

AGE OF CHILDREN: 15, 11, 10

STATEMENT OF ALL REAL PROPERTY (Each parcel must be mentioned and particulars given)

1. LOCATION AND DESCRIPTION: (1) Portion of 402/403 section, District of Maple Ridge, B. C. (2) Subdivision 1-2-3- of 16 of 2, Section 245, District of Maple Ridge, B.C.

2. BUILDINGS AND OTHER IMPROVEMENTS: Nine-room dwelling, four building shacks, one warehouse, one gas station, one garage, one water tank, includes all machinery

3. INSURANCE (Give particulars; state where policies are) $5000. on dwelling and $6000. on building shack, company unknown.

4. TAXES (Amount and where payable) (1) $8.38 for 1941 (2) $4.54 for 1941 payable at Maple Ridge

5. ENCUMBRANCES (Including any unregistered claims or deposit of title deed) None

6. OCCUPANCY AND LEASES (If vacant so state) Myself at present. Everything except the dwelling and garage will be rented to MacNair Shingle Co.

7. STATE WHEREABOUTS OF TITLE DOCUMENTS: At home

8. STATE IF ANY OTHER PERSON HAS ANY INTEREST: None

9. IF FARM LAND STATE CROPS SOWN None

STATEMENT OF REAL PROPERTY OCCUPIED

1. LOCATION AND DESCRIPTION: See page 1

2. LANDLORD'S NAME AND ADDRESS: ---

3. PARTICULARS OF LEASE AND RENT AND DATE TO WHICH PAID: ---

4. STATE WHEREABOUTS OF LEASE: ---

5. SUB-TENANTS, IF ANY (Give name, address, rent and to what date paid) ---

6. IF FARM LAND, PARTICULARS OF CROPS SOWN: ---

STATEMENT OF PERSONAL PROPERTY OWNED:

1. GIVE BRIEF DESCRIPTION AND STATE LOCATION OF FURNITURE, FIXTURES, EQUIPMENT AND MACHINERY, STOCK IN TRADE AND PERSONAL EFFECTS:

Household furniture, office furniture, machinery, motor, planer, saw, bearing, pulley, safting, etc. in the property at 2601 - 5th Ave., Haney, B. C.

2. HORSES, LIVESTOCK AND OTHER ANIMALS, POULTRY AND PETS None

3. GIVE THE NAME AND ADDRESS OF ANY PERSON HAVING ANY INTEREST IN, OR CLAIM ON ANY SUCH PROPERTY None

FORM "JP

FILE No.

4. INSURANCE CARRIED ON ABOVE PROPERTY: None

5. MORTGAGES, LIENS AND OTHER CLAIMS ON PROPERTY IN POSSESSION OF OTHERS: None

6. MONEYS OWING TO YOU (State if any of these debts assigned and if so, to whom) None

7. BONDS, DEBENTURES, SHARES, STOCKS OR OTHER SECURITIES (State whereabouts)
$100 Victory Bond

8. BANK ACCOUNTS: None

9. LIFE INSURANCE: $2000 20-year endowment policy in the Sun Life Ins. Co.
Beneficiary my wife. Policy at home

10. INTEREST IN ANY ESTATES OR TRUSTS None

11. SAFETY DEPOSIT BOX: None

LIABILITIES:

1. PERSONAL DEBTS: None

2. TRADE DEBTS: None

I, the undersigned, hereby voluntarily turn over to the Custodian all my property in the protected area as set out above, excepting fishing vessels, deposits of money, shares of stock, debentures, bonds or other securities, if any.

I certify that the above information is true and complete and fully discloses all my property of every description in any protected area in British Columbia and sets forth all my liabilities direct and indirect.

Dated this 9th day of May 1942

(Signature) "T. Takimoto"

"F. T. Williams"
Witness

FOR DEPARTMENTAL USE

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Jan. 25-49

~~Interpreter~~
J.M.

2747 6.

COPY

1386 - 6
EXHIBIT NO.
DATE 3 Nov. 1948
FILED BY G.W. McPherson

July 13th 1942.

Mr. Yojiro Takimoto,

Haney, B.C.

Dear Sir:-

As instructed by you, we incorporated a company under the "Companies Act" of the Province of British Columbia under the name of Haney Mills Limited, for the purpose of taking an absolute assignment from Allen McDougall Butler Shingle Company Limited of Timber Berth 309, and of taking an assignment of the Stave Falls Mill property, held under sub-lease from The Robert McNair Shingle Company Limited. If and when you are permitted by law to return to Haney, B.C., you may then deal with this company as to you may then seem advisable.

Yours truly,

TIFFIN, RUSSELL, DU MOULIN & BROWN.

Per _____

AMR/C

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Jan.25-49

J.M.



2



3



(22)



EXHIBIT No. 1386-7
DATE 3 Nov. 1948
FILED BY
G.V. McPherson

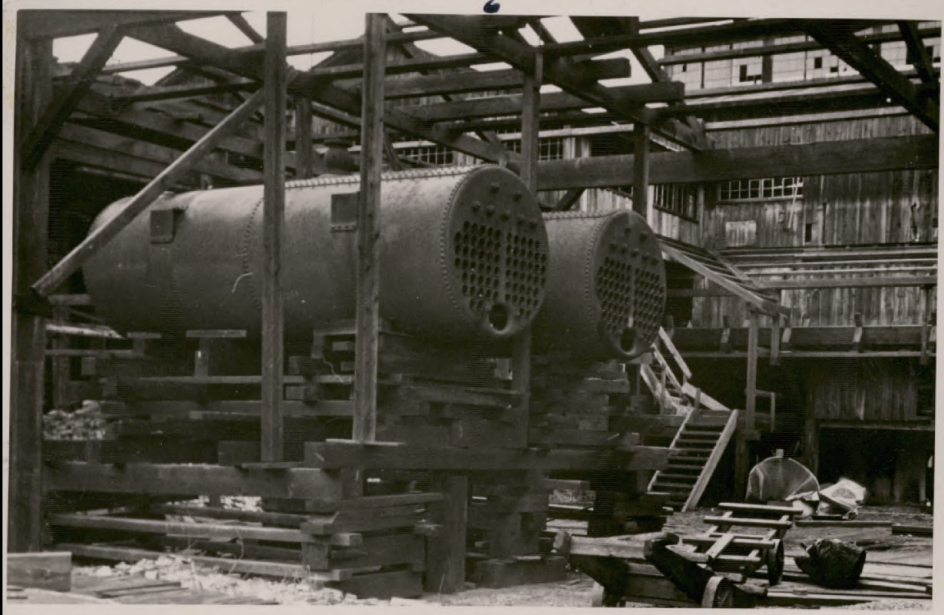
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5



6











1386 - 8
EXHIBIT No. Nov. 3/48
DATE
FILED BY G.W.McPherson

Haney Mills Limited

Report on Winding-up

12th July, 1948

for a price of $14,000.00 and arrears of taxes. The relative funds were collected by Messrs. Tiffin, Russell and Co., Barristers, who paid off the balance of purchase price of lot 309. At this time Messrs. Tiffin, Russell and Co. were acting for Takimoto and we have on file a complete statement of their receipts and payments together with their advice that they made final settlement with Takimoto on 30th July, 1946.

Affairs of company under control

On the 12th October, 1944, we visited the sawmill property located at Stave Falls, B. C., in company with Messrs. Shears and Wright of your office. The property appeared to have been unattended since the removal of the Japanese in 1942. The mill property is located on ground leased from the Western Power Corporation by the Allen McDougall Butler Shingle Company who in turn leased to Haney Mills Limited. The lease had a duration of five years from 1st March, 1943 and a rental of $25.00 per month and taxes.

The mill property was originally constructed by the Abernethy and Lougheed interests who operated on a large scale in that area. The mill was obviously designed to take care of a large output and we understand was erected approximately thirty years ago. Based on usual depreciation standards it would appear to be fairly well worn out.

From our inspection of the property we gained the impression that a considerable number of parts had been pilfered from the remaining equipment.

About a year ago the property was appraised by Messrs. Galbraith and Sulley and also jointly by a Mr. Robinson and the National Machinery Co. We are attaching to this report copies of these appraisals and a revision made by Messrs. Galbraith and Sulley. We are also attaching a special

report on the condition of the boilers made by Patterson Boiler Works and a special report made by Mr. Hal Menzies, a member of your Advisory Committee.

As a result of our visit and the substantial expense that would be entailed to adequately supervise the property it was decided to immediately offer the property for sale by public tender. Tenders were called under date of 30th October, 1944, bids closing on the 16th November, 1944. The advertisement appeared in the following papers:

Vancouver Daily Province - November 3rd, 1944.
Vancouver News-Herald - November 2nd, 1944.

As a result of the advertising one tender was received from Mr. H. D. Campbell on behalf of Mr. James Yuen Lim, in the amount of $4,450.00. As a result of discussions with Mr. Campbell's office the offer was increased under date of 20th December, 1944 to $5,400.00 and again on the 17th January, 1945 to $6,000.00. Based on the various appraisals and the special report of Mr. Hal Menzies we wrote you on the 17th January, 1945 recommending that the offer of $6,000.00 be accepted. This offer was submitted by you to the advisory board and we received your acceptance under date of 19th January, 1945.

Mr. Lim originally desired to acquire ownership by becoming registered as the holder of all the outstanding shares of the company but subsequently changed his mind and asked instead that we deliver him a Bill of Sale of the equipment and a transfer of the lease. The second method of transfer was adopted and the necessary documents delivered on the 11th July, 1946.

Formal winding-up

Under instructions from the Secretary of State the company was

Office of the Custodian,
Vancouver, B. C.

12th July, 1948

placed in formal liquidation on the 21st March, 1947. Creditors were advertised for but no claims were received. Releases were obtained from the Unemployment Insurance Commission, the Workmen's Compensation Board and the taxation authorities. The final meeting of the company was held on the 15th September, 1947, and the necessary returns filed with the Registrar of Companies at Victoria, B. C.

Attached to and forming part of this report are the following:

Exhibit "A" - Statement of Cash Receipts and Payments of Controller 25th January 1945 to 21st March, 1947.

Exhibit "B" - Statement of Cash Receipts and Payments of Liquidator 21st March, 1947 to 15th September, 1947.

Schedule 1 - Copy of Appraisal Galbraith and Sulley Ltd. 15th March, 1944. Revised 25th October, 1944.

Schedule 2 - Copy of Appraisal National Machinery Co. Ltd. 25th February, 1944.

Schedule 3 - Copy of Appraisal Robinson re buildings.

Schedule 4 - Letter Patterson Boiler Works, 8th November, 1944.

Schedule 5 - Copy of "Calls for Tenders" 30th October, 1944.

Schedule 6 A- Copy of Tender H.D. Campbell, 21st November, 1944.

Schedule 6 B- Copy of Tender H.D. Campbell, 20th December, 1944.

Schedule 6 C- Copy of Tender H.D. Campbell, 17th January, 1945.

Schedule 7 - Special Report Mr. Hal Menzies.

As this completes the affairs of this company we would ask that a release of controllership be granted our Mr. Frederick Field.

We shall be pleased to furnish any further information you desire.

Yours faithfully,

"P.S.R.& S."

Chartered Accountants.

Exhibit "A"

Haney Mills Limited

(Yojiro Takimoto)

Statement of Cash Receipts and Payments

25th January, 1945 to 21st March, 1947

Receipts

Sale of machinery and buildings to James Yuen Lim	$6,000.00
Taxes on property for 1943 - 1944 and part of 1945 Received from Tiffin Russell and Co. on behalf of Takimoto	292.58
Lease rent June, July and August, 1945 J. Y. Lim	75.00
	$6,367.58

Payments

Advertising property for sale	61.20	
Valuation reports and photographs	54.42	
Long distance telephone calls	1.35	
Taxes 1943 - 1944	291.37	
P. S. Ross and Sons - Controllers' fees	200.00	
Paid to Galbraith and Sulley Ltd. on order Takimoto	3,000.00	3,608.34
Balance on hand with Custodian's office 21st March, 1947 (date of formal liquidation)		$ 2,759.24

Exhibit "B"

Haney Mills Limited

Statement of Liquidators Receipts and Disbursements

21st March to 15th September, 1947.

Balance funds on deposit with Custodian - 21st March, 1947		$ 2,759.24
Disbursements		
P. S. Ross and Sons fees controller	70.00	
Legal fees and disbursements re liquidation	52.60	
Liquidator's fees	80.00	
	202.60	
Balance with Custodian for distribution to shareholders	2,556.64	2,759.24

Schedule 1

Haney Mills Limited

Copy of Appraisal Galbraith and Sulley Ltd.

15th March, 1944. Revised 25th October, 1944

March 15, 1944.

A. M. Russell, Esq.,
c/o Messrs. Tiffin, Russell, Du Moulin & Brown,
850 West Hastings Street,
Vancouver, B. C.

Dear Sir:

We have pleasure in enclosing the inventory taken on March 11th of the Takimota Sawmill at Stave Lake.

The three valuations possibly require additional explanation. The first - "Value purchased for resale" is the price that might be expected from a dealer for the equipment "where and as is". The second - "Value dismantled and delivered in Vancouver" is a value that the dealer would likely ask for the equipment to actual users and not on a quick sale basis. The third - "Value for use where installed" is based on the second valuation plus installation expense. In our opinion this basis of valuation cannot fairly be applied to the machinery for the reasons stated below.

The machinery now installed in the mill only represents about 30% of the equipment that would be required to complete the mill on the present layout which in the writers opinion is a most impractical design. For this reason we believe it unlikely that anyone would consider purchasing the mill with any idea of using the existing equipment as now installed.

The bulk of the machinery was apparently purchased second hand and has suffered considerably by both pilfering and corrosion since installation. You will note from the enclosed inventory that the boilers are not installed and the engines are scrap, that there is practically no power transmission equipment or conveying equipment. No edger, loghaul, trimmers, transfers, sorting table or yard equipment.

Valuation of buildings is not actually in our field but we judge the replacement cost the main mill building might be some $15,000.00. However, in view of the signs of rot in the footing and sills, the unconventional layout and the general run down condition, we believe that $4,000.00 would be a very reasonable valuation at the present time.

It appears obvious that in a few years, because of pilfering of the equipment and further depreciation of the building the values now suggested would be greatly discounted.

If itemized prices or any further information is required we would be glad to furnish same.

Very truly yours,

GALBRAITH & SULLEY LIMITED

"W. K. E. Sulley"
Manager

WKES-hct
Encl. 1
AS

Inventory of Takimoto Sawmill, Stave Lake, B. C.

1 Circular headrig consisting of 3 15/16 Bottom Arbor, 2 15/16 Top Arbor, 28" x 18" Main Drive Pulley, 12" - 4 pulley Top Saw Drive complete, 2 Saw Guides and necessary bearings.

Condition - Good excepting one bearing cap, on a collar and nut missing.

1 4 block 60" Screw Carriage with Willamette Power Setworks and 8 sets of trucks.

Condition - Fair. Setworks incomplete and without motor. No carriage track, all Boss Dogs and 2 Coast Dogs missing.

19 10 x 24 Cast Iron Live Rolls Mitre Gear Driven, 2 3/16 Layshaft
2 Vertical Bevel Friction Reverse Drives for above.

Condition - Fair. One Drive Pulley missing.

1 8' Diamond Wilkinson pattern Band Headrig with Steam actuated guide and hand tention device.

Condition - Poor. This is a very old machine and the top wheel is worn to $\frac{1}{2}$" thick and would have to be replaced at considerable cost.

1 4 Block 42" Rack and Pinion Carriage, double acting setworks, 8 sets of trucks 65' of Flat and Vee 60 lb. planed rail.

Condition - Fair. Boss Dogs missing.

1 Medium Weight Single Geared Log Canter, Drum 5" x 36", 2 15/16 shaft, 18" - 1 $\frac{1}{2}$" pitch Spur Gear, 36" Reverse Bevel Friction Drive.

Condition - Good.

19 8 x 24 Dead Pipe Rolls

Condition - Fair.

1 9 x 10 Center Crank Steam Engine, Slide Valve and Governor missing.

Condition - more or less scrap.

1 12 x 16 Side Crank Steam Engine, completely dismantled, connecting rod, valve mechanism and governor missing - scrap value only.

1 16" Lap Grinder and 1 - 16" Brazing Clamp.

Condition - Stripped of essential parts and obselete design. No value.

4 11" x 42' Double Cut Band Saws
1 12" x 42' Double Cut Band Saws
1 15" x 42' Double Cut Band Saws

1 Wood Frame Swing Cut-off Saw, countershaft, hinges and yoked arbor bearings. Arbor 1 15/16 diameter.

Condition - Fair.

42' 1 15/16 shafting

24' 2 3/16 shafting

18' 2 7/16 shafting

11 Miscellaneous bearings for above shaft.

1 36" x 8" Cast Iron Spur Friction

1 8" x 10" Spur Paper Friction

2 72" x 18' Horizontal Ruturn Taube Boiler, no suspensions, stack or firebox fittings. Steam fittings not inspected but said to be inside boiler. These boilers were last inspected in 1940, one having been passed by the B. C. Boiler inspectors for 135# W.P. the other for 140# W.P.

1.	Value purchased for resale	$ 3,412.00
2.	Value dismantled and delivered in Vancouver at resale to consumer prices	6,887.00
3.	Value for use where installed	8,577.00

AS

October 25, 1944

Frederick Field, Esq.,
675 West Hastings Street,
VANCOUVER, B. C.

Dear Sir:

We have pleasure in complying with your request for a clerification of our letter to Mr. A. M. Russell dated March 15, 1944, regarding the values of the Takimoto Sawmill at Stave Lake.

Commencing with the highest valuation, that is, the value of the machinery for use where installed - $8,577, we again wish to point out that we believe it very unlikely that any prospective purchaser would consider using the lay-out that the former owner apparently had in mind. This lay-out is actually two mills - a circular head rig followed by a band pony rig, having a probably capacity of 100,000 feet a shift which would appear far larger than the available timber supply warrants.

There is no question in the writer's mind that it would be to the owners advantage to sell the mill to someone intending to operate it, but it must be realized that the purchaser would probably be able to use only a small proportion of the machinery now installed and be faced with the problem of disposing of the balance. The purchaser would then be placed in the position of purchasing at a price based on a combination of values used to arrive at valuation No. 1 and valuation No. 3; in other words, he would be purchasing a considerable proportion of the equipment for the purpose of resale.

In an attempt to arrive at a probably valuation on this basis, the writer has gone through the itemized price lists and without knowledge of any proposed purchaser's plans, thinks it probable that the equipment

for use where installed would total $3,360, and the equipment for resale $2,122, making a total of $5,482. Adding the suggested valuation of $4,000 for the building, the total value, exclusion of property, would be $9,482.

If all attempts to sell the mill as a complete unit fail, we would advise advertising the larger items of equipment and grouping supplies and miscellaneous small items together and calling for tenders on either single items or the lot. This would possibly attract purchasers who had immediate needs for such items and who would, therefore, be purchasing at the values shown in the "resale to Consumer" prices (Valuation No. 2).

The writer again wishes to stress that it is most important that the equipment be disposed of as soon as possible, not only because of the advantageous market existing today, but also because of the rapid depreciation of the equipment owing to corrosion and pilfering.

We trust that this is the information required, and wish to assure you that we would be only too glad to be of any further assistance.

Very truly yours,

GALBRAITH & SULLEY LIMITED

"W. K. E. SULLEY"

W.K.E. Sulley
Manager.

WKES:DT

Schedule 2

Haney Mills Limited

Copy of Appraisal National Machinery Co. Ltd.

25th February, 1944

For the Office of the Custodian
Japanese Evacuation Section

List of Machinery and Equipment located on the west bank of Stave River, Stave Falls, B. C. being NE¼ Section 24, Township 15, East of the Coast Meridian in the Municipality of Mission

1	Top and bottom saw arbor complete with Guides, Pulleys, bearings, etc.		$ 500.00
1.	4 Block screw type carriage, 72" opening, 36' long with flat and V rail, with Willett Electric Set Works, Motor and electrical connections missing also Dogs incomplete		1,600.00
	First and second sections of rolls, gear driven with lay shaft, Bevel friction drive, jump skids, jump skids, jump cylinder and bell crankshaft		1,000.00
1	Only 8' Phoenix double cutting band mill top wheel very thin		1,500.00
1	4 Block rack and pinion Hamilton 42" opening, carriage with extra headblock, double acting set works with flat and V rail		1,400.00
20	Dead rolls 8 x 20" with dolly boxes		200.00
	Swing saw frame for 30" saw		100.00
1	Only double friction type canting gear		250.00
1	Only 9" x 10" slide valve centre crank engine 36" x 10" flywheel. Governor and other parts missing. SCRAP VALUE		25.00
	Miscellaneous parts of a side crank engine piled indiscriminately under the mill. SCRAP VALUE		200.00
2	Only 72" x 18" R.T. Boilers #11775 approximately 135 lbs.		1,200.00
	#11776 approximately 140 lbs.		1,500.00
	There is also a considerable number of fittings, grates, and second-hand brick of indeterminate value. Valuation on boilers to include whatever fittings to be there. 6 Band saw approximately 44' long and originally 14" in width but considerably worn down		300.00
3	Hand carts	10.00	30.00
	Several tons of iron and steel, miscellaneous parts cast iron, etc. SCRAP VALUE		50.00
	50' of #78 chain with 2 only 12 tooth #78 sprockets and 1 15/16" short shafts		40.00
			$ 9,895.00

February 25th, 1944

The above valuations are based on present day market rates where and as is and if taken out and shipped to Vancouver would realize about 60% of the above or even less.

FOR THE NATIONAL MACHINERY COMPANY LTD.
"J. G. Macdonald"

Reference Your File No. 11521 and 8714

Schedule 3

Haney Mills Limited

Copy of Appraisal Robinson re Buildings

3162 West 7th. Ave.,
Vancouver, B. C.
February 24th, 1944.

Dept. of The Secretary of State
Office of The Custodian
Japanese Evacuation Section
506 Royal Bank Bldg.
Vancouver, B. C.

Attention: A.G. McArthur

Dear Sir:

In accordance with your request by letter the 19th ins't I submit my report as follows.

I visited the mill property 23rd. ins't with Mr. Moryson and Mr. McDonald and got all the particulars as near as possible.

I will submit the valuation as salvage as is, where it is to be torn down and hauled away. Also value as a mill or other use to be used where it stands.

There is approximately 205,000 board feet of salvage in the main mill. The shed, the shop and sections marked V,Y,X & G2 value as follows — 205,000 ft. @ $5.00 per M.B.F.	$ 1,025.00
In section U X Z 53,000 B.F. @ $3.00 per M.B.F.	159.00
110 squares corrigated iron @ $2.00 per sq.	200.00
Section W - Hazardous to demolish. Value	25.00
Considerable brick at boilers. Approx. 30,000 @ $4.00 per M.	120.00
	$ 1,529.00

Sections U & Z would be of no value to anyone who would wish to carry on as a mill proposition.

The buildings as they stand would be worth considerably more to one who wished to use them for a sawmill. I would value them at $5,500.00.

To give you a clear picture of the contents of this report, I am enclosing a small plan which will aid you in locating the different sections I have referred to.

Thanking you for the privilege of serving you in this capacity.

Yours very truly,

"G. V. ROBINSON"

Schedule 4

Haney Mills Limited

Letter Patterson Boiler Works

8th November, 1944.

Mr. F. K. Field,
P. S. Ross & Son,
675 West Hastings Street,
Vancouver, B. C.

Dear Sir:

R. T. Boilers #11775 and 11776 B. C.

Regarding the two return tubular steam boilers at Takimoto Mill site, Stave Falls, we have examined these boilers and beg to report as follows:

They were built in 1913 and last inspected in 1940. They are 72" x 18' and when last inspected were allowed 135# W.P. but after being put in shape and tested they would now be allowed about 125# but not higher.

Each boiler should have 14 tubes replaced in bottom rows, new studs required in flanges and new breeching fitted on each; also new fusible plugs. Apart from these necessary repairs the boilers appear to be in fair condition.

As the fronts, doors, grates, suspension arrangements and mountings are under about three feet of water we are unable to inspect or ascertain if same are complete.

The cost of doing the work as outlined above would be $1,040.00 for the two boilers.

Yours very truly,

PATTERSON BOILER WORKS

"C.L.P."

C.L. PURDY/W

Schedule 5

Haney Mills Limited

Copy of "Calls for Tenders"

30th October, 1944.

SAWMILL BUILDING AND MACHINERY

for sale by Tender

By virtue of my appointment as Controller made by the Secretary of State of Canada acting in his capacity as Custodian under or by virtue of the Revised Regulations Respecting Trading with the Enemy (1943) I am authorized to offer for sale by public tender the following assets owned by

HANEY MILLS LIMITED

Buildings and machinery located on leased land described as the North-East Quarter of Section 24, Township 15, East of Coast Meridian, Municipality of Mission. The machinery includes the following: 1 Circular Headrig with 16" Carriage Power Set Works 1 8' Band Headrig with 42" Carriage and Set Works, Gear Driven Live Rolls, 2 Horizontal Return Tube Boilers, quantity of Saws, Pipe Rolls, Shafting, Friction, etc.

Tenders for the purchase of the above described will be received by the undersigned Controller at his office up to noon (Pacific Daylight Saving Time) on the 21st day of November, 1944, upon the following terms and conditions:

1. Tenders must be made for the assets as a whole.

2. A certified cheque payable to the order of the Controller for ten percent (10%) of the amount offered must accompany each tender; the balance of the tender price to be paid on acceptance by the Controller; subject to the condition that should the tenderer not fulfill the terms of his offer and the conditions of the Notice calling for tenders, his tender will be cancelled and the amount deposited by him forfeited to the Controller as liquidated damages; cheques in respect of unaccepted bids will be returned in due course.

3. The assets are offered for sale without any representation or warranty whatsoever on the part of the Controller as to quantity, condition or state of repair of such assets, and while the general idea thereof may be obtained from the inventories in the office of the Controller, the sale thereof shall be made in each case subject to shortages and overages, the shortages to be at the charge of and the overages for the benefit of the successful tenderer.

4. The assets are offered for sale subject to all existing leases and contracts to which the company is a party. It shall be the duty of the purchaser to make his own arrangements with the owner of the land for an assignment of the lease and the purchaser shall enter into a covenant with the Controller and Haney Mills Limited duly to observe and perform all the covenants and agreements on the part of the Controller or the said Company contained in the said leases and contracts and to indemnify the Controller and the said Company in respect of any breach thereof.

5. The Purchaser and/or purchasers shall pay the usual adjustment of taxes and rentals as of the date of sale.

6. The Controller reserves the right to cancel any accepted tender and to refund the deposit at any time prior to delivery by him of the documents of transfer.

7. Neither the highest nor any tender will necessarily be accepted.

8. Each tender must be in a separate sealed envelope addressed to -

Frederick Field
c/o P.S.Ross & Sons,
675 West Hastings Street,
Vancouver, B. C.

and each envelope must be marked on the outside "Tender - Haney Mills Ltd."

Further particulars may be obtained and arrangements made with the undersigned to inspect the premises and to examine copies of the leases affecting the assets.

DATED at Vancouver, British Columbia, this 30th day of October, 1944.

Frederick Field,
Controller,
675 West Hastings Street,
Vancouver, B. C.

Schedule 6A

Haney Mills Limited

Copy of Tender H. D. Campbell

21st November, 1944

Messrs Frederick Field & Co.,
675 West Hastings Street,
Vancouver, B. C.

Dear Sirs:

Re- Tender - Haney Mills Ltd.

I hereby offer, on behalf of my client, Mr James Y. Lim, to purchase the mill building and mill equipment advertised by you for sale as controller for the Custodian of Enemy Property, on the terms outlined herein.

If you are conversant with the Custodian's file in this connection, you will no doubt be aware of the fact that my client made an offer to purchase the mill and equipment nearly a year ago to Mr Alan Russell, Solicitor for and Director of the Haney Mills Ltd., in an amount of $6,500.00. As I outlined at that time, my client was not interested in the main portion of the equipment which seemed to have no relation to the size of operation which could be carried on there.

The basis of this offer was that my client might recover approximately $3,500.00 by an immediate resale of the unuseable equipment and although the mill building was not actually worth the differential between this amount and my client's offer, he subsequently increased the offer to meet an appraisal obtained by Mr Russell of $7,800.00. The reason for this was that my client was prepared to pay a premium for obtaining the location immediately at Stave Falls.

The situation is now altered considerably. After considerable trouble and expense, my client has leased a location adjoining. In addition to that the buildings and the equipment are no longer in the same condition as at the time my client made his original offer. Certain pieces of equipment have been stripped and most of the small panes of glass in the mill building have been broken, presumably maliciously by boys. The actual cost of the glass is not terribly extensive, however the cost of the labour in installing these panes is now a major item.

I would also point out that the market for used equipment of this nature has definitely passed its peek, and I do not feel that my client will be able to realize nearly as much from the resale of the equipment which he cannot use, as he could have at the time of his original offer.

For the above reasons, therefore, I have now been instructed by my client to offer you the sum of $4,450.00 for the entire assets advertised which, for your information, is based on a valuation of resale of the equipment of $2.700.00 and a value of $1,750.00 on the building. This latter, which Takemoto originally purchased for $500.00 is approximately twenty years old and will undoubtedly require a large amount of money to be spent on it to make it useable and also to maintain it.

In support of this offer, as required by your advertisement, I am enclosing herewith my client's cheque, drawn on your favour in amount of $445.00, being 10% of the offered purchase price.

Yours very truly,
H.D. Campbell
per:R.C.Messenger

Schedule 6B

Haney Mills Limited
Copy of Tender H.D.Campbell
20th December 1944

Messrs Frederick Field & Co.,
675 West Hastings Street,
Vancouver, B. C.

Dear Sirs:

Re- Tender - Haney Mills Ltd

Further to my tender under date of November 21, to purchase the mill building and mill equipment advertised by you for sale, and our subsequent conversations in this connection, I wish to advise you what my client is prepared to do in this connection after receiving additional information with regard to the condition of the mill equipment.

As the writer advised Mr Field verbally, a value of $1,300.00 had been placed on the boilers, which are part of the equipment for sale. During subsequent conversations with Mr Field and Machinery Equipment Dealers, it appeared on the face of things that in view of the reported pressure rating of these boilers, their reported condition and fittings, that my client could dispose of these for considerably more money than he had previously anticipated. As the writeradvised Mr Field, if this were verified, my client was prepared to increase his offer considerably. As stated previously, all my client wishes to use is the mill site and two pieces of equipment which are more or less built into the premises and the amount of his offer to a great extent was dictated by the amount that could be realized from the resale of the sundry pieces of equipment located on or about the premises.

From information now received, it would appear that the boiler situation, instead of being better than my client anticipated, is considerably worse. The fittings are anything but complete and some unuseable, as the result of conditions in which they have been left to remain for some years. They are now under three feet of water. The allowable pressure by the Boiler Inspector instead of being 135 and 140 respectively has now been reduced to 125, which is the approximate minimum. It has also been disclosed that the boilers were manufactured in 1913 and are over the allowable age for use of 30 years.

In addition to this, my client is informed that apart from the fittings which are missing, it will cost an amount of $1,040.00 to replace the tubes necessary to pass inspection and redrill the connecting plugs, etc., To do this it will be necessary to move these two boilers to Vancouver at a cost of anywhere up to $500.00. Furthermore, if this is done at a cost of say $1,500.00, there is very little market for boilers of this age and allowable pressure. The writer is personally aware of two similar boilers in much better condition, which have been for sale for two years without any bidders, at a price of $1,000.00 each, making a total of $2,000.00.

The difference which this situation creates to my client is that he had valued these boilers at $600.00 each, whereas the obtainable offers for them, in view of the above information (as is and where they are located) would be approximately $300.00 each. Also the next reduction in pressure by the Boiler Inspector will automatically retire them for power use and they can only be used for heating purposes. It is possible they may be condemned entirely.

The band saw mill, on which a certain valuation has been placed is obsolete, and requires replacement of a vital part which will cost approximately $1,000.00 to replace if it can be located. There is some doubt as to whether the Workmen's Compensation Board would permit its use, if repaired.

Altogether possibilities of recovering any major portion of my client's tender from a realization of the mill equipment are extremely doubtful.

During the course of the writer's conversation with Mr. Field, the latter has referred to my client's original offer, made about a year ago, at a higher price. In this connection I would point out as I have before, that it was worth my client's while to pay a premium to obtain this mill site at that time as he had just invested a large amount of money in an adjacent timber berth and wished to commence logging and milling operations immediately. Negotiations were deferred again and again for nearly a year which resulted in a loss of considerably more to my client than the total price that he is offering for this mill site now. As a result of Mr. Takemoto's attitude in the matter, my client has had to absorb this loss.

As the writer advised Mr. Field, my client has now acquired the leasing rights of an adjoining mill site and can get a mill in shape in time for the coming season. Obviously he will not now consider paying any premium for this mill site which I am very well aware is only of use to him.

To determine the situation once and for all, I have been instructed by my client, Mr. James Y. Lim, to amend his tender and offer to purchase the Haney Mills Ltd. for the sum of $5,400.00, $2,400.00 of which is payable in cash on your acceptance of same, and the balance of $3,000.00 within ninety days. The reason for this is that he does not wish to tie up any more cash at the moment than he can avoid in view of the very large expenditures required to rebuild the mill and to purchase equipment, with the hope that at least some part of the outstanding amount may be realized during the ninety days period by the disposal of the unrequired equipment

Please understand that this is my client's final offer in the matter and is automatically withdrawn ten days from this date.

I do not wish to appear to be forcing your hand in this connection but my client simply cannot let himself be put in the same position as last year which resulted in such large losses to him.

I wish to express my appreciation of the expeditious manner in which you have personally attempted the disposal of this property, since it has come under your control, and the co-operation which you have extended in endeavouring to come to an arrangement. The remarks above in connection with the delays are certainly not applicable to your action in this matter.

Yours very truly,

H. D. CAMPBELL

Per: "R.C. Messenger"

RCM:JM

Schedule 6C

Haney Mills Limited

Copy of Tender H. D. Campbell

17th January, 1945

Messrs. Frederick Field & Co.,
675 West Hastings Street,
Vancouver, B. C.

Dear Sirs:

Re - Haney Mills Ltd

This is to confirm the writer's advice to Mr. Field that Mr. Lim is prepared to and hereby does amend his offer of December 20, 1944, to purchase the above Company, to the sum of $6,000.00, the terms of the purchase of the Company to be $3,000.00 cash and the delivery of the stock of the Company, which is to be held in escrow, on the payment of the balance of $3,000.00 at any time within a three month period from the date of the sale.

This amended offer has only been made on the distinct understanding that the matter will be dealt with immediately, and failing your advice by Monday, January 22, 1945, that you are recommending to the Custodian in Ottawa that this offer be accepted, it is automatically withdrawn. As I pointed out before Mr. Lim can no longer defer proceeding with his alternate course of action with regard to mill operation in this locality, and if he cannot get an immediate decision, he will have no alternative but to proceed building on the adjoining mill site.

Yours very truly,

H. D. CAMPBELL

Per: "R.C. Messenger"

RCM:JM

Schedule 7

Haney Mills Limited

Special Report Mr. Hal Menzies

HANEY MILLS (Takimoto Property)

The above property consisting of the old Stave Falls Lumber Co. constructed about 25 years ago on the west shore of Stave Lake, about 300 yards above Stave Falls and the Highway, was originally served by the B. C. Electric Rail connection between Stave Falls and the C.P.R. main line at Ruskin. This rail line has now been abandoned, and the road bed turned into a traffic road in only fair condition, serving only a shingle mill which is the only industry on this shore of the lake, and is situated above the Takimoto property.

Beginning at the South end the property contains a large old building originally used as headquarters, but now badly wrecked, nearly all the windows broken out, and the property almost completely ruined by prolonged vacancy. There is a small cabin of three rooms in serviceable condition and occupied.

See Photograph No. 1.

These are west of the right-of-way. Immediately opposite, on the lake shore is a cabin 12' x 40', also occupied.

See Photograph No. 2.

The next feature is about 300 yards of old wharf and lumber shed extending from the right-of-way to the lake shore, from which has been stripped all the decking and most of the timbers that were useful. The piling, being of fir, is depreciated beyond usefulness.

See Photograph No. 3.

Next to this is the mill proper which contains about 7000 square feet of mill buildings with about an equal area of lumber deck on piles, most of which is in useable condition, with a few planks requiring replacement.

See Photograph No. 4.

This mill was very elaborately constructed to handle a considerable volume of logs, and although the original owners controlled most of the timber in the area, I have been reliably informed that its operation was never satisfactory from a profit point of view, and now that most of the timber is taken out of the lake area, which is the only area that can serve this mill, it is difficult to see how this plant can be put to profitable use as no operator without considerable timber in the area would be interested in it, and to remodel the plant to handle a small volume of logs would involve considerable expense. It is quite apparent that when Takimoto took over this mill he expected to obtain the only sizeable block of timber in the area, which has since been bought by P. Bain Ltd. who, it seems to me, is the only one that could have any use for this property as a mill site. This leaves as the only alternative to dispose of the plant for wrecking and salvaging and as the power plant has been completely removed, and the boilers have been lifted and mounted, apparently for shipping out there is not a great deal left to salvage.

See Photograph No. 5.

Across the right-of-way from this portion of the mill there are two bunk houses 12' x 24', both occupied by tenants, who, I am told, are paying no rent, and if as I understnad, all these cabins are on leased ground their value as such is considerably depreciated.

See Photograph No. 6.

The only equipment of value appears to be two large log carriages and live roller tracks.

See Photograph No. 7.

It would seem to me that there is very little use in this area for any of this construction now that the timber is all sold or taken from this area, and the rail transportation has been permanently removed.

I think this embrances the information that you wish me to obtain, but perhaps I can elaborate further when we are discussing the situation at the meeting of the Commission.

"HAL MENZIES"

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

October 18, 1949. G. Hyde

EXHIBIT NO. 3 Nov 1948
DATE
FILED BY G.W.McPherson

EXCERPT FROM MINUTES OF RURAL ADVISORY COMMITTEE DATED January 18, 1945, AT WHICH WERE PRESENT: JUDGE DAVID WHITESIDE, MAYOR W. MOTT, MR. HALL MENZIES, MR. F. G. SHEARS, MR. K. W. WRIGHT.

HANEY MILLS - Mr. Shears reported to the Committee that shares of this limited company were owned by Hohiro Takamoto and had been vested in the Custodian and also that Mr. Frederick Field had been appointed Liquidator. The company had been under the control of Mr. Russell of Messrs. Tiffin, Russell, Du Moulin, Brown & Hogg since Mr. Takamoto, the principal shareholder of Haney Mills, had been evacuated and that a Co-Director with Mr. Russell was Mr. H. R. Butler of Ruskin, B. C.

The property had been advertised for sale but no tenders were received, Subsequently the Liquidator received an offer from Mr. H. D. Campbell, on behalf of Mr. James Y. Lim, to purchase the shares of the Haney Mills Ltd., such purchase to include the equipment and buildings at Stave Falls together with an Assignment of Lease of the ground on which these buildings are situated. The transfer of the stock is necessary in order that the purchaser may acquire the lease.

A letter from the Liquidator to the Custodian, dated January 17, was read to the Committee in which it was stated that the original offer of Mr. James Y. Lim was $4,450.00 but since that time Mr. Lim had increased his offer to $5,400.00 and subsequently to $6,000.00, payable $3,000.00 cash and the balance of $3,000.00 within ninety days of the acceptance of this offer. This letter dealt with the valuations which had been made by Mr. Sully of Galbraith & Sully and the various factors which entered into an appraisal of a property of this kind in its present condition.

The recommendation of the Liquidator was that Mr. James Y. Lim's offer of $6,000.00 should be accepted. At the request of the Custodian, in order that the Committee might have full knowledge of the matter under review, they had asked Mr. Menzies to inspect this property. Mr. Shears read a report which Mr. Menzies had submitted to the Custodian and Mr. Menzies stated that when making his survey of this property he was accompanied by Mr. Brown, Senior partner of Brown and Blackstock, Logging Operators, and that Mr. Brown had been in the

C
O
P
Y

Stave Falls district for over 25 years and was associated with the firm of Abernethy & Lougheed. He was therefore in a position to give quite an expert opinion and gave Mr. Menzies some helpful advice and in their opinion from a salvage point of view the property would not be worth more than $3,000.00. Seven pictures which Mr. Menzies had taken of the property from various angles were produced. These were examined by the members of the Committee and after careful consideration

It was moved by Mr. Menzies and

Seconded by Mayor Mott

That the Custodian would be well advised to accept the offer of $6000.00 for the disposition of this property.

I hereby certify the foregoing words to be a true copy of the original whereof they purport to be a copy.
Jan. 25/49 [signature]

COPY

1386 - 10

EXHIBIT No. 3 Nov.1948

DATE

FILED BY G.W. McPherson

HAROLD D. CAMPBELL
Chartered Accountant

VANCOUVER, B.C.

March 16, 1944.

Office of the Custodian,
Department of the Secretary of State,
Japanese evacuation Section,
506 Royal Bank Building,
Vancouver, B.C.

Attention Mrs. MacArthur:

Dear Sirs: Re-Stave Falls Mill
Property Haney Mills Ltd.

Under date of February 14, I wrote you in connection with an offer which I had made to Tiffin, Russel, DuMoulin & Brown to purchase Stave Falls Mill, owned by Mr. Y. Takemoto. To date I have not received any acknowledgment of this letter although the writer has been in contact with Mrs. MacArthur.

I have now to advise you that my client, Mr. J. Y. Lim, is prepared to offer $7,800.00 for the buildings and contents subject to a decision being arrived at within ten days. I think that I stressed in my aforementioned letter that time was the essential part of any sale which be arranged with Mr. Lim in connection with the above holdings of Mr. Takemoto, and I wish to reiterate that unless some action can be taken within the time mentioned above, the matter will have to be dropped.

For your information I have discussed this offer with Mr. Allan Russell who advises me that he is not in a position to take any active steps towards consummating a sale of the property inasmuch as he is simply Mr. Takemoto's Solicitor, despite the fact that I understand he has had an appraisal made of the properties which is in line with the offer embodied in this letter.

I would appreciate your immediate consideration and advice in connection with this matter.

Yours very truly,

H. D. CAMPBELL.

Per "R. C. Messenger"

RCM:JM

I hereby certify that the foregoing words are a true copy of the original whereof they purport to be a copy.

Jan.25/49

m Wanstall
J.M.

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

PHONE PACIFIC 6131
PLEASE REFER TO
FILE NO.

JAPANESE EVACUATION SECTION

506 ROYAL BANK BLDG.
HASTINGS AND GRANVILLE
VANCOUVER, B. C.

December 3, 1948.

Hon. Mr. Justice Henry I. Bird,
Japanese Property Claims Commission,
Court House,
Vancouver, B.C.

Re: Haney Mills Limited

Dear Justice Bird:

I understood from Mr. McPherson that Mr. Russell's account for services in the above matter would be OK'd by yourself.

I am enclosing this account herein and if you would kindly OK and return to me in due course, I will forward same to Justice Department for payment.

Yours very truly,

F.G. Shears

F.G. Shears,
Director.

FGS/GN
Encl.

TELEPHONE PACIFIC 9164

Campbell, Brazier, Fisher & McMaster

Barristers and Solicitors

A. T. R. CAMPBELL
C. W. BRAZIER

A. W. FISHER
R. J. McMASTER

A. J. F. JOHNSON

A. E. COBUS

ROYAL BANK BUILDING
675 WEST HASTINGS STREET
VANCOUVER, B.C.

OUR FILE No.

November 20, 1948

Secretary
Japanese Claims Commission
Court House
Vancouver, B. C.

Dear Sir:

Enclosed herewith please find amended claim of Haney Mills Ltd. copy of which we are sending to-day to Mr. G. W. McPherson.

Yours very truly,

CAMPBELL, BRAZIER, FISHER & McMASTER

Per

RJM:WD

Encl.

1386

G. W. McPHERSON

506 Royal Bank Bldg.,
Vancouver, B.C.,
November 27, 1948.

The Honourable Mr. Justice H.I. Bird,
Court House,
Vancouver, B. C.

Dear Justice Bird:

Re: Haney Mills Limited

Your Lordship will recall that in the presentation of the claimant's evidence in this case only the claimant himself was heard and then certain discussions took place between counsel and yourself, and you called Mr. Alan Russell, Barrister, to give evidence in your chambers. As a result the claim with respect to the Alouette Mill and Timber Block 309 were declared by Your Lordship to be outside the terms of reference, and the only outstanding matter was the Stave Falls lease, mill and equipment.

Discussions took place between counsel as to the possibility of arriving at some figure that would be satisfactory to the claimant if Your Lordship, on the basis of the evidence and the documents delivered to you, felt that you could make a recommendation of the amounts suggested. The suggestion is that a recommendation of $3,000.00 would be acceptable, and a statement signed by both counsel showing how they arrived at this figure is attached.

Yours very truly,

G. W. McPherson.

GWMcP/mw
Att.

HANEY MILLS LIMITED - Analysis of Claim (Stave Falls Property Only)

Stave Falls Lease Mill & Equipment	Original Claim	Amended Claim Gross	Amended Claim Salvage Only	Sold by Custodian for
	$40,000.00	$12,450.00	$10,000.00	$6,000.00
		Thefts: 600.00	600.00	
		$13,050.00	$10,600.00	

Counsel for the Government and for the claimant, for the purpose of assisting the Commissioner in making his recommendation without hearing further evidence or argument, would not object to a recommendation for compensation to the claimant with respect to this portion of this claim in thesum of $3000.00. Counsel agree that for the purposes aforesaid such recommendation would be fair and reasonable if the recommendation were based upon the following considerations:

(1) Maximum appraisal obtained by the Custodian:

Buildings to be used and leasehold interest	$ 5500.00	(Robinson)
Equipment	5937.00	(National Machinery)
Total:	$11437.00	

(2) Minimum appraisal:

Buildings and lease, salvage value only	$ 1529.00	(Robinson)
Equipment	5937.00	(National Machinery)
Total:	$ 7463.00	

(3) Basis on which counsel consider recommendation would be fair and reasonable, having regard to the evidence now in:

Buildings and lease	$ 2700.00	
Equipment	5900.00	
Total:	8600.00	
Compensation for thefts	400.00	
Total:	9000.00	
Less sale price	6000.00	
Proposed recommendation	$3000.00	

Dated at Vancouver, B. C. this day of November, 1948.

Claimant's counsel

Government Counsel