

October 29, 1947.

Mr. George Tanaka,
National Executive Secretary,
National Japanese Canadian Citizens' Association,
84 Gerrard Street East,
Toronto, Ontario.

Dear Sir:

Further to our conversation of yesterday, I am writing to outline a proposal covering the valuation and statistical work involved in the substantiation of Japanese claims to be filed with the Commissioner appointed by Order in Council P.C. 1810 as amended by P.C. 3737 of this year. This will provide something concrete for you to place before your Executive for consideration.

In addition to the legal work involved in this matter, it is evident that expert testimony before the Commission will be required to prove "fair market value" for individual property items. With the possible exception of most household chattels, the various types of property, particularly those of any size, will require an expert appraisal conforming to the particular requirements of these cases. In addition, a considerable amount of economic research and statistical compilation should be undertaken to establish the general pattern of property values and their trends up to the period when sales by the Custodian took place, and also to corroborate the individual valuations. To the degree that this valuation and statistical work can be undertaken by one or two experts who will see the whole job through, wasteful duplication of effort will be avoided and their resulting familiarity with all the problems will prove advantageous to claimants.

With this continuity of effort in mind, I suggest that Mr. Hidaka and I be retained together to perform the following functions:

1. to work closely with claimants in establishing fair market value and presenting evidence, and where possible to assist individual claimants in making up their statements of claim;
2. to determine "fair market value" for individual properties, in most instances by personal inspection and the use of available alternative determinants of value. Obviously different procedures are required to evaluate different types of property, e.g., urban real estate, farms, businesses as going concerns, machinery and equipment, etc.;

3. to compile statistical data and other factual material required as corroboratory evidence;
4. to testify as an expert witness on valuation and extent of loss before the Commission.

9 p. i.
5 q. w.
2 ans.

Our qualifications for undertaking this work may be summarized as follows. I am a professional engineer and economist, with nine years employment in private industry and consulting engineering, five years in government service mainly in economic work, and two years in private practice as a consulting engineer and economist. During three years with Coverdale and Colpitts, consulting engineers in New York, I spent some time on valuations in connection with railroad reorganizations and tax cases. During my term of employment with the Canadian government, I organized and for the first year and a half personally did the majority of investigations and appraisals for the Industrial Development Bank. This involved not only the evaluation of borrowers' physical assets mortgaged but also determination of the position and prospects of the individual businesses applying to the Bank for loans. In my private practice I have appeared as an expert witness before Arbitration Boards in labour disputes, and consequently have some experience in presenting evidence and standing up under cross examination.

I am familiar with the various methods of property valuation and believe that my particular experience as consultant in both engineering and business administration is more in line with the services required by Japanese claimants than that provided by the general appraisal engineer. In order to establish the going concern value of a business, consideration must be given to more than the aggregate of the costs of all physical assets. As I see it, the value which should be determined for these claims, in general, is something broader than the sum total of costs, and for this reason an economic rather than a strict engineering approach must be used.

Mr. Hidaka has specialized training in the fields of economics and public administration. He has experience in economic and social research on housing, town planning, land use and zoning as well as industrial surveys. He is competent to carry on the necessary statistical and economic research work to which I will also devote some attention. His experience during the past seven years in executive positions in leading organizations concerned with Japanese Canadian affairs greatly enhances his usefulness in work of this kind where close liaison with individual Japanese claimants is desirable.

I am prepared to devote full time to this work for limited periods at a time, and part time for an indefinite period. Mr. Hidaka can spend full time on this project until its completion if necessary. We are prepared to work closely together. Whenever the occasion should arise where it is desirable to have local experts testify on specific questions, we are prepared to recommend such specific assistance where we feel it will improve the claimants' cases.

In view of the probable duration of this work, we are prepared to establish a basis of remuneration which I am sure will compare very favourably with the cost of hiring a series of individual experts for different properties and locations. Our suggestion for remuneration is a daily retainer of fifty dollars (\$50.00) covering the services of both of us. When only one is working full time on this project the daily rate will be adjusted accordingly. Out-of-pocket expenses, including outside assistance and travel costs when away from Montreal, are to be reimbursed to us. The hiring of additional assistance, of course, will only be done with the concurrence of the Co-operative Committee. Since it is my understanding that the Co-operative Committee is to have custody of the funds to meet the expenses of claims work, I would expect to bill the Co-operative Committee weekly for the time and expenses as outlined above. In addition, should the amount of work involved on particular claims be found to be far in excess of the average, because of special complicated conditions, we would reserve the right to negotiate a separate (additional) commission direct with the claimant based on a reasonable percentage of the actual award by the Commissioner.

As the time is now very short in which to do all of the valuation work required, I am sure I do not need to emphasize the desirability of getting started as soon as possible. To that end, I would appreciate an early decision on this proposal, so that I can plan my other consulting work accordingly.

Yours very truly,