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Corres  
Re F. Kagetsu and Deep Bay Logging Co. Ltd

FOLDER NO. 73-12

ANGUS MACINNIS MEMORIAL COLL.  
UBC LIB. MSS. COLL

PLEASE RETAIN  
ORIGINAL ORDER



O t t a w a  
June 17, 1954

Mr. H. Kagetsu,  
512 Brookdale Avenue,  
Toronto,  
Ontario

Dear Mr. Kagetsu:

At long last I got an opportunity to discuss, in the House of Commons, the matter of the Deep Bay Logging Company and the sale of that property by the Custodian.

As mentioned in earlier letters, I did not expect that anything I did say would have the effect of getting the government to reconsider this and other claims. Under separate cover, I am sending you copy of yesterday's Hansard, in which you will find my remarks. Also the remarks of one or two other members who supported me and the reply of the Secretary of State. About the only satisfaction I got was to note the embarrassment of the Secretary of State when he rose to reply. I received a most attentive hearing from the House but that does not help, very much, in rectifying the injustice, which I think in your father's case, was done him.

I imagine that the matter is now closed.

Yours sincerely,

Angus MacInnis, M. P.



O t t a w a  
June 17, 1954

Mr. T. G. Norris, Q. C.,  
Barrister-at-Law,  
602 West Hastings Street,  
Vancouver 2,  
B. C.

Dear Mr. Norris:

Re: E. Kagetsu - Japanese  
Losses Claim

On the Estimates of the Secretary of State, I took some little time to point out the injustice that was done to Mr. Kagetsu in the settlement of his claim for property on Vancouver Island.

I did not expect that anything that I would have to say would change the mind of the government in the matter and it didn't.

Under separate cover, I am sending you a marked copy of yesterday's Hansard in which you will find my remarks and the reply of the Secretary of State.

Yours sincerely,

Angus MacInnis, M. P.



OTTAWA  
February 11, 1954

Mr. T. G. Norris, Q.C.  
Bank of Nova Scotia Building  
602 Hastings Street West  
Vancouver, B.C.

Re: Kagetsu Claim

Dear Mr. Norris:

Yours of February 3rd in connection  
with the above claim has been received.

I had a telephone call from Mr.  
Osborne advising me that a meeting has been  
arranged for himself, Mr. Kagetsu and myself  
with the Secretary of State.

Yours sincerely,

Angus MacInnis, M.P.  
Vancouver-Kingsway

AMac:meg

TGE:am  
Encl.



*Norris & Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

*T. G. Norris, Q.C.*  
*George S. Cumming*  
*Joan Snape*

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

February 3rd, 1954.

Angus MacInnis, Esq., M.P.,  
House of Commons,  
OTTAWA, Canada.

Dear Mr. MacInnis:-

Re: Kagetsu

I enclose herewith copy of a letter dated February 1st received by me from Kagetsu and a copy of my letter of today's date to Mr. Osborne.

I believe that you were going to get in touch with him.

Yours very truly,

*G. H. Jones*

TGN:em  
Encl.



February 1, 1954.

Mr. T. G. Morris, Q.C.,  
Bank of Nova Scotia Building,  
602 Hastings Street West,  
Vancouver, B.C.

February 3rd, 1954.

Dear Mr. Morris:

John C. Osborne, Esq.,  
c/o Messrs. Gowling, MacTavish, Osborne  
& Henderson,  
Barristers & Solicitors,  
88 Metcalfe Street,  
OTTAWA 4, Canada.

Dear John:-

Re: Kagetsu

I enclose herewith a copy of a letter dated  
February 1st received by me from Mr. Kagetsu.

Perhaps you will reply to Mr. Kagetsu and  
if necessary, get in touch with Mr. MacInnis.

Kind regards,  
Yours sincerely,  
a heavy monthly load to me in the way of interest to the bank  
for loans outstanding.

Mr. Osborne's attitude seemingly indicates that  
my matter has very gloomy prospects as far as a better award is  
concerned. That being the case, I would very much appreciate

TGN:em  
Encl.  
your instructing Mr. Osborne to proceed forthwith to settle  
with the government. All these lagging years have really cost

(BLIND) CC:  
me dearly so will you ask him for prompt action?

✓ Angus MacInnis, Esq., M.P.,  
House of Commons,  
OTTAWA, Canada.

Yours very truly,

"E. Kagetsu"



C  
O  
P  
Y

E. KAGETSU

8 Mountview Avenue  
TORONTO 9, Canada

February 1, 1954.

Mr. T. G. Norris, Q.C.,  
Bank of Nova Scotia Building,  
602 Hastings Street West,  
Vancouver, B. C.

Dear Mr. Norris:

How are things with you?

I wrote to Mr. Osborne last November 6th and again on January 14th asking him to follow up your idea by arranging a meeting. Strangely I have had no response to either letter. From this I have concluded that Mr. Osborne has completely lost interest in this matter.

Mr. MacInnis, on the other hand, has repeatedly assured us of every assistance. However, without Mr. Osborne's lead, all I could do was wait.

As you know, the substantial amount involved means a heavy monthly load to me in the way of interest to the bank for loans outstanding.

Mr. Osborne's attitude seemingly indicates that my matter has very gloomy prospects as far as a better award is concerned. That being the case, I would very much appreciate your instructing Mr. Osborne to proceed forthwith to settle with the government. All these lagging years have really cost me dearly so will you ask him for prompt action?

Yours very truly,

"E. Kagetsu"



*Norris & Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

*T. G. Norris, Q.C.*  
*George S. Cumming*  
*Joan Snape*

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

18th February, 1954

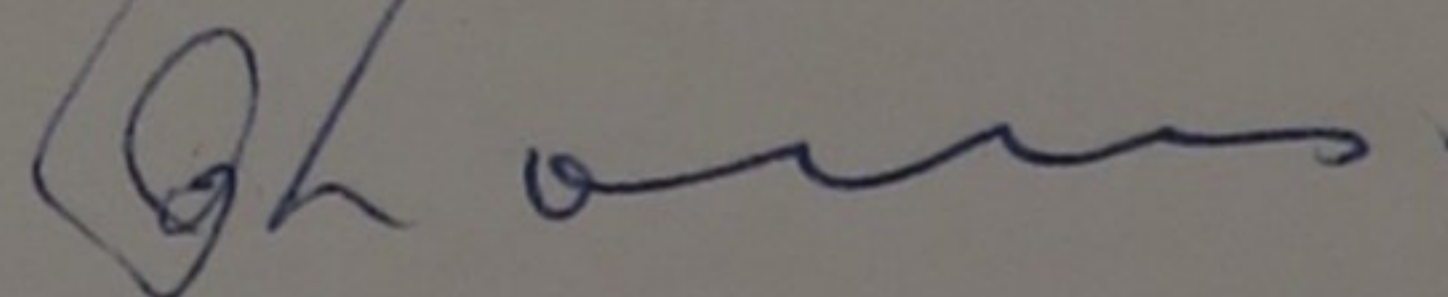
Angus MacInnis Esq., M.P.,  
House of Commons,  
Ottawa,  
Ontario.

Dear Mr. MacInnis:-

Re: Kagetsu Case.

I enclose for your information copy of a letter dated February 15th received from Mr. John C. Osborne, and a copy of my reply of to-day's date.

Yours faithfully,



TGN/PK



*Norris & Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

*T. G. Norris, Q.C.*  
*George S. Cumming*  
*Joan Snape*

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18th February, 1954

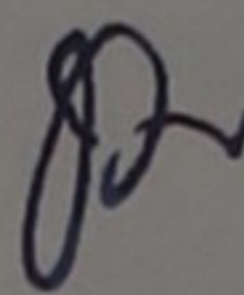
Angus MacInnis Esq. M.P.,  
House of Commons,  
Ottawa,  
Canada.

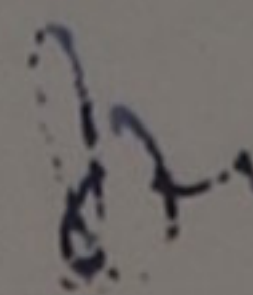
Dear Mr. MacInnis:

Herewith enclosures omitted from  
the letter written to you to-day.

Yours faithfully,

T. G. NORRIS

Per: 





*Japanese Canadian*



**CITIZENS ASSOCIATION**

NATIONAL HEADQUARTERS

1208 Rolland Avenue,  
Verdun, Montreal 19, P.Q.,  
March 25th, 1954.

Mr. Angus MacInnis, M.P.,  
OTTAWA,  
Ontario.

Dear Mr. MacInnis:

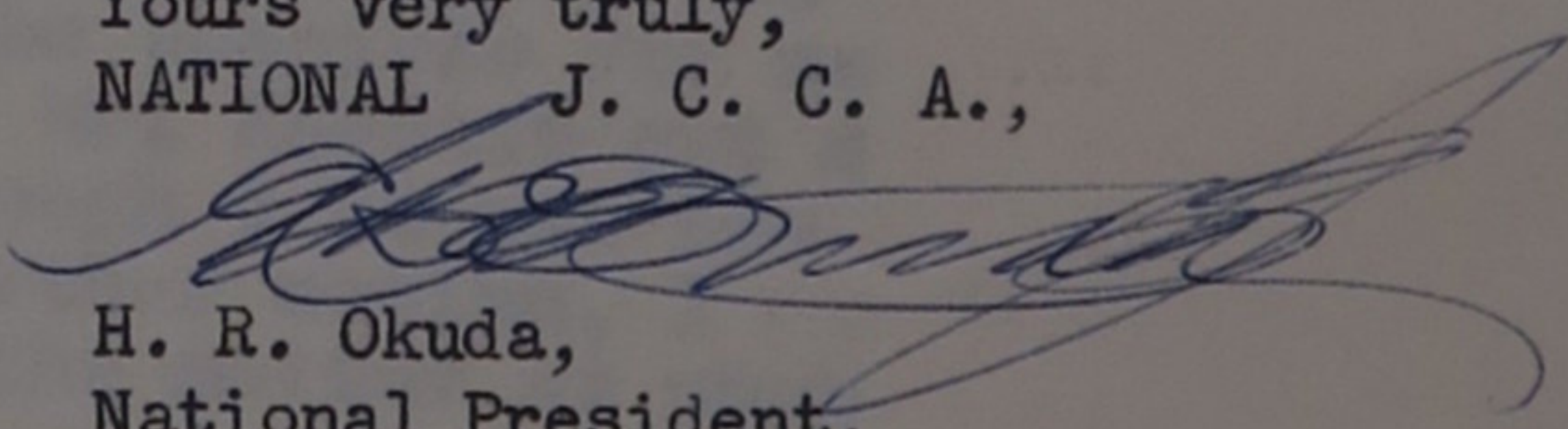
On March 24th, 1954, the Executive Committee of the National JCCA met in connection with the Kagetsu case and the recently formed Committee for the Re-examination of Property Loss Claims. They had requested the cooperation of the National JCCA, but because we did not have sufficient information on hand we were unable to take any action on the matter.

We were informed that you have, or will be presenting before the House matters relating to the Japanese evacuation losses. We are wondering whether or not your presentation is in connection with Mr. Kagetsu's case only, or an overall picture affecting all the claimants, and will appreciate your letting us know. We further seek information from you as to what stand you are taking on this issue.

Do you think it advisable for the National JCCA to seek an interview with Mr. Garson, or Mr. Pickersgill, or some other party? We do not have any brief at the moment. If, under these circumstances, you still feel that an interview would be advisable, would you please make the necessary arrangements.

Thanking you for your advice on these matters, we remain,

Yours very truly,  
NATIONAL J. C. C. A.,

  
H. R. Okuda,  
National President.

HRO:S



O t t a w a  
March 29, 1954

Mr. H. R. Okuda,  
National President,  
Japanese Canadian Citizens Association,  
1208 Rolland Avenue,  
Verdun, Montreal 19,  
P. Q.

Dear Mr. Okuda:

This will acknowledge receipt of your letter of March 25th, in regard to the claim of E. Kagetsu in the matter of the Property Loss Claims of persons of Japanese origin in British Columbia.

I do not believe that it would be of any use for your Organization to seek an interview with either Mr. Garson, Minister of Justice or Mr. Pickersgill the Secretary of State or any other Member of the Government. I believe as far as the government is concerned that it does not intend to re-open the Kagetsu case or any other Japanese property case.

I am considering raising the matter in the House when the estimates of the Secretary of State are under discussion. I believe it will be possible for me to do so. I am quite convinced that Mr. Kagetsu got a raw deal from the Commission and although I do not believe the Government will take any further action, I think it will be worth while to give the matter as much publicity as possible.

Yours sincerely,

Angus MacInnis, M. P.



O t t a w a  
June 17, 1954

Mr. H. R. Okuda,  
National President,  
Canadian Japanese Association,  
1208 Roland Avenue,  
Verdun, Montreal 19,  
P. Q.

Dear Mr. Okuda:

Further to your letter of March 25th, and my reply of March 29th: I want to let you know that I raised the matter of the Kagetsu claim in the House of Commons yesterday when the Estimates of the Secretary of State were under review.

Under separate cover, I am sending you a marked copy of Hansard in which you will find my remarks and the reply of the Secretary of State.

I regret that I was not able to convince either the Secretary of State or the Cabinet that Mr. Kagetsu's claim should be reviewed by an impartial tribunal. One thing, I am sure, is that I convinced the members of the House that an injustice had been done in this case.

Yours sincerely,

Angus MacInnis, M. P.



*Norris & Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

*T. G. Norris, Q.C.*  
*George S. Cumming*  
*Joan Snape*

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

18th February, 1954.

John C. Osborne Esq.,

Messrs. Gowling, MacTavish,  
Osborne & Henderson,  
Barristers & Solicitors,  
88 Metcalfe Street,  
Ottawa, 4, Ontario.

Dear John:

Re Kagetsu Case.

I have your letter of February 15th and thank you for the report on your conference with the Secretary of State. I think that you have done all that could be done.

The difficulty about tying a re-examination of the Kagetsu claim to any re-examination of the claims of the other Japanese is that this course involves unreasonable time and expense. All the claims, with the exception I think of the Kagetsu claim and the claim of one other, were small claims involving small farms or house properties. Speaking generally the small claims were assessed on a reasonably fair basis. Kagetsu's award was so unreasonable that it appeared that he was being forced to pay a substantial part of the other claims.

My recollection is that of the two large claims, Kagetsu's claim was considerably larger than the other one.

There does not seem to be the slightest logic in suggesting that it should be a term of the review of the Kagetsu claim that all the other claims should also be reviewed. They were paid on a different basis and, so far as I know, there has been no complaint



*Norris & Cumming*

- 2 -

John C. Osborne Esq.

18th February, 1954

in connection with them.

At the present time I do not know what more there is to be done.

Kind personal regards,

Yours very truly,

TGN/PK



C O P Y

Colonel T.G. Norris, Q.C. February 15th 1952.

Gowling, MacTavish, Osborne  
& Henderson,  
Barristers & Solicitors,  
88 Metcalfe Street,  
Ottawa 4. Canada.

AIR MAIL for further study.

Colonel T.G. Norris, Q.C.,  
Messrs. Norris & Cumming,  
Barristers &c.,  
602 Hastings St. W.,  
Vancouver, 2, B. C.

Dear Colonel Norris,

Re: Kagetsu Case.

On Friday, February 12, we had a conference with the Secretary of State. I was accompanied by Mr. Kagetsu, Sr., Mr. Kagetsu, Jr. and Mr. MacInnis. The Secretary of State had with him the Under Secretary of State and Mr. Wright of the Custodian's office. We were received in a very friendly way and given an opportunity to make our submission in favour of reconsideration both of the Commissioner's award and the Bill of Costs. Of course, there was no time to develop anything like a full argument on the merits of the case or to review in detail the grounds for holding that the Commissioner had erred. We were able to draw particular attention to the glaring discrepancy between the volume of timber accepted by the Commissioner and the actual volume as disclosed by cuttings subsequent to the Hearing. The Secretary of State indicated that he was not prepared to review the evidence himself and that no useful purpose would be served by an examination of it at this time.

After I had presented the main submission, Mr. MacInnis expressed the view that the case ought to be reconsidered on grounds out no prospect of being able to recover more than the 1/3 of the



Colonel T.G. Norris, Q.C. February 15th 1954.

of public policy and Mr. Kagetsu, Jr. pointed out that the award had never been accepted and that the case should be regarded as still open for further study.

The Secretary of State then said that he was ready to indicate his own point of view immediately. He told us that he was in no circumstances prepared to consider re-examination of this particular case but that if we wished, he would take up with his colleagues the possibility of reopening all of the Japanese claims. He said that he would submit that question to the Cabinet but that he was not saying that he would advocate it. He left me rather clearly of the opinion that there is little likelihood of the Cabinet consenting to reopen all of the Japanese cases. This raised a somewhat delicate point. I think that you will agree that we would be in a relatively stronger position if this particular case could be considered by itself without becoming involved in re-examination of the claims of all of the dispossessed Japanese. We rather put our submission in a form which would support that course of action. On the other hand, the Secretary of State made it perfectly plain that we either had to ask him to review the whole situation or he would not take the matter up with the Cabinet at all. In the circumstances, we had no alternative but to ask him to request his colleagues for authority to restudy all of the Japanese claims in whatever manner might be deemed appropriate.

With respect to costs, the Secretary of State held out no prospect of being able to recover more than the 5% of the



Colonel T.G. Norris, Q.C. February 15, 1954

total award offered in Mr. Wright's letter of July 10, 1952. Even on this point, he seemed to have some doubt as to whether either he or his predecessor could authorize the payment of that amount as Secretary of State. However, he said that if this could not be done, he would ask for the necessary authority from the Cabinet and he apparently anticipated that it would be granted.

As you have probably gathered, my expectation is that we will ultimately receive the 5% by way of costs but that our submission for an increase on that amount and for a review of the Commissioner's award will be rejected.

I will advise you of all further developments. I am, of course, sending a copy of this letter to Mr. Kagetsu. We have at least the satisfaction of knowing that the problem has been considered by the Minister together with his senior advisers and that the client's claim will be discussed at Cabinet level.

With kindest personal regards,

Yours very truly,

"John Osborne"

Yours sincerely,

JCO:MJH

Angus MacInnis, M.P.



442 West 15th Avenue,  
Vancouver 10, B.C.,  
August 18th, 1952.

E. Kagetsu, Esq.,  
8 Mountview Avenue,  
Toronto 9, Ontario.

Dear Mr. Kagetsu:-

You and I, I believe, are strangers to each other. My excuse for obtruding myself in your affairs is that: 1. During the war years and after I concerned myself with the protection of the rights of Japanese Canadians and other persons of Japanese origin who were removed from the Pacific Coast of British Columbia; 2. A few weeks ago, Colonel T.G. Norris, Q.C., who I understand was acting for you in the matter of certain properties on Vancouver Island which were sold by the Custodian of Enemy Alien Property, discussed the matter with and asked for any ideas which I might have and which would help to get justice in your case.

At this late date, I do not know if any thing can be done to get you a better deal, which I am convinced you are entitled to. Colonel Norris advises me that there is no legal action open to you. He thinks, and I agree with him, that any thing done now will have to be done through political sources, that is through the Cabinet (government) at Ottawa. I am writing you to ask if you would have any objection to me approaching certain Cabinet Ministers re your claim. Any thing that I would do would be without cost or obligation to you. It would be wholly a part of my parliamentary duties in a case where I consider an injustice has been done.

Whatever you may think of this idea,  
I shall be glad to hear from you.

Yours sincerely,

Angus MacInnis, M.P.



CABLE ADDRESS  
"USTEGAK"

E. KAGETSU

8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

TELEPHONES  
MURRAY 5023  
ORCHARD 7571

Page 2..Mr. Angus MacInnis

dollar of our claim. issues revolve August 20, 1952.  
worth of timber limits. Technical forest utilization matters  
rendered the arguments more difficult. Thus, while we say that  
the Commissioner could have been more generous, we can fully  
appreciate his task of having to draw right conclusions.  
Much of the timber concerned has been logged since the date  
Mr. Angus MacInnis, M.P., result, by virtue of B.C. Government  
442 West 15th Avenue, we have subsequently been able to produce  
Vancouver 10, B.C. showing that the Commissioner had erred  
grossly. His verdict of 564 million board feet in the aggregate  
Dear Mr. MacInnis: far exceeded by the actual volume logged-off  
to date, while in addition much timber still remains standing.

This is to acknowledge with sincere thanks your  
letter of the eighteenth. I must say that it came as a most  
pleasant surprise. Your private and political record has been  
such that to me and many others, you are not a stranger,  
certainly not in name.  
I do not know how much Mr. Norris has related to you  
but as you may have guessed, because of the war, I probably  
have suffered more than any other of our group, as far as  
having to readjust my living standards are concerned. The  
nature of the loss also was such that at this late age my  
outlook on life itself has tended to deteriorate. I have  
always been proud to announce that way back in 1909 I applied  
for Canadian citizenship. In 1936, by invitation, I participated  
in the Vimy Pilgrimage and attended functions at the Buckingham  
Palace. I think this should suffice to attest my having lived  
up to the obligations I accepted solemnly in 1909. My regret  
is that it does not appear that the Government has lived up  
to their part of the contract so boldly proclaimed on the  
Citizenship document. Granted we all have to make sacrifices  
in times of war but I personally cannot subscribe to the policy,  
by Order-in-Council or otherwise, of overriding freedom and justice  
for the sake of expediency, for the obvious reason that wars  
are fought for the preservation of those very rights.  
the initial award which has been their offer.

Needless to say, my Claims Case is involved so that  
I will ask you to read Mr. Norris' brief in which he has aptly  
and concisely presented the case. I will write Mr. Norris  
today requesting his sending you a copy forthwith.  
Very briefly our case is that the Commissioner, Mr.  
Justice Bird awarded us what amounts to about ten cents on the



dollar of our claim. Issues revolve mostly around volume and worth of timber limits. Technical forest utilization matters rendered the arguments more difficult. Thus, while we say that the Commissioner could have been more generous, we can fully appreciate his task of having to draw right conclusions. Much of the timber concerned has been logged since the date of the hearings. As a result, by virtue of B.C. Government timber scale records we have subsequently been able to produce unshakable evidence showing that the Commissioner had erred grossly. His verdict of 56½ million board feet in the aggregate has already been far exceeded by the actual volume logged-off to date, while in addition much timber still remains standing. We had very costly surveys made and submitted a conservative figure of 112 million board feet, in the aggregate. All indications now point to our figures as being right. We argue, therefore, that the Commissioner having erred in the volume has also erred in the stumpage value of the timber which is dependent on the other. The Commissioner in fact had labelled one of our operations as a salvage proposition.

My claim which exceeds four-hundred twenty thousand dollars is one which rather than being exaggerated has been prepared conservatively and has attached no price on abstract values. All I now ask is that it be reviewed without much delay so that I may get, not a generous award, but a fair one.

We further argue that all this matter which verges on litigation has been brought on through no fault of our own. Yet it has cost me well over thirty thousand dollars to fight my case, barring all legal fees at that. This makes no mention of my own lost time, the mental strains, compound interest on the capital, my loss of a going concern, my financial embarrassment in the meantime, etc. To regain a fortune which took one's lifetime to build I think most people will put up a battle. For the various specific expenditures I claim a reasonable compensation. I cannot be satisfied with 5% of the initial award which has been their offer.

The Government in turn argue that it would be very much contrary to their policy to reopen this case. They stress the fact that in the very first place the Government was not legally subject to make any restitution whatever, but on moral grounds decided to make some awards on ex-gratia basis. Their attitude appears so contrary to the term of reference and



Page 3..Mr. Angus MacInnis

442 West 15th Avenue,  
Vancouver 10, B. C.,  
August 25, 1952

spirit of the Order-in Council pertaining to Japanese losses.

It is with much regret that I now find myself very inhibited in matters of finance. Up to now, however, I have refrained from receiving any part of my award, fearing that it would prejudice the whole case. It has been a long long time since V-J day and if the procrastination continues for much longer, finances will force me to give up the struggle and capitulate. Perhaps the Government is hoping for this.

This then may give you a vague picture of the situation. Please do not hesitate to approach me further. If you deem it necessary, I will be only too happy to go and personally discuss the matter further.

In conclusion, any efforts on your part to help me will have my strong approval, warm encouragement, and sincerest thanks. My faith in democracy, I confess, has been shaken but by no means lost. I still firmly believe that treatment as I have received will be quickly rectified if brought to the attention of the right people.

I wish you every luck in this and all your other noble endeavours.

very truly yours,

E. Rageton



E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

442 West 15th Avenue,  
Vancouver 10, B. C.,  
August 25, 1952.

Mr. E. Kagetsu,  
8 Mountview Avenue,  
Toronto 9, Ontario.

Dear Mr. Kagetsu:-

This will acknowledge receipt of your letter  
of August 20th.

When I wrote you I neglected to mention that  
Mr. Norris had already given me all the relevant infor-  
mation in your case, so it will not be necessary for  
you to write him in this regard.

I shall now bring your case to the attention  
of those I consider most likely to be useful. As soon  
as I have any information for you I shall write you  
again.

Yours sincerely,

Angus MacInnis, M.P.



CABLE ADDRESS  
"USTEGAK"

E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

TELEPHONES  
MURRAY 5023  
ORCHARD 7571

Mr. E. Kagetsu,  
8 Mountview Avenue,  
Toronto 9,  
Ontario

November 11, 1952.

Dear Mr. Kagetsu:

Mr. Angus MacInnis, M.P.,  
442 West 15th Avenue,  
Vancouver 10, B.C.

Dear Mr. MacInnis:

I gather that parliamentary sessions will soon begin. This is merely to convey our best wishes for every success in our matter as well as in all other of your endeavours.

Should you at any time require our help in any way, please do not hesitate to call upon us to do so.

Best personal regards to you and yours,

Yours sincerely,

Angus MacInnis, M. P.

yours very truly,

E. Kagetsu



O t t a w a  
November 26, 1952

Mr. E. Kagetsu,  
8 Mountainview Avenue,  
Toronto 9,  
Ontario

Dear Mr. Kagetsu:

I wish to thank you for your letter of November 11th. I have not made as much progress with your case as I had hoped.

In your letter of August 20th, you mentioned that by invitation you participated in the Vimy Pilgrimage in 1936. From that I gather you are a veteran of World War I.

I would be glad if you would confirm this as I shall use it in my correspondence with the Secretary of State and other Ministers.

Yours sincerely,

Angus MacInnis, M. P.



CABLE ADDRESS  
"USTEGAK"

E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

TELEPHONES  
MURRAY 5023  
ORCHARD 7571

November 29, 1952.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
Ottawa, Canada.

Dear Mr. MacInnis:

Thank you very much for your letter of the  
26th instant.

In 1936 we went on the Vimy Pilgrimage to  
commemorate World War I, in our case especially for the  
loss of a close cousin of mine, Tsunemasu Yamasaki, who  
made the supreme sacrifice in May of 1917 at Vimy Ridge.

I am not a veteran of that war myself, having decided  
at the time that circumstances were such that I could better  
serve my country on the home front.

Needless to add, should there be the necessity, it  
would be the simplest thing for me to confirm that five of  
my family took the trip to Vimy in 1936,

Thank you again for all your efforts. In connection  
with our World War II losses we have encountered many unkind,  
if not unscrupulous, men. It gives me quite an uplift to  
have association with noble personalities such as you.

Yours very truly,

E. Kagitsu



O t t a w a  
December 8, 1952

Mr. E. Kagetsu,  
8 Mountview Avenue,  
Toronto 9,  
Ontario

Dear Mr. Kagetsu:

I am enclosing herewith for your information copy of a letter which I have sent to the Honorable F. G. Bradley, Secretary of State. I sent copies to the Honorable James Sinclair and the Honorable Ralph Campney, two members of the Cabinet from British Columbia.

I hope to have discussions with all of these gentlemen within the next few days.

Yours sincerely,

Encl.

Angus MacInnis, M. P.



CABLE ADDRESS  
"USTEGAK"

E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

TELEPHONES  
MURRAY 5023  
ORCHARD 7571

March 11, 1953.

Ottawa  
March 18, 1953

Mr. Angus MacInnis, K.M.P.,  
House of Commons,  
OTTAWA, CANADA.  
8 Mountview Avenue,  
Toronto 9,  
Ontario

Dear Mr. MacInnis:-

I am sure that you are doing all you can on our behalf, but the matter of the Japanese War Losses Claim being so all-important to me, I am again troubling you as to how prospects look today. I wonder also whether the pending Federal elections as alleged would have any bearing on this matter.

Needless to add, this claim of mine is one of no small proportion and all these many years I have done without its benefit. As you no doubt can well appreciate I am most anxious to see as early a conclusion as possible of this matter.

As busy as you must be, I would be most grateful to learn of your latest thoughts on the above.

Yours very truly,

E. Kagetsu



O t t a w a  
March 18, 1953

Mr. E. Kagetsu,  
8 Mountain View Avenue,  
Toronto 9,  
Ontario

Dear Mr. Kagetsu:

Thanks for your letter of March 11th. I am sorry to have to say that things have moved very slowly in regard to your case. I am enclosing copy of a letter which I received a day or two ago from Honorable J. Gordon Bradley, Secretary of State. You will note that Mr. Bradley says that this letter is in reply to mine of January 30th, but my first letter to Mr. Bradley was dated December 5th, 1952, as you can see from the copy which I sent you. The January 30th letter was one which I wrote to his Private Secretary, who in his absence, had replied to my letter of December 5th.

I would be glad if you would look over this letter and let me know of any inaccuracies you may find in it. At the same time you could let me have any other ideas that may have occurred to you since your last letter to me that might be of value when I again write or see the Secretary of State.

I am meeting John C. Osborne who is Mr. Norris' Ottawa Agent in dealing with your case. I think the Secretary of State made a proposal to Mr. Osborne granting you a small amount of money which you did not accept.

I shall keep you advised and I hope we may be successful in getting something for you.

Yours sincerely,

Encl.

Angus MacInnis, M. P.



CABLE ADDRESS  
"USTEGAK"

E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

TELEPHONE  
MURRAY 5023  
ORCHARD 7571  
TELEPHONES  
MURRAY 5023  
ORCHARD 7571

March 23, 1953.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
Ottawa 4, Ontario.

December 17, 1952.

Dear Mr. MacInnis:  
Re: Japanese Property Claims

Mr. Angus MacInnis, M.P., letter and valuable  
House of Commons,  
Ottawa, Ontario.  
I can fully appreciate and sympathize with what you are faced.

Dear Mr. MacInnis, Re: Japanese Property  
Claims.

In the following I comment on  
of State dated March 11th.

This is to acknowledge with sincere  
thanks yours of December 8th.

Mr. Justice Bird did a thorough job of a very difficult  
situation. I was much impressed with the contents  
therein. does not in the least reflect on his powers of judgement.

None of us are infallible. Justice  
Bird's errors are really no reflection of his  
analyzing ability or of his sense of justice.  
The circumstances at the time were just  
unfortunate for me. Your efforts give me new  
hope in having past errors rectified in my  
favour.

Paragraph 6  
This is a good example where harshness is evident. They  
place much weight on figures. Yours very truly,

quoting them, but strongly refute the interpretations which  
are very wrong. Three parties, namely, The Deep Bay Logging Company Ltd.,  
The Deep Bay Logging Company Ltd., and the Kagetsu Company Ltd.  
were involved in the logging operations. I personally owned  
timber adjacent to the Deep Bay Kagetsu Company, which were  
distinguished in my mind. This in itself gave rise to misun-  
derstanding. To this can be added mental confusion from the  
sudden uprooting from all my establishments; my English law

*E. Kagetsu*



CABLE ADDRESS  
"USTEGAK"

E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

TELEPHONES  
MURRAY 5023  
ORCHARD 7571

Page 2. Mr Angus MacInnis

March 23, 1953.

Handicap especially at the initial interview in Vancouver; a complicated situation subsequently discussed by telegrams (which they have used as exhibits); and what is very important, Mr. Angus MacInnis, M.P., having full access to records and House of Commons, for the latter, some were lost by the Custodians Ottawa 4, Ontario. furniture liquidation.

Dear Mr. MacInnis: not easy for one to fully grasp the disadvantages I have suffered. Obviously, the case has also been prejudiced by Re: Japanese Property Claims. It is not that I was an opportunist but I was so compelled because of

Thank you very much for your letter and valuable enclosure. If the Secretary of State and other top members in authority in Ottawa are as adamant as the letter indicates I can fully appreciate and sympathize with what you are faced.

place, what their values were; after having been away from the place. In the following I comment on the letter from the Secretary of State dated March 11th. to my very hazy memory and crude approximations. Having arrived in Vancouver for the hearings, Paragraph 2 I get my hands on what meagre records remained,

where Mr. Justice Bird did a thorough job of a very difficult situation. Under those circumstances, his having erred does not in the least reflect on his powers of judgement.

Paragraph 5 commend Commissioner Bird on his "insight in regard to 1. Having reviewed these many aspects, he judged unfavourably almost all of them because they hinged on the volume of timber remaining. The major error in volume has been reflected strength throughout the whole picture. are spent to develop logging

Paragraph 6 operations. Thus when estimates are based on rather sketchy surveys, invariably the appraiser is very conservative,

This is a good example where harshness is evident. They place much weight on figures I had quoted. I do not deny quoting them, but strongly refute the interpretations which are very wrong. Three parties, namely, myself as an individual, The Deep Bay Logging Company Ltd., and The Kagetsu Company Ltd., were involved in the logging operations. I personally owned this timber adjacent to the Deep Bay Logging Company, which were distinguished in my mind. This in itself gave rise to misunderstanding. To this can be added mental confusion from the sudden uprooting from all my establishments; my English language

Mr. Mustace Smith (father-in-law of the late Mr. Smith, executive) was an expert on estimating by methods which approached reconnoitering. Witnesses corroborated that Mr. Smith's



handicap especially at the initial interview in Vancouver; a complicated situation subsequently discussed by telegrams (which they have used as exhibits); and what is very important, since evacuation, my not having full access to records and documents. As for the latter, some were lost by the Custodians in the process of furniture liquidation.

Granted it is not easy for one to fully grasp the disadvantages I have suffered. Obviously, the case has also been prejudiced by my many revisions of my claim. It is not that I was an opportunist but I was so compelled because of adverse circumstances. For example, the initial application for claim was made in a lawyers' office in about an hours period. It was impossible for me to determine, in the first place, what our aggregate lost assets were and, in the second place, what their values were; after having been away from the market, radically changed in the meantime, for six hectic years. I had to resort to my very hazy memory and crude approximations. Having arrived in Vancouver for the hearings, I could only get my hands on what meagre records remained, wherever I was fortunate enough to find them.

#### Paragraph 8

I too commend Commissioner Bird on his "insight in regard to lumber operations". I only wish that he was an expert in that field, because he would not have overlooked one all-important fact, pertaining to timber cruising. On the strength of timber cruising huge sums are spent to develop logging operations. Thus when estimates are based on rather sketchy ground surveys, invariably the appraiser is very conservative, especially years ago when they did not have benefit of aerial photographs. Several witnesses told the Commissioner that Crown Granted timber on Vancouver Island were habitually appraised very low. It was only in 1940, according to one witness, that by degrees the owners, the Esquimalt and Nanaimo Railway Company, inaugurated systematic cruising methods. This is the real reason for my unusually high overrun, rather consistently.

Mr. Eustace Smith (father-in-law of the actual purchasing executive) was an expert on estimating by methods which approached reconnoitering. Witnesses corroborated that Mr. Smith's



Page 3..Mr. Angus MacInnis

cruises were often very low, the reasons being as above. His reports on our limits clearly indicated that his were not detailed surveys. Mr Smith even acknowledged the same in the witness box. He merely checked to see that the alleged volume were there as a minimum.

Accurate estimates of necessity must be based on more field data. The claimants' cruiser, Mr. Charles Shultz, a very reputable cruiser, was with his associates specialists on scientific methods. Man-days expended by Shultz and company were of course far far greater than by Smith.

The Secretary of State chose to refer to financial matters, which admittedly are somewhat embarrassing but easily explained. The transcript of the hearings will show that that ledger was found to be unreliable. We produced evidence showing that from time to time income taxes had been paid. The Department of Internal Revenue had variously ruled that certain marginal expenditures should have been capitalized.

It should also be noted that there was a long period of a depressed log market. Unfortunately, our operations were being completely reoriented geographically about the start of that period. Despite that we had been able to more than hold our own. Most independent operators were suffering from that same market condition and doing no better than ourselves. Others had gone under. During such times, operators such as we who had to support a sizable community, concentrated on development work, e.g. advanced road construction, booming ground improvement, warehouse fixing etc. Those expenses in marginal categories we had a habit of writing-off currently.

Just when easy sailing was in sight we had to give up what had taken a long time to establish. The new costly equipment we had purchased, the new building we were erecting are ample proof of our plans.

Surely, nobody is foolish enough to place close utilization ahead of economics! Not for ten years in succession will they do so. I was a practical operator with over thirty years experience, not a silvicultural theorist.

Very truly yours,

E. Raglan

c.c. Mr. J. Osborne.



Paragraph 7 & 9

442 West 15th Avenue,  
Vancouver 10, B. C.,  
August 25, 1952

The Commissioner attached a reducing factor of 10% for improved utilization. The market during the past few years, we gather, have not been as good as earlier, but even at that we could concede the 10% for the whole period from the date of sale to the present. By reducing the unshakable actual cuts, <sup>government figures</sup> in both instances (Cowichan and Deep Bay) by 10%, still leaves volumes considerably in excess of the Commissioner's figures. Yet, to these volumes can further be added the cuts of 1952 and early 1953 and above all the sizable stands still remaining to be cut. Schultz' scientific cruises are proving accurate, as they must because every reasonable deduction, including the 12" to 18" group, had been excluded.

To reconcile the above wide discrepancy by better utilization is indeed stretching one's imagination. To say that in the aggregate 112 ( $56\frac{1}{2}$  plus  $55\frac{1}{2}$ ) million feet may be available because of recent utilization practises, when the Commissioner awarded but 60 (19 plus 41) million feet is to say that almost double the volume is taken out these days than used to be. They would at best have to admit that the Commissioner's 10% utilization factor, based on all his probings, was wrong many-many-fold. We would respectfully suggest that he is in error elsewhere.

An executive of the MacMillan Company, operators of our former limits, gave evidence as witness for the opposition. Yet, among his remarks were "Take the present market for the low grades of cedar and hemlock and you wonder whether you are going to take it out in the spring (1949) or not". Does this sound like close utilization?

To ignore some of these glaring points would be to call white, black, and certainly cannot be the fair-play we hear so much about. If they still are not moved, alas, I will be forced to accept my compensation. Mental defeat in the realization that there are marked limitations to justice is what will hurt me and those close to me the most.

Mr. MacInnis, again I thank you for your untiring efforts.

Very truly yours,

E. Hagston

c.c. Mr. J. Osborne.



442 West 15th Avenue,  
Vancouver 10, B. C.,  
August 25, 1952.

Mr. T.G. Norris, Q.C.,  
Barrister-at-Law,  
602 West Hastings St.,  
Vancouver, B.C.

Dear Mr. Norris:-

Re Mr. E. Kagetsu:

After our conversation of a couple of weeks ago re the properties of the above, sold by the Custodian of Enemy Alien Property, I wrote Mr. Kagetsu, asking him if he would have any objection to me approaching some of the Cabinet Ministers re his claim.

I have a letter from him now saying that he will appreciate anything that I can do in that direction.

In my letter to Mr. Kagetsu I mentioned that, at your invitation, I had discussed the matter with you a couple of times. I failed to tell him that you had given me all the relevant information in the case. He said he was going to write you to let me have this.

I am writing Mr. Kagetsu today saying that you have already given it to me.

I think I shall bring the matter to the attention of Mr. R.W. Mayhew, Minister of Fisheries, and Mr. Bradley, Secretary of State.

Yours sincerely,

Angus MacInnis, M.P.



*T. G. Norris, Q.C.*  
*George S. Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

August 25, 1952.

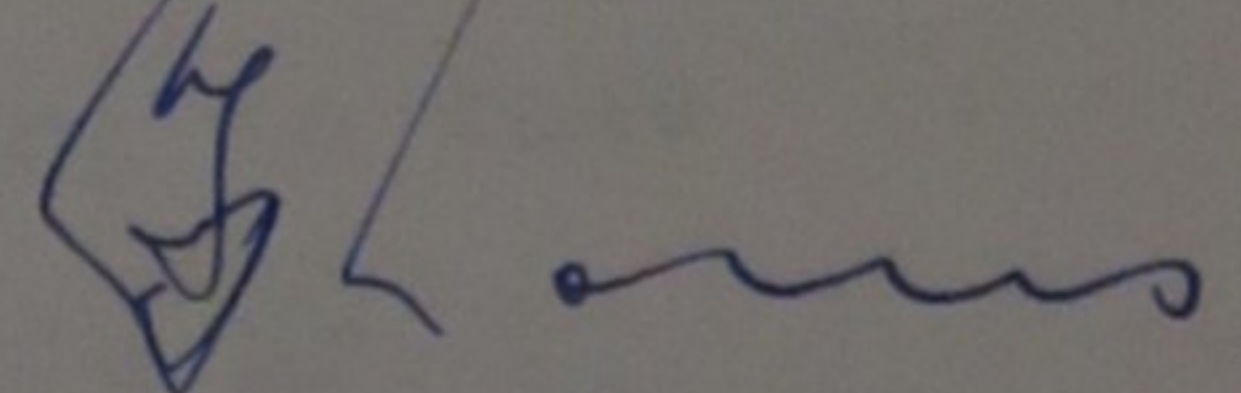
Angus MacInnes, Esq., M.P.,  
442 West 15th Avenue,  
Vancouver 10, B.C.

Dear Mr. MacInnes:

Thank you for your letter of August 25th.  
I appreciate and I know that Mr. Kagetsu appreciates  
what you are doing in the matter. I have had a  
letter from him, and in reply, told him that I had  
previously given you the documents.

Yours sincerely,

TGN:mar





*T. G. Norris, Q.C.*

*George S. Cumming*

BARRISTERS AT LAW, SOLICITORS  
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TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

November 13th 1952.

Angus McInnis, Esq., M.P.,  
422 West Fifteenth Avenue,  
Vancouver 10, B.C.

Dear Mr. McInnis:

Re: Kagetsu - Japanese  
Losses - Bird Commission.

I would appreciate it very much if you would let me know whether there have been any developments in this matter since my last communication with you. You will remember that you were going to take the matter up with the Honourable Mr. Mayhew and others. Perhaps you would give me a call on the telephone.

Kind regards.

Yours sincerely,

*T. G. Norris*

TGN:mt



ng

Please Thank

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October 31 Days

**13**

**SATURDAY**

286—79

1951

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October 31 Days

**14**

**SUNDAY**

287—78

1951



O t t a w a  
December 5, 1952

Mr. T. G. Norris, Q.C.,  
Bank of Nova Scotia Bldg.,  
602 Hastings St. West,  
Vancouver 2, B. C.

Dear Mr. Norris:

Re: Kagetsu - Bird Commission

This will acknowledge receipt of your letter of November 13th, regarding the above, which was forwarded to me here.

I regret that owing to continued poor health, I was not able to take the Kagetsu case up with Mr. Mayhew before he left the Cabinet. I have, however, written to the Honorable Mr. Bradley, Secretary of State urging that the case be reviewed. I am also discussing the case with the Honorable James Sinclair, Minister of Fisheries and the Honorable Ralph O. Campney, the Solicitor General.

It is likely that if Mr. Bradley will consider any action in the case that he would have to bring it to Cabinet for a decision.

I am wondering if there would be any point in suggesting to Mr. Bradley that this case might be referred to the Exchequer Court for review.

I would be glad to have your opinion on this point.

Yours very truly,

Angus MacInnis, M. P.



O t t a w a  
December 8, 1952

Mr. T. G. Norris, Q. C.,  
Bank of Nova Scotia Bldg.,  
602 Hastings St. West,  
Vancouver 2, B. C.

Dear Mr. Norris:

Re: E. Kagetsu, Deep Bay  
Logging Company

When writing you on December 5th, I forgot to enclose a copy of the letter I sent to the Secretary of State. Copies are going to James Sinclair and Ralph Campney.

As you will note, I made no attempt to make a complete review of the case, simply drawing to Mr. Bradley's attention two or three of what appeared to me to be the most important points in the claim.

Mr. Bradley has not been in the House for the past week. I presume he is visiting the Province of Newfoundland but I do expect that he will be back in Ottawa before the House adjourns for the Christmas recess. I shall try and make an appointment with him at as early a date as possible.

If there is any point you think I should stress when I am talking to Mr. Bradley, please feel free to let me know.

Yours sincerely,

Encl.

Angus MacInnis, M. P.



*T. G. Norris, Q. C.*  
*George S. Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B. C.*

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

February 20th, 1953.

Angus MacInnis Esq., M.P.,  
House of Commons,  
Ottawa, Ont.

Dear Mr. MacInnis,

Re - Kagetsu - Bird Commission

I am sorry that your letters of December 5th and December 8th were not acknowledged at an earlier date.

I think that you have covered the matter with Mr. Bradley admirably. I note that you were discussing the matter with the Minister of Fisheries and with the Honourable Ralph O. Campney.

I do not think that a review of the case by the Exchequer Court would be particularly satisfactory. I am afraid that the President of the Court might formalize it beyond all reason and that Mr. Kagetsu would be put to a great deal of additional expense which he can ill afford.

I cannot think of anything that might be usefully added to your letter to Mr. Bradley unless a substantial brief were presented to him and this, of course, was not the purpose of your letter. If a brief is required it can be furnished at any time.

2.1781  
Mr. J. C. Osborne, of Ottawa has during the past year been dealing with the matter through the Secretary of State's office. He is a member of the firm of Gowling, MacTavish, Osborne & Henderson, 88 Metcalfe Street, Ottawa. Would it be possible for you to give Mr. Osborne a call on the telephone and discuss the matter with him then or at some other convenient time.



*T. G. Norris, Q. C.*

-2-

I was sorry to hear of your continued illness. I do hope that you are progressing favourably at this time.

With kindest regards to you and to Mrs. MacInnis.

Yours sincerely,

*G. Morris*

P.S. We seem to be under the control in this Province of a thorough going Fascist Government. I think that the situation is very bad indeed.

I very much appreciate the reference in your letter to Mr. Bradley to Sir John Morris' remarks on injustice.

*G*

TGN/EY



O t t a w a  
March 19, 1953

O t t a w a  
March 16, 1953

Mr. J. C. Osborne,  
c/o Gowling, McTavish, Osborne and Henderson,  
88 Metcalfe Street,  
O t t a w a

Dear Mr. Osborne:

I am enclosing herewith copy of a letter which I received from the Secretary of State, Honorable Gordon Bradley in reply to a letter from me re the Kagetsu case.

I am sending you this letter as the Minister's comments may be helpful when we meet on Wednesday.

Yours sincerely,

Encl.

Angus MacInnis, M. P.

Yours sincerely,

Angus MacInnis.



O t t a w a  
March 19, 1953

Mr. T. G. Norris, Q. C.,  
Barrister at Law,  
Bank of Nova Scotia Bldg.,  
602 Hastings St. West,  
Vancouver 2, B. C.

Dear Mr. Norris:

Re: Kagetsu - Bird Commission

This will acknowledge receipt of your letter of February 20th. I delayed writing you until I had a chance of a talk with Mr. Osborne. I met him yesterday and went over the case with him but he did not have anything in the way of a new approach to suggest.

I am enclosing for your information and also for your comment, if you wish, copy of a letter which I received from the Secretary of State. I am drawing to your attention particularly paragraph 2 on page 2. I hope to be writing again to the Secretary of State in a few days. I have also drawn this paragraph to the attention of Mr. Kagetsu.

I asked Mr. Osborne's opinion on whether it would be worth while for me to have a talk with Mr. Wright of the Custodian's Office. I do not know if anything could be accomplished by discussing the matter, directly, with the Secretary of State. He does not impress me as a person that has a good grasp of what happens in his Department. However, I shall have a talk to him should I think it would be useful.

Yours sincerely,

Angus MacInnis.



*T. G. Norris, Q.C.*  
*George S. Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

TELEPHONE PACIFIC 5254

CABLE ADDRESS "NORRIS"  
VANCOUVER, CANADA

March 23rd, 1953.

Angus MacInnis, Esq., M.P.,  
House of Commons,  
Ottawa, Ont.

Dear Mr. MacInnis,

Re - Kagetsu - Bird Commission.

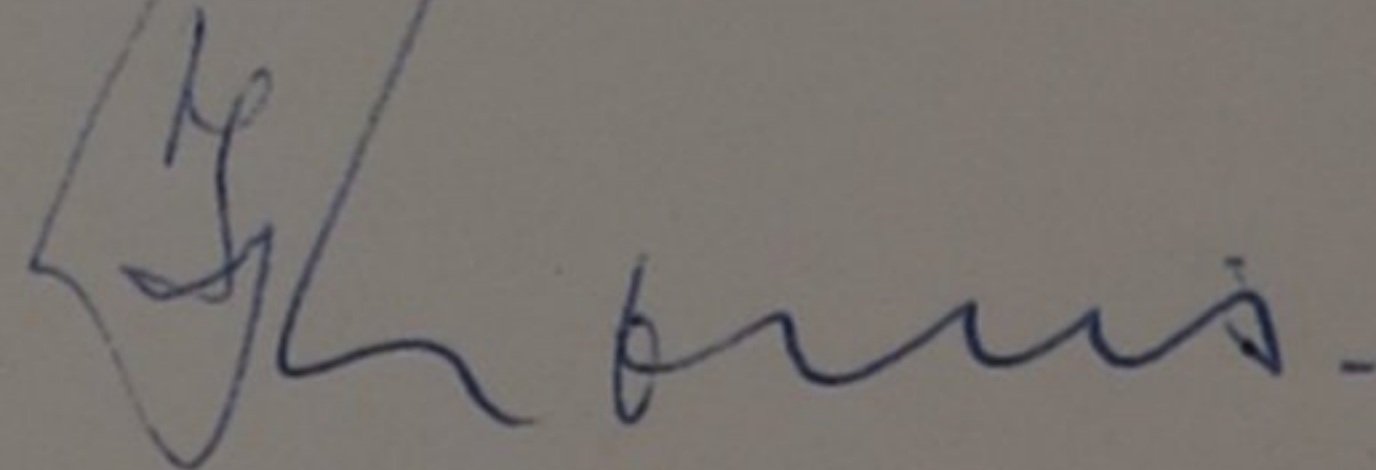
I have your letter of March 19th, enclosing copy of letter received by you from the Secretary of State.

I am going into my notes fully on this matter and will discuss it with Mr. Baldwin who was formerly with me and who did a great deal of the work and will consequently be familiar with the detail. Mr. Kagetsu's son will also remember what the answers are.

May I say in general that the Secretary of State's letter contains a lot of very fine-drawn and specious reasoning but I will not comment on it further until I am able to give you some sort of an extended analysis.

I hope that you are keeping well. Please give my best wishes to Mrs. MacInnis.

Yours sincerely,



TGN/EY



O t t a w a  
April 21, 1953

Mr. T. G. Norris, Q. C.,  
Barrister-at-Law,  
602 West Hastings Street,  
Vancouver, B. C.

Dear Mr. Norris:

I am enclosing herewith copy of a  
letter which I sent to Mr. Bradley recently in regard  
to the Kagetsu claim.

Yours sincerely,

Angus MacInnis, M. P.

Encl.



O t t a w a  
December 5, 1952

Honorable James Sinclair,  
Minister pf Fisheries,  
O t t a w a

Dear Jim:

I am enclosing herewith copy of a letter which I have written to the Secretary of State in connection with a case arising out of the removal of persons of Japanese origin from the defence zone in British Columbia in 1942.

The letter is self explanatory.

As I doubt if Mr. Bradley could take any action in the matter without reference to Cabinet, I would like to discuss the matter with you at a time that would be convenient to you.

Yours sincerely,

Angus MacInnis

Encl.





CANADA

MINISTER OF FISHERIES

OTTAWA, December 6, 1952.

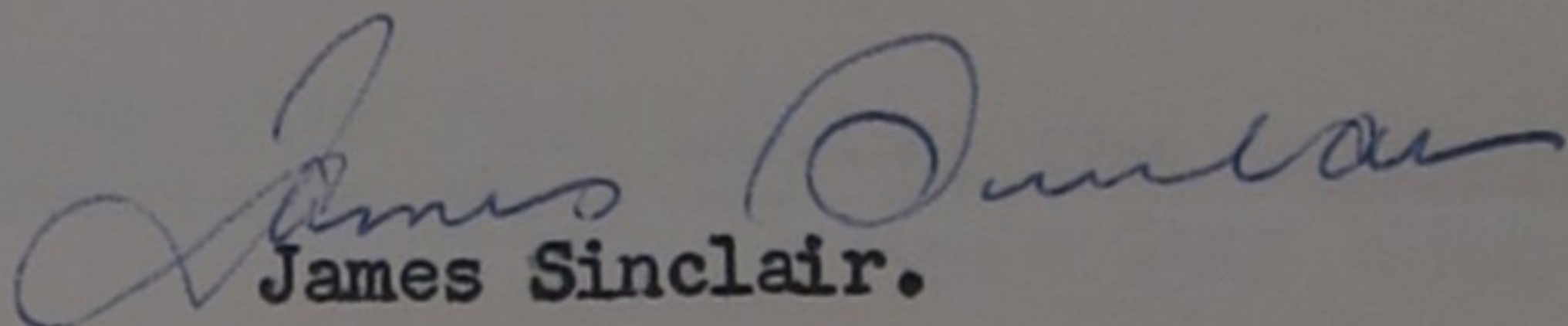
Angus MacInnis, Esq., M.P.,  
House of Commons,  
OTTAWA, Ontario.

Dear Angus:

I acknowledge receipt of your letter of December 5th, with regard to case arising out of the removal of persons of Japanese origin from the Defence Zone in British Columbia, in 1942.

I will be very glad to discuss this matter with you at your convenience.

Yours sincerely,

  
James Sinclair.



O t t a w a  
January 29, 1953

Honorable James Sinclair,  
Minister of Fisheries,  
O t t a w a

Dear Jim:

Late in December during your absence on the West Coast, Miss Miller sent me a copy of a letter re the Kagetsu case addressed to you by Mr. K. W. Wright of the Office of the Secretary of State.

As is the case on all the correspondence I have seen from the Secretary of State's office they seem to lose sight of the central fact in this case, that is, that because of the action of the Government, Mr. Kagetsu's substantial business has been ruined. It was no doubt done legally, but certainly not in accordance to my conception of justice.

Mr. Bradley has not taken the trouble, so far, to reply to my letter. I have had a letter from his Private Secretary which is not satisfactory. However, I am not finished with the case.

I wish to thank you for taking the matter up with Mr. Wright. I appreciate that it does not come within your Department.

Yours sincerely,

Ang us MacInnis.

c.c.: Hon. James Sinclair, P.C.,  
North Vancouver, B.C.





CANADA

MINISTER OF FISHERIES

OTTAWA, December 23, 1952.

Angus MacInnis, Esq., M.P.,  
442 West 15th Avenue,  
VANCOUVER, B.C.

Dear Mr. MacInnis:

Re: Custodian's Office  
File No. 16700.

With regard to the matter of Kagetsu, (Eikichi) - R.C.M.P. #00014 & Deep Bay Logging Company Limited, I am enclosing herewith the self-explanatory letter dated the 23rd instant, together with enclosures, which have just come to hand from Mr. K.W. Wright, Chairman, Administration Board and Chief Counsel, (Custodian of Enemy Property), Department of the Secretary of State.

You will note that the offer made to Mr. Kagetsu was not accepted by him.

I am sending this information to you in the absence of Mr. Sinclair on the West Coast.

Yours sincerely,

*Marie Miller*

Marie Miller,  
Private Secretary.

Encs.

c.c.: Hon. James Sinclair, P.C.,  
North Vancouver, B.C.



**CANADA**  
**DEPARTMENT OF THE SECRETARY OF STATE**  
**OFFICE OF THE CUSTODIAN**

ADDRESS ALL  
COMMUNICATIONS  
TO THE  
CUSTODIAN'S OFFICE

PLEASE REFER  
TO  
**16700**  
FILE NO. ....

Victoria Building,  
7 O'Connor Street,  
Ottawa 4, Ontario.

December 23rd, 1952.

Honourable James Sinclair, M.P.,  
Minister of Fisheries,  
Ottawa, Ontario.

Dear Mr. Sinclair:

Re: Kagetsu, Eikichi - R.C.M.P.#00014  
& (Deep Bay Logging Company Limited)

I regret that an earlier reply to your letter of 16th instant was not possible due to my absence from the City.

I enclose copy of a report dated 27th June, 1951, from Mr. F. G. Shears, Director of our Vancouver Office, in order to place the facts more fully before you.

You will observe that the hearing of this case before Mr. Justice Bird occupied 16 days and there are 1,384 pages of transcript. Following through examination of such submissions the Commissioner handed down his reasons for recommending the award in a 16 page document. We do not have an extra copy of this document, however one will be made and sent to you if you wish.

I should also point out that the position of the Custodian in regard to the payment of claim awards is that while the recommendations of the Commissioner have been accepted by the Government in so far as the amount recommended is concerned, the payment of the amount recommended is on a purely ex gratia basis.

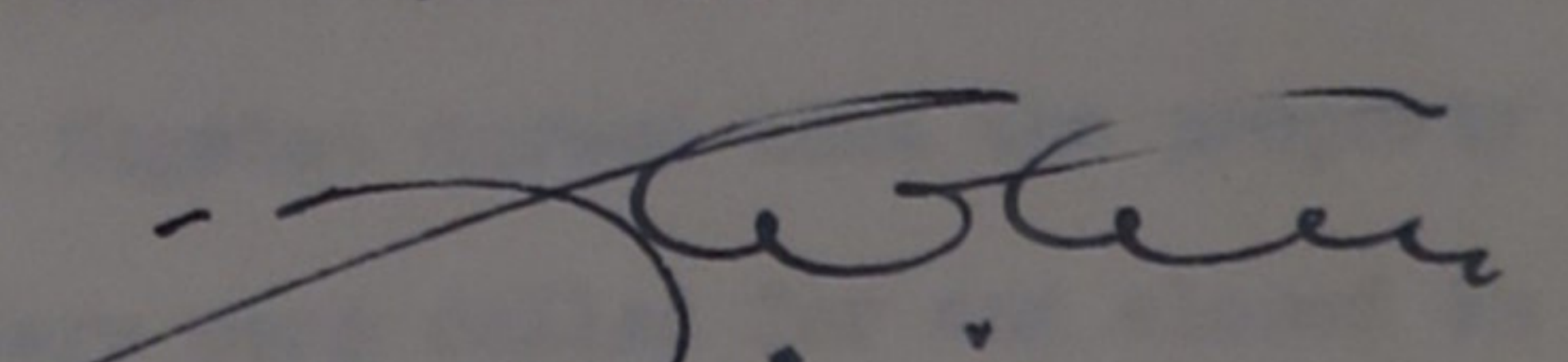
The file reveals that last summer this case was carefully reviewed by Honourable Mr. Bradley following numerous representations and receipt of considerable material filed in support of an application to increase the amount of the award recommended by Mr. Justice Bird.

On July 7th, 1952, the Minister decided not to increase the award of \$51,750. made by Commissioner Bird, but did agree to grant an additional \$2,587.50 in final settlement of a claim for expenses other than legal fees incurred in the presentation of the claim.

X This offer has not been accepted by Mr. Kagetsu and there the matter stands.

I trust you will agree that the utmost consideration has been extended in an effort to properly assess this claim.

Yours very truly,

  
K. W. Wright,

Chairman, Administration Board  
and Chief Counsel.

KWW/G  
Encl.



**CANADA**  
**DEPARTMENT OF THE SECRETARY OF STATE**  
**OFFICE OF THE CUSTODIAN**

ADDRESS ALL  
COMMUNICATIONS  
TO THE  
CUSTODIAN'S OFFICE  
  
PLEASE REFER  
TO  
**13524**  
FILE NO.....

506 Royal Bank Bldg.,  
Vancouver, B.C.,  
June 27, 1951.

K. W. Wright, Esq., K.C.,  
Chief Counsel,  
Office of the Custodian,  
Victoria Building,  
7 O'Connor St.,  
Ottawa, Ontario.

Dear Mr. Wright:

Re: Deep Bay Logging Co. Ltd.  
Case 1388

I received your letter of the 23rd instant in which you ask for a report regarding the operations and the claim filed by the above.

This company carried on a logging operation situated at Fanny Bay on Vancouver Island. Practically all the shares were owned by E. Kagetsu, the actual shareholders being as follows:

Eikichi Kagetsu	3,949 shares
Kagetsu & Co. Ltd.	500 shares
Tsuratoro Kagetsu	200 shares
Sadanori Kikuchi	200 shares
Sawaichi Irizawa	50 shares
Manji Ushizawa	100 shares
Carl M. Stewart	<u>1 share</u>
	5,000 shares

Some of the timber limits (Block 195) were personally owned by E. Kagetsu but under the claim both the company and Kagetsu's personal timber was included.

The operations were formerly carried on under Kagetsu's management by employees who were also persons of the Japanese race. The evacuation policy necessitated the closing down of the operations. P.S. Ross & Sons were first appointed as supervisors and later Mr. Frederick Field of that firm was appointed Controller with powers of a liquidator.

The Assistant Timber Controller requested that everything possible be done to resume operations and Kagetsu agreed that the property should be advertised and offered for sale. Tenders were called for and closed on the 11th of May, 1943 in regard to Block 195 and on the 30th of August, 1943 for the Deep Bay timber and other assets.



The valuation of Block 195 made by Eustace Smith was -

Fir, Cedar and Pine	22,376,000 feet @ \$3.00 per M.	\$ 67,128.00
Hemlock and Balsam	<u>8,618,000 feet @ \$1.50 per M.</u>	<u>12,922.00</u>
Total	<u>30,994,000 feet</u>	<u>\$ 80,050.00</u>

The Commissioner referred to Eustace Smith as --"a timber cruiser and valuator of long experience in the timber industry of British Columbia, who then was and now is held in high regard both for his competence and integrity--"

A tender for \$93,000.00 was received from the H.R. McMillan Company and this timber limit was sold, based on the appraisal and the recommendations of Eustace Smith and the Liquidator that this offer should be accepted.

The Deep Bay assets were also valued by Eustace Smith for a total sum of \$88,972.91. This covered an estimate of approximately 14 million feet of timber and railway and other equipment. It was advertised in the following parcels:

- Timber
- Railway Equipment
- Gas Donkeys
- Steam Donkeys
- Tractor and Compressor
- Buildings
- Miscellaneous

No acceptable tender was received for the property as a whole, \$75,000.00 being the highest bid that was obtained. An offer of \$40,000.00 was received from the H.R. McMillan Company for the timber limits, and upon the recommendation of Eustace Smith and P.S. Ross & Sons, this portion of the Deep Bay assets was sold. Over a period of time the equipment was also sold by the Liquidator and the final gross realization from both timber and equipment amounted to \$80,434.87 for items originally valued as above for \$88,972.91.

A claim was originally filed by Kagetsu through Mr. Brewin of Cameron, Weldon & Brewin. At the initial hearings on Nov. 8, 1948 Mr. Norris with his partner Mr. Baldwin together with Mr. Brewin, appeared for the claimant. Changes were made in the original claim, the amended claim placed before the Commissioner being as follows:



June 27, 1951.

	<u>Claim Value</u>	<u>Sale Price</u>	<u>Net Claim</u>
Blk. 195 Timber	\$247,500.00	\$ 93,000.00	\$154,500.00
Deep Bay "	292,039.00	40,000.00	252,039.00
Locomotive etc.	23,029.00	14,500.00	8,529.00
Gas Donkeys etc.	22,925.00	13,000.00	9,925.00
Wire Rope etc.	15,591.80	7,104.53	8,487.27
MacKenzie St. Prop.	5,500.00	4,300.00	1,200.00
Pontiac Car	1,396.00	1,025.00	371.00
Use of Railway	28,260.00		28,260.00
Loss of Boom Chains	822.75		822.75
	<hr/>	<hr/>	<hr/>
	\$637,063.55	\$172,929.53	\$464,134.02

The presentation of this claim, the evidence of witnesses and presentation of argument, occupied 16 days and there are 1382 pages of transcript and 61 exhibits filed. The evidence indicated that prior to evacuation, Carl Stewart acting as Kagetsu's agent, had made some endeavours to sell the Deep Bay and Kagetsu properties. In regard to Block 195, they appeared to have had an offer for \$85,500.00 cash, or alternatively \$100,000.00 on a stumpage basis, payments being spread over 2½ years. However, Kagetsu's price at that time was said to have been \$125,000.00. In regard to the Deep Bay timber Kagetsu's estimate of quantity appeared to be between 17 and 18 million feet, and the best offer received was \$2.75 per M.

In addition to evidence in regard to the quantity of timber and the fair market price per thousand at the time of sale, considerable evidence was given in regard to the bearing which the accessibility of timber has upon a profitable forestry operation, the cost of extraction in some cases leaving only a small margin of profit. The increased utilization and value of timber of a smaller size which developed since the date of sale was also the subject of much evidence and discussion. In regard to these matters the Commissioner stated:

"I am satisfied that the very marked difference in opinion between witnesses has arisen from the factors of merchantability and accessibility of the timber.

The bases for the Custodian's acceptance of the tenders made for both tracts of timber are the valuations per thousand feet board measure (MBM) and the volume estimates made by qualified persons in and immediately prior to 1943 founded upon economic conditions then existing in the logging industry, whereas in my opinion the bases for the claimants' claim in respect of these tracts rest upon like valuations and estimates which have been unwarrantably influenced by economic conditions in the logging industry existing at the date when the claim was presented in 1948. The claimants caused volume cruises to be made of both areas, one of which, i.e. on Block 195, was completed in November 1948, the other in December 1948. Both are expressed to relate to conditions pertaining to 1943, though in my judgment the appraiser has not successfully



K. W. Wright, Esq., K.C.

June 27, 1951.

avoided the influences of the changed conditions which are shewn to have occurred subsequent to 1945. I am satisfied on the evidence, as well as from my knowledge of conditions in the timber industry of British Columbia in the interval between 1943 and 1947, of which I consider I may take judicial notice, that a marked rise in the market value of standing timber and timber products occurred between those years, and further that a radical change in the degree of utilization of timber occurred in the same period, which resulted in classification as merchantable and accessible much standing timber of a quality and dimension that would not have been so classified in 1943. These factors in my opinion serve substantially to explain the divergence of opinion noted on both principal issues."

In regard to Block 195, the amended claim was for 55 million feet at \$4.50 per M. It was shewn that Kagetsu's original estimate was 50 million at \$3.75 per M and evidence shewed that this timber was purchased in 1937 for \$75,000.00. However evidence in regard to the quantity of timber actually removed from this property since the sale by the Custodian, apart from the greater utilization of smaller timber in logging operations during recent years, caused the Judge to consider that 6 million more feet of merchantable timber existed on the property at the time of sale. He saw no reason to conclude that the price at which the Custodian sale was made, viz. \$3.00 per M, was not adequate and his recommendation was for an award of 6 million feet at \$3.00, viz. \$18,000.00.

In regard to Deep Bay timber, it was shewn that this was bought by the Company from time to time at prices varying from \$1.10 to \$2.00 per M over a period of 20 years. Kagetsu acknowledged that the most accessible timber had been removed before 1942 and that the operation was in the nature of a salvage operation at the time the Custodian took over. As previously mentioned, Kagetsu's estimate of quantity was between 17 and 18 million. The basis of the sale was on Eustace Smith's cruise of 14 million. In view of the fact that claimants' evidence indicated that 16 million feet had been cut since the sale was made and that some additional timber remained, the Commissioner was prepared to accept 17 million as the quantity of merchantable timber at the time of Custodian sale, and recommended an award of the difference of 3 million at a price of \$2.50 per M for the type of timber on the Deep Bay limits.



June 27, 1951.

The claim also included the value of felled and bucked timber which was on the ground at the time of sale. There was no dispute in regard to quantity of 2½ million feet, but the Commissioner accepted evidence that in spite of this timber having been felled for over 18 months, its value should be considered to have been \$5.00 per M or a total value of \$12,500.00 rather than the value of \$4,500.00 included in Eustace Smith's appraisal, a difference of \$8000.00.

The claimants were able to produce evidence which satisfied the Commissioner that there were approximately 5500 acres of logged-off land containing immature timber which operators now considered of real value in re-forestation schemes and for which the Commissioner recommended an award of \$1.50 an acre.

The claim in connection with equipment was for more than \$27,000.00. It concerned a very large number of items and after lengthy discussion between counsel for the claimant and Government counsel, a proposed settlement of \$8,000.00 was submitted to the Commissioner who after thorough examination, included this amount in his final recommendation. The sum recommended for award which covers items for which a claim was made of over \$460,000.00, is therefore made up as follows:

Block 195	\$ 18,000.00
Deep Bay	7,500.00
Deep Bay felled and Bucked	8,000.00
500 acres immature timber	8,250.00
40 Buildings Deep Bay	1,000.00
Railway	1,000.00
Logging Equipment	<u>8,000.00</u>
	\$ 51,750.00

There is very little on actual record in regard to the question of payment by the Government for expenses of claimants or their solicitors. In the opening proceedings before the Commissioner, December 3, 1947, Mr. Brewin referred to provisions under the Public Inquiries Act for the appointment of experts to compile special technical or statistical information and stated "We may find we shall have to ask your Lordship to assist the claimants to get information in that way." The Commissioner replied - "What you have in mind Mr. Brewin, is some assistance from appraisers or valuers in relation to land claims."



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In a report made by Mr. Hunter to Mr. Varcoe in April, 1948 under the heading - " Possibility of Settlement", Mr. Hunter stated - "It becomes increasingly obvious that the claimants and their counsel had no conception of the magnitude of the task given to the Commissioner. It is equally obvious that they had no idea of the business-like and careful manner in which the Custodian dealt with Japanese property.;;;.... "Their counsel realize that their fee of 1% of the claims is hopelessly inadequate to cover the fees and expenses of counsel engaged over a long period of time." Later Mr. Hunter prepared a memorandum of suggested terms of settlement which was presented to the Commissioner in which he states -

"Claimants incurred heavy expense in investigating and securing evidence of value. This has helped the Commissioner and saved the Government the expense of obtaining such evidence itself and has helped to shorten the duration of the hearings. Since normally an Inquiry under the Inquiries Act is made at Crown expense and since the inquiry has shown that certain losses did occur to the Japanese, it would appear fair that some portion at least of those expenses should be repaid. The Commissioner is waiting for a detailed statement from Counsel for the Japanese before he makes a definite recommendation therefor, but it has been suggested that 5% of the total awards would be a reasonable sum to return in lieu of costs."

In reply to your letter of May 25, 1950 in which you enclosed a copy of a teletype from the Canadian Ambassador to the United States to the Secretary of State for External Affairs, Canada, I concluded my memorandum -

"In view of the fact that the Commissioner has considered that the claimants are entitled to receive awards, it has been suggested that consideration should be given to the question of out of pocket expenses incurred by counsel for the claimants apart from purely legal fees for which the claimant was responsible."

In a conference "In Camera" between the Commissioner and counsel at which Messrs. Hunter and Braidwood, representing the Government, and Messrs. Virtue & McMaster, counsel for claimants were present, a portion of the transcript of this conference reads:

Mr. McMASTER: There is one other thing, and that is this question of 5%. I think it was suggested and Mr. Brewin communicated to Mr. Hunter subsequently that we were in agreement with what your Lordship said on the subject of costs at that time.

THE COMMISSIONER: I do not recall what I did say.

MR. McMASTER: You thought it might not appear very happy in the public eye to have a provision in there for legal fees.

THE COMMISSIONER: You are thinking now of disbursements.



MR. McMASTER: Yes, I am taking into account Mr. Hunter's offer is 5% in view of disbursements.

THE COMMISSIONER: Can you give Mr. Hunter some breakdown that would justify 5%?

MR. McMASTER: Yes, I think so.

THE COMMISSIONER: If you satisfy Mr. Hunter, I would have no objection to incorporating the recommendation for it, putting it solely on the footing of covering out-of-pocket expenses in the presentation of claims.

As you are aware, the majority of cases were handled by the Co-Operative Committee on Japanese Canadians, Toronto, represented in Vancouver by R. J. McMaster, and also Virtue and Russell who represented claimants in Southern Alberta. A Statutory Declaration was filed with the Commissioner by Mr. McMaster for the payment of expenses incurred, amounting to \$57,978.99 and the Commissioner made the following recommendation:

ALLOWANCE TO CLAIMANTS FOR EXPENDITURES MADE  
BY THEM ON THE PRESENTATION OF CLAIMS TO  
THE INQUIRY, EXCLUSIVE OF LEGAL FEES

Counsel for the claimants have requested that a special report be made on this subject.

A statutory declaration has been filed by R.J. McMaster, Esquire, who acted throughout the Inquiry as one of the Counsel for the claimants. This declaration, which is attached hereto, shows that the claimants had disbursed or assumed liability for the sum of \$57,978.99 in respect of the various items shown in Schedule 4 to the declaration. There are also attached hereto letters on the same subject received by me from McMaster under date of February 4th and March 8th 1950.

I have no means of verifying the statement of these disbursements, but would accept Mr. McMaster's statement that he is satisfied such expenditures have been made. The total expenditure is somewhat less than 5% of the aggregate sum recommended for payment to the claimants. The Inquiry continued for two years and four months, during which time the claims of 1371 persons were investigated. Each of the claims related to one or more parcels of real or personal property, the average claim involving three such parcels.

The foregoing are matters which I think might properly be taken into consideration in determining whether any compensation is to be made to the claimants to reimburse them for the undoubtedly heavy expense to which they have been put in the presentation of their claims.

In view of the fact that the Commissioner stated he had no means of verifying the amount of these disbursements, you asked that I examine all material in Mr. McMaster's possession. As a result, a fairly extensive breakdown was secured and a copy of McMaster's letter dated June 29, 1950 and a schedule of 11 pages were sent to you enclosed in my letter dated July 5, 1950. This account was for the total sum which has been allowed in connection with the presentation of practically all of the 1300 claims. It included travelling expenses across Canada for quite a number of persons,



June 27, 1951.

the expenses of experts who went into considerable detail in providing statistical information, clerical work for the purpose of presenting this great number of claims in such a manner as to save the time of the Commission. Compared with the volume of material and effort in all these cases, it is impossible to consider that the amount claimed for expenses in the one case of the Deep Bay Logging Company is in any way justifiable. In addition to this, I do not think it can be disputed that the Deep Bay case was the most confused presentation of the whole Inquiry.

Right at the commencement, the Commissioner stated:

"So little consideration is shown by the claimant. Here is the situation, Mr. Norris. I have a great many of these claims. I am going to have to sit for another six months to a year. I have specifically asked each counsel concerned to endeavor to be ready when a case goes on and I have asked both counsel co-operate to permit the hearings to be proceeded with expeditiously. I do not think in this case the claimant's solicitor, has given the information that would warrant government counsel in thinking there was going to be any claim made for agricultural land, and I will go further in that and say I do not think Mr. Norris thought about it until it was brought up for the first time in the presentation of the Royston case."

Later in the evidence the Commissioner again stated:

"This difficulty arises because of the fact your people were not ready when you should have been. I am giving you the opportunity to get ready. In the circumstances I do not feel I should penalize the government by denying them the right to cross-examine on this Deep Bay feature."

This case commenced on November 8, 1948. Amendments and changes were made five or six times during the hearings. A cruise report was presented at the commencement and leave was asked to amplify this report later and on Nov. 26th the Commissioner again referred to the fact that - "We are still waiting for Mr. Schultz's Report."

Due to long delays, Mr. McPherson who was representing the Government, was not able to continue with this case, and after adjournment, it was almost a year later before it was again taken up by Mr. Braidwood then representing the Government.

Evidence indicates that the cruise made by Mr. Schultz in regard to Block 195 occupied 3 days of Schultz's time and 6 days for another party, and was only a 4% cruise of 979 acres. They came into Court with Schultz's estimate of the timber which was on the Deep Bay property on which their claim was made, and in this case the evidence is that two days had been spent on the field, but that the entire job would have taken about 4 days. During the hearing, leave was asked to complete this survey and



June 27, 1951.

this was presented when the case re-opened a year later - Nov. 14, 1949, at which time it was stated that the work was done in November and December, of 1948 by Mr. Schultz and a forest engineer and two assistants and that they were on the ground for 18 days. The evidence showed that it was done when the snow was on the ground and that the work could have been done in less than half the time under normal conditions. An aerial survey of the timber limits was filed, but the Commissioner was aware that this was taken over 5 years after the Custodian sale of this property.

The only comments which the Commissioner made in regard to Schultz's work was that in regard to Block 195 it was a 4% cruise of the entire area, taken after the area had been logged to the extent of 80% of the whole. In connection with Schultz's evidence regarding the Deep Bay limits, the Commissioner stated - "It is not conceivable that the total area contained 100% more timber than was estimated by E & N Railway cruises, which must have been the case if Schultz's evidence is accepted.

You will recall that we liquidated the N.S. McNeil Co. Ltd. which was an enemy asset comprising over 22,000 acres at Port McNeil on Vancouver Island containing around 400,000,000 feet of timber and which was sold for \$600,000.00. This area was thoroughly cruised by Eustace Smith and he was brought in as a consultant from time to time during the administration and liquidation of this property, and his total bill for all services was \$6,000.00. Mr. Eustace Smith's services in connection with cruising the Deep Bay property only amounts to \$700.00. The charge for Schultz's work is listed as \$7,739.54. Taking the size of the operation and other facts into consideration, this is an amount for which I cannot recommend that the Government should be responsible.

Other items in the account are also out of line with anything which was allowed to the Co-Operative Committee claimants. \$638.50 is listed for S. ITO as an interpreter. The amount for interpreters in McMaster's account is \$748.56. In their case they were dealing with numerous individual Japanese across Canada who could not speak English. No interpreter was actually required in the presentation of the Deep Bay case. All the witnesses, including Mr. Kagetsu, thoroughly understood and spoke English.

In no previous case has allowance been made for any personal expenses of the claimant. In this case \$839.05 is listed for E. Kagetsu.



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\$938.10 is also listed for his son H. Kagetsu, described as a Forest Engineer. H. Kagetsu's evidence was simply as an employee of the company and he was called to try to explain certain entries in the company's books relative to markings on logs, indicating the locality from which they were produced. Included in Mr. Norris's account are what is stated to be "Liquidation Expenses Charged by the Custodian", amounting to over \$18,000.00. This refers to P.S. Ross & Sons' administration, and a breakdown of the amount mentioned is as follows:

DEEP BAY LOGGING COMPANY

Watchman's Wages	\$ 5,842.22
Tax Deductions	1,242.92
Telephone A/C	457.20
Car & Truck Storage	130.09
Handling Material	1,000.80
Appraisals	700.00
Advertising	312.09
Repairs	51.21
Gas & Oil	62.89
Exchange etc.	31.89
Control & Liquidation Fees	4,980.00
Control & Liquidation Expenses	269.79
Retainer - C.M. Stewart	1,250.00
Locke, Guild, Lane & Sheppard	831.28
	<u>\$17,162.38</u>

EIKICHI KAGETSU

Land Registry Office	8.50
Locke, Guild, Lane & Sheppard	331.40
Examining & Advertising Prop. 195 -	452.29
P.S. Ross & Sons - Services rend.	650.00
North Van. Properties - Dis-	
bursements	19.00
Fees for services re affairs	20.00
Charges for shipping Bonds	16.65
	<u>\$ 1,497.84</u>

There would be no previous example of such items as listed above being assumed by the Government, and they have no bearing upon the presentation of the claim.

As previously mentioned, the award in this case is \$51,750.00. It may be of interest to note that the award which has been paid in connection with the Royston Lumber Co. claim was \$69,950.00. P.S. Ross & Sons' fees and disbursements in this case were \$18,279.19. Both claims were for timber limits and equipment and were somewhat comparable. The evidence in the Royston case occupied 10 days and 46 exhibits were filed. This case was handled by Mr. MacLennan a former partner of Mr. Norris. Mr. MacLennan's expenses for his client were included in the Co-Operative Committee account referred to on page 7 of this report, the amount being \$618.64, in addition to which there were appraisal fees of \$570.00.

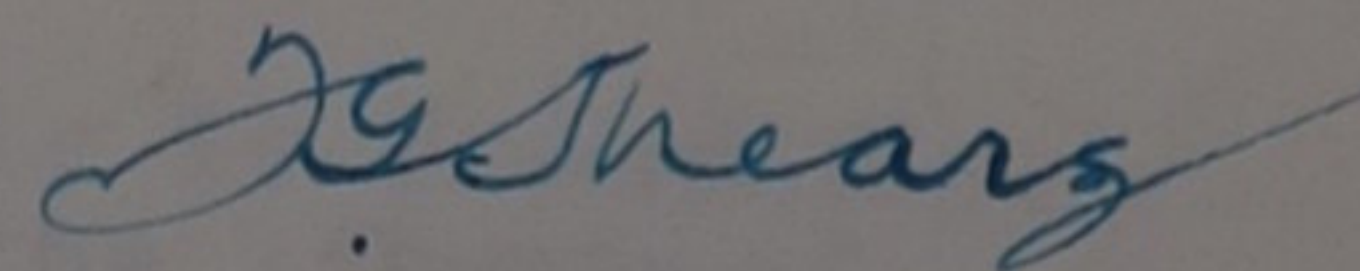


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The fact that the Commissioner's award was \$51,750.00 on a claim of \$464,000.00 would indicate that the whole claim was extravagant and the present request for compensation exceeds the limit of the basis of any previous allowances. Throughout the whole Inquiry there has been no suggestion that the Government would assume any responsibility for expenses in excess of 5% of the amount awarded, and the amounts paid to the Co-Operative Committee fell within that percentage.

With the information now supplied, I trust that you will be in a position to properly assess this claim. Even if it were considered that this particular case had special merits in regard to costs, it would appear that the liquidator's expenses of \$18,660.22 should be deleted and 25% or 30% of the rest of the charges would still leave this claim in a more favourable position in regard to expenses than has been afforded to any other claimant.

Yours very truly,



F. G. Shears,  
Director.

FGS/GN

517.2  
50.05  
42.54  
Alister Fraser  
Executive Secretary





DEPARTMENT OF FISHERIES  
OTTAWA

OFFICE OF THE MINISTER

Ottawa, February 3rd, 1953.

Angus MacInnis, Esq., M.P.,  
House of Commons,  
Ottawa, Ont.

Dear Mr. MacInnis:

As Mr. Sinclair is presently in Newfoundland I am taking the liberty of acknowledging your letter of January 29th, regarding the Kagetsu case.

I anticipate Mr. Sinclair's return to the office no later than Monday morning, at which time I will see that your letter and the entire file is brought to his attention for such action as he may see fit.

Yours sincerely,

Alistair Fraser,  
Executive Assistant.





DEPARTMENT OF FISHERIES  
OTTAWA

February 10, 1953.

OFFICE OF THE MINISTER

Angus MacInnis, Esq., M.P.,  
House of Commons,  
Ottawa, Ontario.

Dear Mr. MacInnis:

As promised in my letter of February 3rd I brought your letter of January 29th, concerning the Kagetsu case, to his attention following his return from Newfoundland. Mr. Sinclair has again found it necessary to leave Ottawa for a few days and before departing last night asked me to communicate again with Mr. Wright, expressing the hope that after a further review of the file an upward adjustment may be made in connection with the assessment of the claim.

I have accordingly written Mr. Wright along those lines and in the event that no action, satisfactory to you, is taken I will once again bring the file to the Minister's attention.

Yours sincerely,

Alistair Fraser,  
Executive Assistant.



O t t a w a  
February 11, 1953

Mr. Alistair Fraser,  
Executive Assistant,  
Minister of Fisheries,  
O t t a w a

Dear Mr. Fraser:

This will acknowledge receipt of your letter  
of February 10th, regarding the Kagetsu case.

Will you kindly extend to Mr. Sinclair my  
appreciation for the interest he has shown in this matter.  
We might make some progress if the Secretary of State showed  
similar interest. I am still waiting for a reply from him  
to my earlier letter, copy of which I sent to Mr. Sinclair.

Thank you very much.

Yours sincerely,

Angus MacInnis, M. P.



O t t a w a,  
April 20, 1953.

Honorable Gordon F. Bradley,  
Secretary of State,  
O t t a w a.

Dear Mr. Bradley:

Re: Japanese Property Claims  
Commission Claim No. 1388,  
E. Kagetsu, Deep Bay Logging  
Company Limited.

I wish to thank you for your letter of March 11th, in reply to my letters of December 5th, 1952 and January 30th, 1953.

I am still of the opinion that some important points in regard to Mr. Kagetsu's claim were overlooked by Commissioner Bird. In reading the Commissioner's report, I am satisfied that he did not take into consideration several matters that are usually considered when property is being expropriated. I will enumerate some of these:

1. The Commissioner rejected the cruise made by C. D. Schultz, one of the foremost engineers in British Columbia, in the matter of timber cruises. The Commissioner relied on the evidence of Eustace Smith whose cruise was merely a re-check on a cruise made years earlier. In my opinion more weight was given to the evidence of Keith Shaw, Manager of the Company which purchased the timber from the custodian, than should have been given.



2. The operation was a going concern when Mr. Kagetsu was forced to leave it, but the Commissioner made no allowance for this, neither did he allow anything for compulsory taking and gave no reason for denying it.
3. Mr. Kagetsu was denied access to his records when preparing his initial claim.
4. No allowance was made for the time Mr. Kagetsu was deprived of the use of his property.

I do not think that the value of the property to a purchaser at the date of sale is the ultimate criterion, as the property was unoccupied and unused from the date of the evacuation until the date of the sale. I think that applies particularly to Mr. Kagetsu's claim of \$28,260.00 for 8½ miles of railway upon which steel was laid. The Commissioner states that the purchasers from the Custodian scrapped the railway and converted to truck hauling, using a part of the railway bed for the truck road. Because the purchasers didn't use the railway, the Commissioner evidently came to the conclusion that it had very little value and put the absurd value on the 8½ miles of railway of \$1,000. Railways, even logging railways, cannot be built for that kind of money, and it seems to me that it isn't a question of what value it had for the purchaser, but what it cost the claimant and the use he would have made of it had he been left in unmolested possession of his property.

I need not say anything further about the logging property. The fact remains that the Commissioner's estimate of the amount of timber on the property has been way out. As mentioned in my first letter, as at November, 1951, 70% more timber had been taken off one block than the Commissioner allowed was on the property. On the other block, 100% more timber had been cut than the Commissioner allowed was on it in the first place. Considerable timber has been cut on these properties since the figures in the above statement was made public and logging is still going on.



You state in your letter:

"According to Mr. Kagetsu, on some blocks of timber he cut 100% more than anticipated, but it appeared that to arrive at this figure, he was cutting much smaller logs than the accepted standard then being used in cruising a timber limit."

I think there must be some mistake here as the over-plus of cut timber to which I referred was not Mr. Kagetsu's figures but the figures of logs scaled by the Provincial Government after the property was sold by the Custodian.

You also say that the Kagetsu Company's own ledgers, covering ten years' operations, showed operating losses of \$3,000 a year for nine years. I do not believe that that is a very important point, because a great many logging companies - and other companies as well - were showing losses in the years these operations would cover. What is important, it seems to me, is what the property would be worth in the prosperous years of the logging industry since Mr. Kagetsu was deprived of his property in 1942.

In the dispute between the Government of the Province of Quebec and the shareholders of the Beauharnois Light, Heat and Power Company, I note that the arbitrators in their award a few days ago said this:

"We think it is pertinent also to refer to the fact that the Beauharnois undertaking was in 1944 emerging from its lean years - a process experienced by nearly every industrial undertaking."

The arbitrators then went on to point out the various factors involved in an undertaking before it can begin to obtain a return on the capital employed.

.....4



They say:

"Just as this point had been reached in the case of Beauharnois, the undertaking was expropriated before the expectations of the investors could be realized."

I think this argument applies with particular force to the Kagetsu Company. Like all other logging companies at the time the evacuation took place, it was emerging from the lean years of the depression.

It is also interesting to note that the Commissioner refused the claimant's request for an addition to the award because of the compulsory taking of the property. The Commissioner - as far as I am aware - has not given any reason for that decision. I think the circumstances under which this property and all other properties belonging to those evacuated in 1942 make these properties particularly eligible for an allowance for compulsory taking.

You say that personal and political opinion may have differed in regard to the policy of evacuation, but that its application to Mr. Kagetsu was no different to that of all other Japanese who were evacuated from British Columbia. I agree that the position of Mr. Kagetsu is no different from that of the other Canadian-Japanese who were unjustly dealt with under the policies adopted by the Federal Government in a period of hysteria. And I agree that there were many cases in which extreme in-justice, perhaps, relatively, a greater injustice than was done Mr. Kagetsu. Mr. Kagetsu's was the largest property involved and he approached me in the matter. Others who felt that an injustice had been done then did not approach me.

From the last paragraph in your letter, it seems to me that you are taking the position that if Mr. Justice Bird had not recommended any compensation at all, and if the government had concurred in that recommendation, it would have "discharged its obligations to those most directly affected and to the general public". I do not agree that the government, by paying the smallest compensation possible, has discharged its obligations to those Canadian citizens whom it uprooted and whose lifetime's work it destroyed.



May I end this letter by a quotation from a speech by the Prime Minister before the Quebec Bar Association as reported in the "Montreal Gazette" of January 26, 1953:

"Thus, when you are studying present administration of justice, or new methods of procedure, you are helping your country to preserve, not only justice but all the fundamental liberties that we fought for, won and defended, as essential to our way of life."

I do not believe that we have dealt with the Canadian-Japanese and their properties on the basis of those fundamental liberties which the Prime Minister - and I agree with him - asserts are most dear to us. I think that in the interests of justice, Mr. Justice Bird could be asked to review this case and if necessary, others, on the basis of new facts which bear on the value of the properties involved.

Yours sincerely,

Angus MacInnis, M.P.



O t t a w a  
April 21, 1953

E. Kagetsu, Esq.,  
8 Mountview Avenue,  
Toronto 9,  
Ontario

Dear Mr. Kagetsu:

Thank you very much for your letter of March 23rd. I read it carefully and it was of considerable use to me in preparing a further reply to the Honorable Mr. Bradley. I am enclosing herewith copy of my last letter to the Secretary of State.

I think I have possibly set out your claims better in this letter than I did in the previous one. I doubt, however, if it will be any more effective in moving the Government to re-consider your case. However, we shall keep on trying.

Best wishes, I am

Yours sincerely,

Encl.

Angus MacInnis, M. P.



*Norris & Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

*T. G. Norris, Q.C.*  
*George S. Cumming*  
*Joan Snape*

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

October 9th, 1953.

Angus MacInnis, Esq., M.P.,  
442 - West 15th Avenue,  
VANCOUVER 10, B. C.

Dear Mr. MacInnis:-

I enclose herewith copy of a letter of October 2nd received by me from Mr. Kagetsu, and a copy of my reply of today's date.

I am very badly driven in connection with Court work these days, but I wondered if you could manage to have lunch with me one day in the near future. I have no idea of your own commitments.

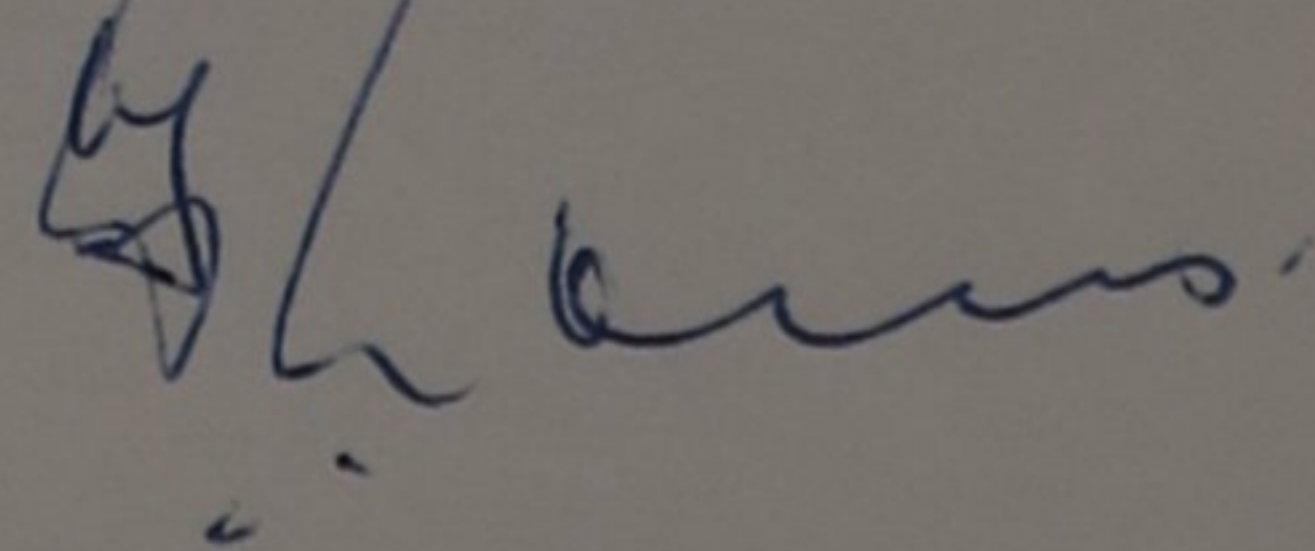
I am most anxious to do anything I can to help Kagetsu, but it is hard to do a great deal at this distance from Ottawa.

In any event, I would like to opportunity to talk the whole matter over with you. Will you please give me a call on the phone, some time next week if you can, and let me know whether you could have lunch with me -- and if so, the day?

I do not know whether I sent you, or whether you saw, the enclosed extract from Mr. Justice O'Halloran's Judgment in R. vs. Snider, the case about the production of Income Tax returns. In any event, you might like to have it.

Kind regards to you and Mrs. MacInnis.

Yours sincerely,



TGN:em  
Encl.



C O P Y

October 9th, 1953.

October 2, 1953

E. Kagetsu, Esq.,  
8 Mountview Avenue,  
TORONTO 9, Canada.  
Bank of Nova Scotia Building,  
602 Hastings Street West,  
Vancouver 2, B.C.

Dear Mr. Kagetsu:

I have your letter of October 2nd.

I had hoped to be East during the recent Canadian Bar Convention but, owing to pressure of business, was not able to get away. I will have a talk with Mr. MacInnis and let you know later what I think should now be done. It is not likely that he will be in Ottawa until the Spring and it is possible that I will be there about that time as well. I do not know if any way you are prepared to wait that long before bringing your affairs to a conclusion.

I am sending a copy of your letter of October 2nd to Mr. MacInnis, together with a copy of this letter, and I am asking him to have lunch with me one day, within the next week. MacInnis or Mr. Osborne to act on my behalf.

Apart entirely from your business affairs, I would like to see you again. MacInnis, at some appointed time, likely in Ottawa, probably would work on the nicest.

Kind regards to you all.  
I am prepared to go to Ottawa whenever one should need me.

Yours sincerely,

Best personal regards,

TGN:em

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October 2, 1953

Mr. T. G. Norris, Q. C.,  
Bank of Nova Scotia Building,  
602 Hastings Street West,  
Vancouver 2, B. C.

Dear Mr. Norris:

Thank you for your letter which I should have acknowledged sooner. I note that you are quite busy but am happy to see that you are all well.

I have not written to Mr. MacInnis yet but am going to in the very near future.

I really do not wish to put you out in any way but should you have the opportunity to come East it would be very nice. Under such circumstances I would like nothing better than to lean on you again about final negotiations to settle and collect once and for all, things connected with this claim.

Failing your coming East, I will get Mr. MacInnis and Mr. Osborne to act on my behalf.

Of course, if such an arrangement could be made, my being able to meet both you and Mr. MacInnis, at some appointed time, likely in Ottawa, probably would work out the nicest. As far as I am concerned, of course, I am prepared to go to Ottawa whenever one should need me.

Best personal regards,

Yours very truly,

C  
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"E. KAGETSU"



EXTRACT FROM JUDGMENT OF MR. JUSTICE O'HALLORAN OF THE  
BRITISH COLUMBIA COURT OF APPEAL IN THE CASE OF REGINA v.  
SNYDER, HANDED DOWN ON JANUARY 14, 1953.

Sixthly, mention should be made of an underlying constitutional principle of long standing which cammell, laird, liversidge and decisions cited therein have not noted when surrounding a single head of a department of state with a halo of power transcendent to that of the superior courts. These decisions impute that his mere opinion as Minister is to be accepted by the courts with blind confidence. But Lord Lyndhurst, who had been thrice Lord Chancellor, said in the House of Lords on July 12, 1853, (Life of Lord Lyndhurst by Sir Theodore Martin, K. C. B. (1883) at pl. 456):

"Confidence generally ends in credulity. 'Oh for the good old parliamentary word jealousy' exclaimed Mr. Fox...' instead of its modern substitute confidence'."

And not only between parliament and the Ministers according to Lord Lyndhurst should this jealousy be maintained but between parliament and the crown also. Thus speaking in the Wenslevdale (Baron Parke) Peerage Case on February 22, 1856, 5 HL Cas 958, 10 ER 1181, he said:

"My Lords, the principle upon which I Proceed-- the old constitutional principle--is that I will give the Crown no power that is capable of being abused, unless some great and over-ruling necessity can be shown to exist. I look on all with constitutional jealousy, and not with confidence, to those who are the depositaries of power. I remember it was said over and over again by one of the most illustrious statesmen (Charles James Fox 1749-1806) England ever produced, that jealousy and not confidence was the maxim on which the British constitution was based..jealousy and not confidence is the eternal governing principle of the British constitution." (Hansard, Vol. CXL 1168, *my italics.*)

It is almost axiomatic to say people are nervous of uncontrolled power that may be claimed by high political officials; history recognizes power is insatiable and that it is inevitably abused. The poet Blake expressed this



almost universal attitude in the graphic lines:

"The strongest poison ever known came from Caesar's Laurel Crown."

The deep Constitutional principle Lord Lyndhurst described exists also in the United States. Mr. J. W. Davis addressing the Supreme Court of the United States as counsel on behalf of the steel mills on the injunction to restrain their seizure by the president on his own executive initiative without the enabling sanction of the Congress, referred to it--see Time Magazine--May 26, 1952:

"He (Mr. J. W. Davis) softly quoted the words that Jefferson wrote in the Kentucky Resolutions, which in a sentence sums up the theory that public officials are servants of the law:

"In questions of power let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution'."

"Privilege is like a persistent bush fire, extinguished in one place, only to blaze up in another" (H. G. Hansbury, (1952) 68 LQR, at 174).



*Norris & Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

*T. G. Norris, Q.C.*  
*George S. Cumming*  
*Joan Snape*

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

November 4th, 1953.

Angus MacInnis, Esq., M.P.,  
442 - West 15th Avenue,  
VANCOUVER 10, B. C.

Dear Mr. MacInnis:-

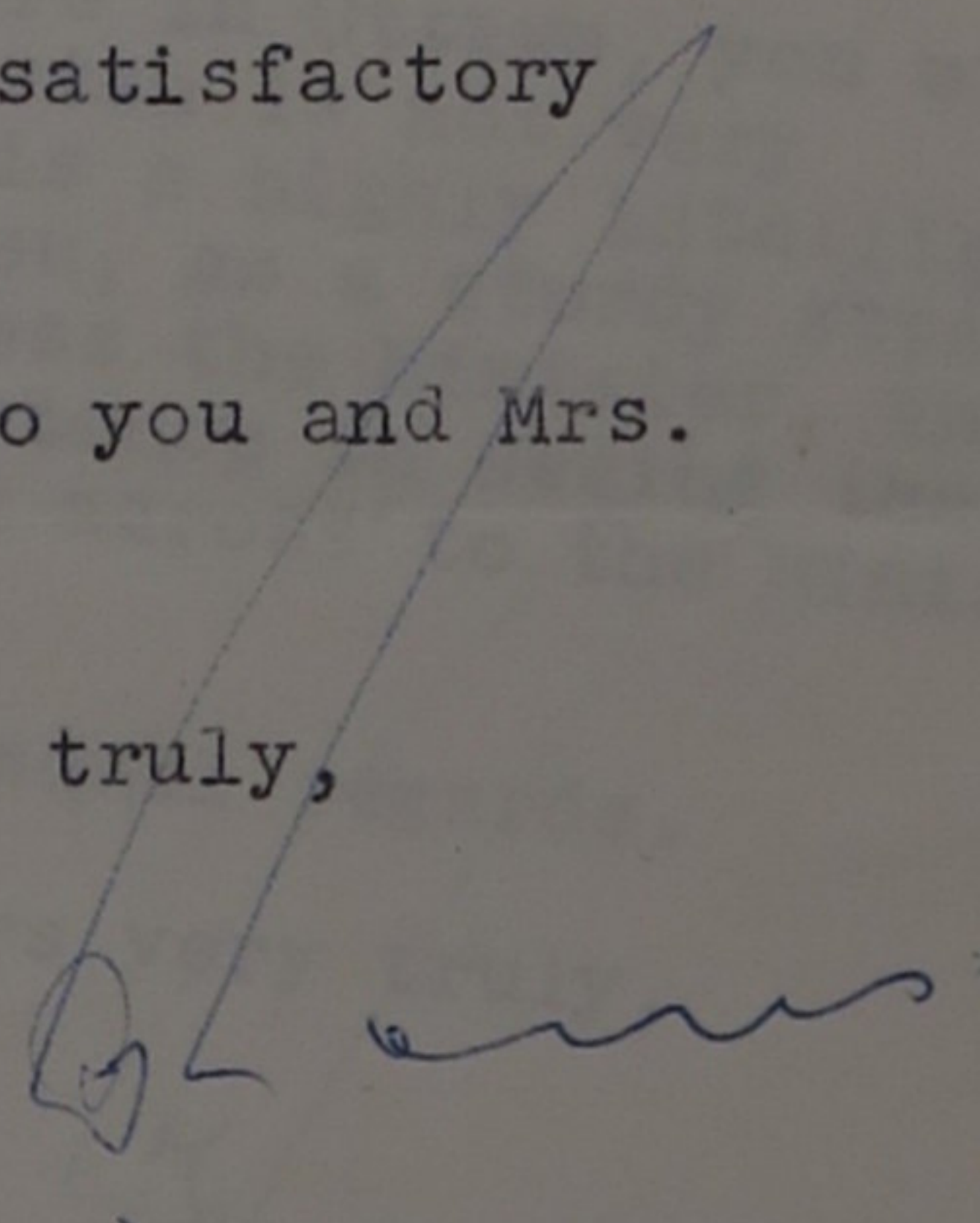
Re: Japanese Claims - Kagetsu Case

I enclose herewith a copy of a  
letter of November 2nd received by me from  
Mr. Osborne and a copy of my reply to him of  
today's date.

I imagine that you will be  
leaving for Ottawa within the next day or  
so. I hope that you have a satisfactory  
session.

Kind regards to you and Mrs.  
MacInnis.

Yours very truly,



TGN:em  
Encl.



*Norris & Cumming*

BARRISTERS AT LAW, SOLICITORS  
NOTARIES PUBLIC

*T. G. Norris, Q.C.*  
*George S. Cumming*  
*Joan Snape*

TELEPHONE PACIFIC 5254

CABLE ADDRESS: "NORRIS"  
VANCOUVER, CANADA

BANK OF NOVA SCOTIA BUILDING  
602 HASTINGS STREET WEST

*Vancouver 2, B.C.*

October 26th, 1953.

Angus MacInnis, Esq., M.P.,  
442 - West 15th Avenue,  
VANCOUVER 10, B. C.

Dear Mr. MacInnis:-

Re: Japanese Claims - Kagetsu Case

I enclose herewith a copy of a letter which I have today sent to Mr. Kagetsu, together with a copy which I have written to Mr. John C. Osborne. These letters are self-explanatory.

When you are in Ottawa, you might tell Mr. Osborne that Kagetsu is not very voluble and that the son is a highly intelligent, capable young man. Kagetsu, as a sturdy straight-forward type, should impress the Minister, and the son should be of assistance in seeing that what needs to be said gets across to the Minister and to Mr. Osborne.

Kindest personal regards.

Yours very truly,

*John*

TGN:em  
Encl.



October 26th, 1953.

October 26th, 1953.

John C. Osborne, Esq.,  
E. Kagetsu, Esq.,  
8 Mountview Avenue,  
TORONTO 9, Ontario.

Dear Mr. Kagetsu:-

I had Mr. MacInnis to lunch with me on Thursday of last week. We talked over your affairs. I think that it would be well if you and he, and Mr. Osborne, had a conference, and perhaps it could be arranged as Mr. MacInnis suggests that a final effort be made to have someone talk to The Honourable J. W. Pickersgill, the new Minister, who I believe would be more helpful than the last one was. If this is not successful, then I think you should instruct Mr. Osborne to close the matter out on the best terms possible for you, but you should be guided entirely by the advice you receive from him and from Mr. MacInnis.

I am writing to Mr. Osborne today.

I suggest that after Mr. MacInnis gets to Ottawa, you write to Mr. MacInnis and Mr. Osborne and endeavour to arrange that you go to Ottawa with your son.

Yours very truly,

TGN:em

cc: Mr. John C. Osborne,  
88 Metcalfe Street,  
Ottawa 4, Canada.

✓ cc: Angus MacInnis, Esq., M.P.,  
442 - West 15th Avenue, Vancouver 10, B. C.



October 26th, 1953.

John C. Osborne, Esq.,  
c/o Messrs. Gowing, MacTavish,  
Osborne & Henderson,  
Barristers & Solicitors,  
88 Metcalfe Street,  
OTTAWA 4, Canada.

Dear Mr. Osborne:-

Re: Japanese Claims - Kagetsu  
Case

I enclose herewith a copy of a  
letter today sent to Kagetsu.

Angus MacInnis, M.P., has, as you  
know, taken a very great interest in Kagetsu's  
troubles. While Mr. MacInnis is C.C.F., he is  
highly respected by members of the government.  
Would it be possible for you or Dunc MacTavish --  
who is undoubtedly the greatest power in the  
land in Liberal circles -- to arrange that you  
and Mr. MacInnis, or you and Mr. Kagetsu and his  
son and Mr. MacInnis could see the Minister.

I shall be very glad to see  
him if he comes to Ottawa.  
As you know, I feel there has  
been grave injustice and I would like to see  
Kagetsu get a reasonable break.

Kind regards.

Yours very truly,

TGN:em  
Encl.



442 West 15th Avenue,  
Vancouver 10, B. C.,  
October 27, 1953.

Mr. T.G. Norris, Q.C.,  
Bank of Nova Scotia Building,  
602 Hastings Street West,  
Vancouver 2, B.C.

Dear Mr. Norris:-

Re Japanese Claims - Kagetsu Case:

Thanks for your letter of October 26th informing me that you had written to Mr. Kagetsu and Mr. John C. Osborne and enclosing copies of your letters to them.

As I mentioned in our conversation the other day, I believe that the only hope Kagetsu has of reconsideration of his case is through some influential person such as Mr. MacTavish introducing Mr. Kagetsu to the Secretary of State and helping him to state his case.

I am writing to Mr. Kagetsu to say that I shall be very glad to do whatever I can to help him if he comes to Ottawa.

Yours sincerely,

Angus MacInnis.



442 West 15th Avenue,  
Vancouver 10, B. C.,  
October 27, 1953.

Mr. E. Kagetsu,  
8 Mount Pleasant Avenue,  
Toronto 9, Ontario.

Dear Mr. Kagetsu:-

Mr. Norris has kindly sent me a copy of  
his letter to you of October 26th.

As indicated by Mr. Norris, I talked your  
case over with him some days ago and we came to the  
conclusion that the suggestions made in Mr. Norris'  
letter are our last hope of having your case recon-  
sidered. Personally I think that the Hon. J.W.  
Pickersgill, the new Secretary of State, will be at  
least more approachable than his predecessor.

This letter is to advise you that if there  
is anything I can do to arrange such a meeting or to  
be of any assistance to you if you come to Ottawa, I  
shall be very glad to help.

Looking forward to seeing you, I am

Yours sincerely,

Angus MacInnis, M.P.



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GOWLING, MACTAVISH, OSBORNE & HENDERSON  
Barristers & Solicitors

88 Metcalfe Street,  
OTTAWA 4, Canada.

November 2, 1953.

Colonel T. G. Norris, Q. C.,  
Messrs. Norris & Cumming,  
Bank of Nova Scotia Building,  
602 West Hastings Street,  
Vancouver 2, B. C.

Dear Colonel Norris:

Re: Japanese Claims - Kagetsu Case

I acknowledge receipt of your letter of October 26 to which was attached a copy of your letter of the same date to Mr. Kagetsu.

I will get in touch with Mr. MacInnis after he returns to Ottawa and arrange for the conference. I do not anticipate any difficulty in making this arrangement. Dunc MacTavish has assured me that he will be very happy to give us any help that we may require.

Yours very truly,

(signed) John.

JCO:BAW



CABLE ADDRESS  
"USTESAK"

E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 8, CANADA

TELEPHONES  
MURRAY 8028  
ORCHARD 7871

November 4th, 1953.

January 14, 1954.

John C. Osborne, Esq.,  
c/o Messrs. Gowling, MacTavish, Osborne  
& Henderson,  
Barristers & Solicitors,  
88 Metcalfe Street,  
OTTAWA 4, Canada.

Dear John:-

Re: Japanese Claims -  
Kagetsu Case

Thank you very much for your  
letter of November 2nd and for the information  
therein contained.

Will you please tell Dunc  
MacTavish that I appreciate very much his  
willingness to give assistance in righting  
what, I think, is a great injustice.

Yours very truly,

As always, I am most thankful for your kind  
support. If Mr. Osborne has contacted you, I expect  
he shall shortly. I have told him that I am available  
at any time to go to Ottawa to suit your convenience.

TGN:em

Yours very truly,

cc: Angus MacInnis, Esq., M.P.,  
442 - West 15th Avenue,  
Vancouver 10, B. C.



CABLE ADDRESS  
"USTEGAK"

E. KAGETSU  
8 MOUNTVIEW AVENUE  
TORONTO 9, CANADA

TELEPHONES  
MURRAY 5023  
ORCHARD 7571

January 14, 1954.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
OTTAWA, CANADA.

Dear Mr. MacInnis:

I trust that you had a very successful holiday season and may I wish you best regards for the new year.

Early last November I wrote my counsel, Mr. J.C. Osborne asking him to make an appointment with you so that the three of us could meet to make final plans about my claim, a follow-up on your and Mr. Norris' suggestion. Since I had not yet heard from Mr. Osborne, I wrote to him again today.

I have advised Mr. Osborne that circumstances have drawn this matter out unduly and since the sums involved are substantial every month of further delay is costing me dearly. Therefore, I am anxious to have this meeting as soon as possible. And, if in your opinion and his the prospects look gloomy, than, I would ask Mr. Osborne to forthwith realize my award.

As always, I am most thankful for your kind support. If Mr. Osborne has not contacted you, I expect he shall shortly. I have told him that I am available at any time to go to Ottawa to suit your convenience.

Yours very truly,

*E. Kagitsu*



O t t a w a  
January 15, 1954

Mr. E. Kagetsu,  
8 Mountview Avenue,  
Toronto 9,  
Ontario

Dear Mr. Kagetsu:

I have before me your letter of January 14th, advising me that you have written to Mr. Osborne of the firm of Gowling, McTavish, Watt, Osborne & Henderson to try and make an appointment for you in connection with your claim.

Before I left Vancouver last November, I had a telephone call from T. G. Norris advising me that an attempt would be made to have another discussion on the matter with the Government. I have not heard from Mr. Osborne but I shall be very glad to do whatever I can to help in the circumstances if he gets in touch with me.

Yours sincerely,

Angus MacInnis, M. P.



O t t a w a  
June 17, 1954

Mr. E. Kagetsu,  
8 Mountview Avenue,  
Toronto,  
Ontario

Dear Mr. Kagetsu:

Yesterday evening when the Estimates of the Secretary of State were before the Committee of the Whole House, I took occasion to refer to the exceedingly raw deal which the government gave you in the settlement of your property on Vancouver Island.

I did not expect that what I had to say would move the government and it didn't. However, I believe that more people realize now the injustice that has been done to you. There does not appear to be anything else that can be done. As far as I can see, the action of the government has been unjust but it has been legal and there is no recourse at law.

I am sending you under separate cover copy of yesterday's Hansard.

Best wishes, I am

Yours sincerely,

Angus MacInnis, M. P.



C O P Y

8 Mountview Avenue,  
Toronto, Ont.

March 12, 1954.

standing between the Government and the contents  
herein will have no bearing whatsoever, on any accounts  
with the Custodian (more specifically known as File Nos.  
12707, 13524, 15722, 12707 & 13524) or on any other monies  
Mr. C. Stein, Q.C., be forthcoming to me from the Government.  
The Under Secretary of State,  
Ottawa, Canada.

Sir:

With respect to claim No. 1300, this is to comply  
with the letter, dated February 25th, 1954, from your office  
to Mr. J.C. Osborne.

Sincerely yours,

Whereas a request for extension of the date of reply  
(March 15, 1954) has been rejected by your Department: and whereas  
the reply to a request, to the Minister of Justice to make  
available a tribunal to assess new evidence, has not yet been  
received( on March 6th, the Secretary of State was advised of  
such request by the Evacuation Losses Compensation Committee):  
and whereas your Department has declared that failure to accept  
the Government's offer within the specified date, will result in  
complete withdrawal of all awards, including that recommended by  
the Bird Commission: and whereas the volume of timber actually  
logged has already, far exceeded the volume allowed by the  
Bird Commission: I hereby AGREE TO ACCEPT, with protest and  
without any prejudice to this claim, the following:-

1) The sum of Fifty-two Thousand, Two Hundred Thirty-three  
and 75/100 dollars (\$52,233.75), being the aggregate of the excess  
of Mr. Justice Bird's estimates of fair market value over the  
sale price, and being about 11% of the claim submitted:

2) The sum of Two Thousand, Five Hundred Eighty-seven and  
50/100 dollars (\$2,587.50), being less than 5% of item 1); as  
an award to defray about 0% of the expenses incurred in preparing  
my claim and presenting same before the Bird Commission:

3) Nil for the many thousands of dollars I have had to pay  
for forced liquidation and control (accounting) costs;

4) Nil for substantial losses in other forms, monetary and  
otherwise, through no fault of my own:

The foregoing being the Government's offer of full and final  
settlement.

Further, this letter is written with the full under-



standing between the Government and myself, that the contents herein will have no bearing whatsoever, on my (our) accounts with the Custodian (more specifically known as File Nos. 12787, 13524, 15722, 12787 & 13524) or on any other monies that may already be forthcoming to me from the Government.

I submit this letter with the greatest of respect to all.

Sincerely yours,

(Signed)  
Eikichi Kagetsu.

c.c. Mr. John C. Osborne.



8 Mountview Avenue,  
Toronto, Ont.  
March 2, 1954.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
OTTAWA, CANADA.

Dear Mr. MacInnis:

As you anticipated the Government has advised us that there will be no review and in lieu of the \$30,000 spent to present our case before Mr. Justice Bird we have been awarded \$2587. As for the huge charges for liquidation and control that have come off my father's accounts, we have yet to learn of their stand.

We are now waiting for Mr. Norris' comments and propose to go to Ottawa to iron out remaining kinks, after hearing from him. March 15th is the deadline for us to accept awards.

My faith in democracy is not yet shaken and am certain that heads of our Government have not had the facts presented to them in the proper light, in that reports from their deputies are of a nature to cover up past wrongs. Under these circumstances some time ago the Prime Minister wrote Rev. James Finlay that the Government felt full amends had now been made to Japanese Canadians.

On the strength of the above letter, and after informal chats with a few colleagues Mr. Pickersgill has decided on no review. I do not know whether you agree with me but my views are Mr. Pickersgill's heart is in the right place but he lacks the courage. I am still counting on his stand that all claims will be treated equally, the nobility of which cannot be argued.

I will, however, argue that to deny any or all of us recourse to appeal is to deny us morally a means to justice. It can only be founded on the false premise that one judicial mind is infallible.

One can be philosophical about behaviors during war time. But, at time of peace, at a moment when our Prime Minister is promoting abroad principles of brotherhood, his Ministers are acting in a manner which casts a slur not only on minority citizens but on Mr. St. Laurent himself.



Page 2..Mr. Angus MacInnis.

Furthermore, the evidence obtained since the hearing is so weighty that had it been a civil court the case would be reopened. The Department of the Secretary of State is in fact setting themselves up as a tribunal in rejecting this same evidence. The democratic logic, it seems to me, would be to allow a <sup>bona fide</sup> tribunal to decide the significance of this evidence, not the defendant.

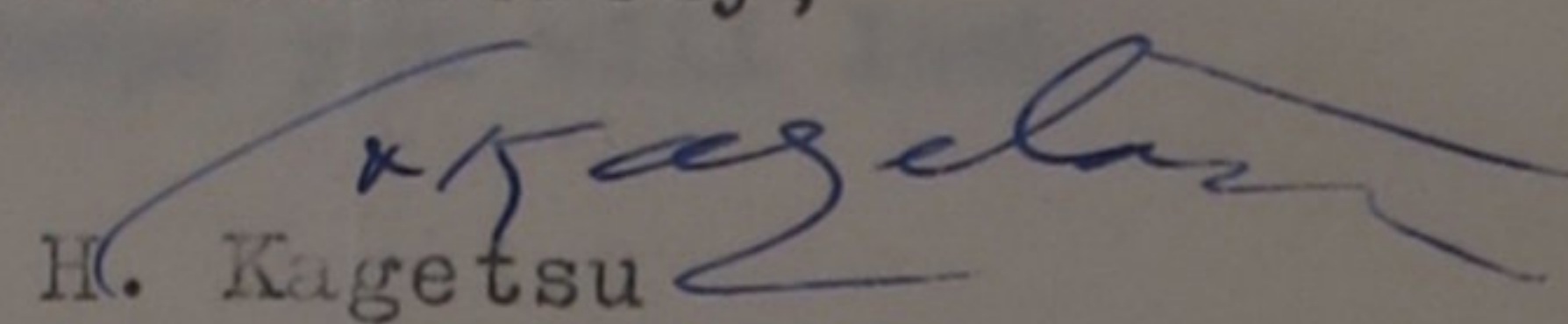
For the sake of coming generations, as a minority group we have to prove that while we may be treated as second class citizens our spirit at any rate is first class. It seems our sincere desire to cooperate during war years has been interpreted not as loyalty but as meek oriental surrender. The philosophical and resigning attitude of claimants has been interpreted as acknowledgement of full and just compensation. Does one have to act like a Houde to command respect?

We have organized a citizens' committee whose concern is human rights and dignity rather than money. The fight is not yet over. We likely will solicit the assistance of various leaders whose political leanings may conflict but all of whom know right from wrong.

This letter is merely to post you on developments as I see them: the least I could do after so much of your support.

Best regards to you and Mrs. MacInnis,

Yours sincerely,

  
H. Kagetsu



O t t a w a  
March 8, 1954

Mr. H. Kagetsu,  
8 Mountainview Avenue  
Toronto,  
Ontario

Dear Mr. Kagetsu:

This will acknowledge receipt of your letter of March 2nd. I had already been informed by the Secretary of State that he was reporting to the Cabinet that he could not agree to the requests made on the day we met him. Of course I expected that that would be the position he would take.

I may take the matter up on the Floor of the House when the Estimates of the Secretary of State are under discussion. I think there is much that could be said and that should be said.

If you are in Ottawa again, I hope you will look me up.

Yours sincerely,

Angus MacInnis, M. P.



6 Mountview Avenue,  
Toronto, Ont.  
March 13, 1954.

Mr. Angus Macinnis, M.P.,  
House of Commons,  
Ottawa, Canada.

Dear Mr. Macinnis:

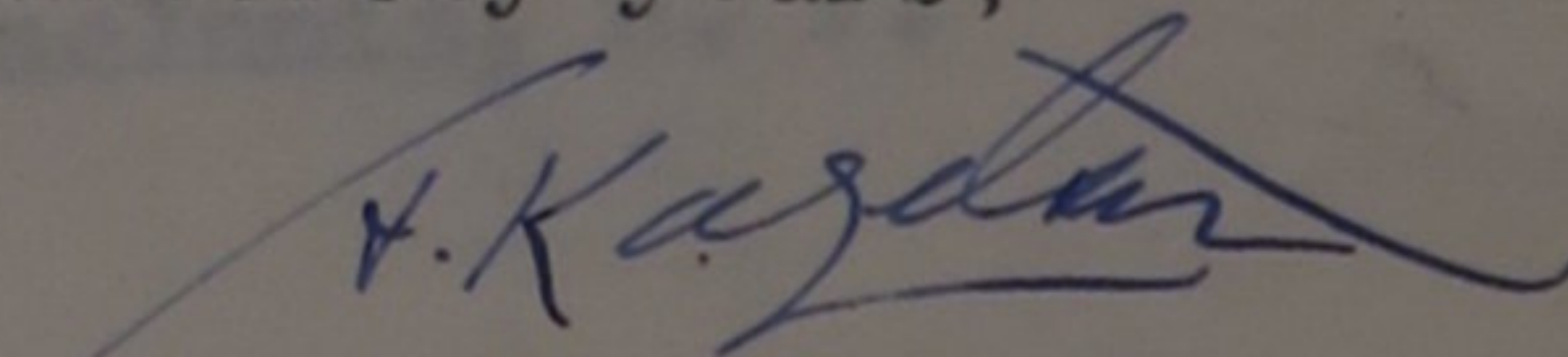
Thank you very much for Thursday's interview. We  
very much hope that your cold has improved.

Please find enclosed the letter father finally  
submitted to the Under Secretary of State. It is not very  
professional in character but at least it gave us some degree  
of inward satisfaction.

As to the division of the awards among the shareholders  
there still remain kinks to iron out. Thus a few more weeks at  
least will be required before we part with the Custodian's Office.  
I gather they will try to make us sign forms, which we will refuse  
to do for as long as possible, while other tongs are in the fire.

We left for Toronto on the afternoon train of the twelfths.  
Best regards to you and Mrs. Macinnis.

Sincerely yours,

  
H. Kagetsu.



EVACUATION LOSSES COMPENSATION COMMITTEE

JAPANESE- CANADIAN CITIZENS

8 MOUNTVIEW AVENUE

TORONTO, ONT.

O t t a w a  
March 15, 1954

Mr. H. Kagetsu,  
8 Mountview Avenue,  
Toronto,  
Ontario

Dear Mr. Kagetsu:

I wish to thank you for your letter of March 13th, with enclosure. I have read, very carefully, the letter signed by your father and forwarded to Mr. C. Stein, Q. C., Under Secretary of State.

I think it is well that you should accept the award made you in such a letter. It would be too bad indeed if the Government received the impression that you thought the award came any where near meeting the demands of justice.

Mrs. MacInnis joins me in kindest regards.

Yours sincerely,

Angus MacInnis, M. P.



EVACUATION LOSSES COMPENSATION COMMITTEE  
OF  
JAPANESE CANADIAN CITIZENS

8 MOUNTVIEW AVENUE  
TORONTO, ONT.

March 18, 1954.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
Ottawa, Canada.

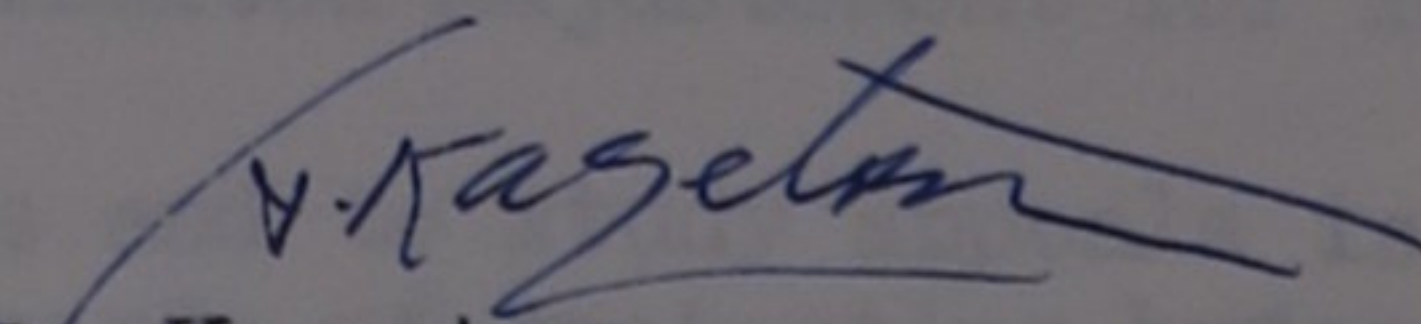
Dear Mr. MacInnis:

Thank you for your letter of the 15th instant.

This is merely to send you a copy of a circular  
the Committee has decided to send out to a number of Members of  
Parliament, a brief letter being attached with to them.

Recently Representative Patrick J. Hillings (Rep. Calif)  
introduced a bill in congress to permit of speedier settlement of  
claims, the bill now being law. In the aspect of war<sup>time</sup> retribution  
it appears that the Americans have been fairer and more generous.  
Their Department of Justice seem to be handling the awards, not  
the Custodian.

Sincerely yours,

  
H. Kagetsu.



## BIRD COMMISSION HAS ERRED!

Long before the war with Japan, certain Canadians had been victims of racial discriminations. The outbreak of war caused some 23,000 of these citizens to be forcibly uprooted from their homes on very short notice. This was for purposes of security, although the Prime Minister said they were "guilty of no crime or even of any ill intention." All property that could not be carried away by the evacuees had to be hurriedly placed in custody of various authorities. Subsequently, the Department of the Secretary of State adopted a policy, not of custodianship but of mass liquidation.

In 1947, thanks to the efforts of the Co-operative Committee on Japanese Canadians, other groups and individuals, the Government finally authorized Mr. Justice Henry Bird to act as a Royal Commission. His duties were to probe into, not all forms of losses but only those where the fair market value could be shown to exceed the sale price. Broader terms of reference were refused. At the hearings before the Commissioner the arguments of the claimants were rebutted by Custodian's counsel.

By 1950, the Bird Commission had proved that property of claimants including war veterans, had been sold at great undervaluation. This revealed the inaccuracy of the opinions held by many sincere Canadians.

The counsel for the Co-operative Committee said, "There have been inquiries into the value of very extensive properties by judicial commissions....Never before, however, has it been necessary to inquire into the value of many different sorts of properties lost to a large group of Canadian residents scattered over the whole of Canada." This was unique in the history of Canadian jurisprudence, yet the Government placed this gigantic task on the shoulders of one man. There were close to three thousand claimants involved, about ten thousand exhibits, and well in excess of twenty-five thousand pages of evidence. No matter how competent, this task was well nigh impossible for one judicial mind. Thus, glaring evidences of error have since become apparent.

For example, one claimant who owned timber limits, can at this date prove that twice the volume of timber existed than was allowed by the Commissioner. Unshakable B.C. Government Scale Records of timber actually removed from his limits from the date of sale to the present, is weighty new evidence, not available in 1948 to the Commissioner. The logging of these limits still continues. The Under Secretary of State has rejected this new evidence on the patently irrelevant grounds that the claimants management was inefficient, which contention conflicts with the Commissioner's findings. Factors such as closer utilization fail entirely to reconcile the wide disparity. But a review has been denied. \$1.50 an acre for vast lands, \$1,000 for 41 housing units are further examples of erroneous valuation by the Commissioner.

It would appear that the Government's behavior towards certain Canadians in 1954 is not unlike war years. The above attitude can only be founded on: (a) The defendant of a case has powers of a tribunal to reject new evidence; (b) The false premise that one judicial mind is infallible; (c) The object of the Government was not full and just compensation but merely a rough limited adjustment for losses.

A new tribunal to assess new evidence and to study appeals is more than indicated. To you legislators with shining records of protecting human rights, this appeal is being sent to respectfully solicit active support.

EVACUATION LOSSES COMPENSATION COMMITTEE  
8 Mountview Avenue,  
Toronto 9, Ontario.  
March 15, 1954.



8 Mountview Avenue,  
Toronto, Ont.  
March 26th, 1954.

Mr. Angus Macinnis, M.P.,  
House of Commons,  
Ottawa, Canada.

Dear Mr. Macinnis:

At the outset I wish to apologize for our coarse approach to the problems on hand. Up to now we have done our utmost to behave with dignity but one finally gets to feel that oriental meekness is regarded in some quarters as weakness.

We sincerely regret that we have blundered into placing you in an awkward position not necessarily of your choice. I refer to the matter of your colleagues rallying around you about this issue. It is only fair that I stress our having sent a copy of the memorandum to all political sides of the House. As to be expected the minority parties were all sympathetic and responded the best. The Liberals indicate a guilty ~~aloofness~~ as attested by the lack of acknowledgement to our letters, baring Mr. Croll of Spadina. Mr. Hunter of Pardale (I believe former counsel to Custodians) sounded somewhat hostile but I replied by saying that our duty as a good Canadian was to be vigilant for sake of democracy especially on a matter we are more familiar with than most, because every blot on Canada's good record is a feather added to the cap of Communism.

The Minister of Justice has now relied to our letter requesting the setting up of a tribunal. He refrains from discussing a tribunal for appeals but subscribes to a policy of no general review, on the same grounds as that of the Secretary of State, namely, Mr. St. Laurent's letter of 1950 to Rev. James Finlay, which was in part as follows: "...in carrying out the recommendations of Mr. Justice Bird, it is felt that the Government has discharged its obligations..." I rather think the meaning of that letter has been somewhat misconstrued, knowing the circumstances which surround it. Furthermore, I have every reason to believe that the Prime Minister has <sup>now</sup> a more open and more charitable outlook on the subject than his Ministers.



Mr. Angus Macinnis-March 26th, 1954. Page 2.

For your political assessment, may I add that a member of the party on your right, Mr. Diefenbaker, sent us a noteworthy letter which said in part, "I will certainly do what I can to bring the matter to the attention of Parliament." -his of course was not directly solicited. He has asked us for more information which of course we will provide, preferably in the way of other claims.

This to post you on the latest in Toronto, and thanking you for everything.

Sincerely yours,

H. Kagetsu.



8 Mountview Avenue,  
Toronto, Ont.  
March 27, 1954.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
Ottawa.

Dear Mr. MacInnis:

I apologize for imposing on so much of your time.

If factual data is of any value to you, herewith I am sending you some.

Copies of claimant's accounts with the Custodians are in our possession. These are official copies. The enclosed extracts have been made from those accounts.

Operations stopped early in 1942, making the placing of watchmen necessary-hired by Custodians. The total losses for liquidation costs approach \$20,000.

Overhead items are listed separately. It is questionable whether some of those costs were payable when no operations were taking place. In any case in excess of \$14,000 more was the loss on this count.

A property in North Vancouver (D.L. 193, Lots 1 to 13 & 18 to 21) during the claimant's absence were sold by the Custodians and a mortgage taken back in the latter's name. The down payment and one other were received towards the selling price of \$12,000. The policy of the Custodians not to act as collectors resulted in no further credit entries on the claimant's account. Another loss of \$8,750 was suffered.

1,400 pages of evidence and arguments were required to present a most involved case before the Bird Commission. Barring legal fees the expenses exceeded \$30,000.

It can be seen where the claimant has lost in excess of seventy thousand dollars without even beginning to consider losses from undervaluation sales. Yet, as you know, the total awards came to \$54,821.25 only. The claim was for \$464,134.02 all within the terms of reference and thought to be conservative.

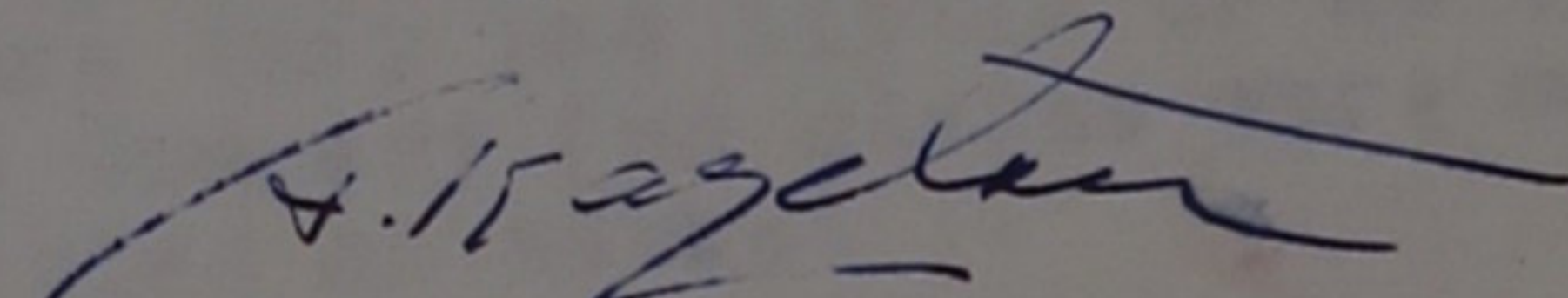
No mention is here made of intangible losses or small material losses, nor interest losses over the period of years on the sizable capital involved, nor on the usual 10% allowance for compulsory taking civil courts ordinarily award.



Ironically enough, this man who was forced out of business by fiat, was still for taxation purposes in business. During his absence in the aggregate of close to \$17,000 came off of his accounts to pay various taxes, not including hidden taxes nor special dues. He had no access to his property, he had no choice as to their disposal, he derived no income from them to speak of, but, the taxes came due just the same. It was only right that he paid taxes but the evacuation certainly caught a man in unique predicaments.

Should you require further substantiation of evidence or any other information, please feel perfectly free to ask. If our case serves any useful purpose, details of it need not be kept confidential at all.

Sincerely yours,

  
H. Kagetsu.



-2-

Therefore, errors in the volume are compounded in the award. What was treated as a salvage operation, therefore, was in fact a major operation. Government scales confirm that the quality of the timber was unusually high. If closer utilization prevailed the quality must drop but the records prove otherwise. The price is about an average for the period.

MEMORANDUM RE: CLAIM NO 1388

In the main, this was a long established and extensive logging business, where carrying charges had been kept up for decades on cut-over lands, cognizant of their reforestation value. Various improvements were constantly made and new equipment added right up to 1942. The province just prior to the war experienced a period of hardship for the logging industry generally, but the claimants operations kept expanding. Then came the war. The claimant lost all intangible assets in addition to the greater part of his tangible assets as well, just when all operators were recouping from past hardships. At a most inopportune time, by fiat the claimant was put out of business; and subsequently accused of not being a going concern.

Much of his equipment was sold as scrap iron. Over 8 miles of private railway, bridges, a huge wharf, booming grounds, oyster beds, baseball park, buildings, coal chutes, etc. were largely discarded by the Custodians; because they had little or no value other than to the Deep Bay Logging Company (no claims were made for most of them because there existed no market ).

The standing timber, however, had market value. Some were held in person and some in the name of the Company. This fact confused both the Custodian and the Commissioner as to volume. In 1943 the Custodians called in an appraiser and sales were consummated, all to one party. The appraiser turns out to be a close relative of the purchasing executive of the new owner, which was possibly only coincidental. In 1948 Mr. Justice Bird rejects the appraiser's estimates as well as the volume submitted by the claimant, which volume was based on the most modern scientific methods known to forest engineers. The reason was the conflicting estimates looked impossible to reconcile. Therefore, the Commissioner adopted his own methods to compute the volume concerned in the sales. In one instance, by 1948 the new operator had already cut  $16\frac{1}{2}$  million feet b.m. His lordship concluded that this sale involved  $19\frac{1}{2}$  million feet b.m. or 2 million feet standing timber as at 1948. The inaccuracy is almost unbelievable because from 1948 to 1951 the Government scales of the actual volume <sup>subsequently</sup> cut has been  $14\frac{1}{2}$  million feet or seven times the Commissioner's estimate! Yet the Government scales are unshakable, a common knowledge in the industry. Further, a very substantial volume still remains uncut. This all points to the original claimant's submission to be correct, about which the claimant has been confident from the start.

When all his limits are included, the overall picture shows twice the volume awarded.

The price of the timber is contingent to the volume.



Therefore, errors in the volume are compounded in the award. What was treated as a salvage operation, therefore, was in fact a major going concern. The Government scales confirm that the quality of the timber was unusually high. If closer utilization prevailed the quality must drop but the records prove otherwise. The price claimed, however, is about an average for the period concerned, which average can be easily calculated from Government publications.

The Commissioner's ultra-conservative figures may be best illustrated by the fact that during a period of a rising market, the allowed fair market price is less than the actual cost to the claimant after considering carrying charges.

These explain in part the award falling so short of the claim. There appears to be every reason justifying a review.

Expenses for Handling Material	1,000.00
Appraisals	550.00
Advertising	234.41
Controller's Fees	4,384.21
Retainer	1,250.00
Legal fees-Locke, Lane, Guild, Sheppard	831.28
Safekeeping Charges	37.90

June 13/46 Liquidation Service	575.33
Sept. 5/47 Examination of Fanny Bay	150.00
Oct. 3/47 Advertising Equipment	27.68
Jan. 8/48 P.S. Ross & Sons wind-up affairs	290.25
Jan. 29/49 Meeting and Filing Expenses	11.00
	<u>\$17,309.26</u>

512 Brookdale Avenue,  
Toronto, Ont.

March 26, 1954.

(B) CHARGED TO KAGETSU & COMPANY

Extracted from P.S. Ross & Sons File 15722.

April 19/45 Investigation Fee	50.00
Nov. 26/46 P.S. Ross & Sons	225.00
Jan 8/48 " " "	100.00
Jan 29/49 General Meeting & Filing	11.00
	<u>386.00</u>

(C) CHARGED TO EIKICHI KAGETSU

Extracted from P.S. Ross & Sons File 12787.

Feb. to Aug. 1943 Land Registry Office	8.50
Sept 1/43 Legal Fees Locke et al	331.40
Sept. 2/43 Examining and Advertising Bk 195	452.29
Nov. 18/43 P.S. Ross & Sons re sale of "	650.00
Aug 9, 11/44 North Vancouver Property sale	19.00
Oct. 11/44 Fee for services re affairs	20.00
Oct. 15/47 Charges for shipping bonds	16.66
	<u>\$1,497.84</u>

GRAND TOTAL \$19,193.10



FORCED LIQUIDATION DISBURSEMENTS CLAIM NO 1388.

(A) CHARGED TO DEEP BAY LOGGING COMPANY

Extracted from P.S. Ross & Sons File 13524 or Exhibit 45 of Bird Commission Hearings.

From May 31/42 to March 31/46

Commission for sale of Deep Bay Machinery	\$ 219.77
Watchman's Wages	7,085.14
Telephone	457.20
Car & Truck Storage	130.09
Auditor's Fee 1942 to 31st May, 1946.	25.00
Expenses for Handling Material	1,000.00
Appraisals of way rentals	550.00
Advertising	284.41
Controller's Fees	4,384.21
Retainer	1,250.00
Legal Fees-Locke, Lane, Guild, Sheppard	831.28
Safekeeping Charges	37.90
June 13/46 Liquidation Service	575.33
Sept. 5/47 Examination of Fanny Bay	150.00
Oct. 3/47 Advertising Equipment	27.68
Jan. 8/48 P.S. Ross & Sons Wind-up affairs	290.25
Jan. 29/49 Meeting and Filing Expenses	11.00
	<u>\$17,309.26</u>

(B) CHARGED TO KAGETSU & COMPANY

Extracted from P.S. Ross & Sons File 15722.

April 19/45 Investigation Fee	50.00
Nov. 26/46 P.S. Ross & Sons	225.00
Jan 8/48 " " "	100.00
Jan 29/49 General Meeting & Filing	11.00
	<u>386.00</u>

(C) CHARGED TO EIKICHI KAGETSU

Extracted from P.S. Ross & Sons File 12787.

Feb. to Aug. 1943 Land Registry Office	8.50
Sept 1/43 Legal Fees Locke et al	331.40
Sept. 2/43 Examining and Advertising Bk 195	452.29
Nov. 18/43 P.S. Ross & Sons re sale of "	650.00
Aug 9, 11/44 North Vancouver Property sale	19.00
Oct. 11/44 Fee for services re affairs	20.00
Oct. 15/47 Charges for shipping bonds	16.65
	<u>\$1,497.84</u>

GRAND TOTAL \$19,193.10



DEEP BAY LOGGING COMPANY "OVERHEAD"

AFTER EVACUATION

Only major items shown-extracted from P.S. Ross & Sons  
File No. 13524.

From 31st May, 1942 to 31st May, 1946.

Right-of-way rentals	\$2,021.00
Foreshore Lease	170.00
Taxes	3,213.36
Fire Insurance	1,438.40
Workman's Compensation Bd.	5,336.95
Forest Branch dues	2,487.24

\$14,666.95

27th, and the...  
in regard to the...  
hope you will not hesitate to...  
you think you have...  
this case or...  
to take part in such a debate.

If...  
to speak on your...  
the Secretary of State...  
in order. I do not...  
are sufficiently well...  
to take part in such a debate.

I was interested in your reference to prop-  
erty in North Vancouver (lots 1 to 13 and  
18 to 21) which were sold by the Custodian after the  
evacuation from the defense area in British Columbia.  
I wish you would give me more complete particulars in  
regard to this property, that is, the price for which  
this property was sold, probably first the price that  
your father paid for the property and the amount which  
your father received on account of the sale. You say  
in your letter that this was another loss of \$8750/-  
would that mean that for this \$12,000 property your  
father received \$3250. The balance of \$8750 went by  
default because your father was not looking after his  
own business and the Custodian whose business it was  
to look after it, did not.

*allowed to*



2  
O t t a w a  
March 31, 1954

Mr. H. Kagetsu,  
8 Mountainview Avenue,  
Toronto, Ontario

Dear Friend:

I wish to thank you for your letter of March 27th, and the additoonal information which you attached in regard to the Japanese property claims No. 1388. I hope you will not hesitate to write me at any time when you think you have information that would be useful in this case or indeed useful in regard to any matter.

If nothing happens to prevent me, I intend to speak on your father's claim when the estimates of the Secretary of State are called. I think I shall be in order. I do not know if any of the other members are sufficiently well informed on the subject for them to take part in such a debate.

I was interested in your reference to property in North Vancouver (D.L. 193, lots 1 to 13 and 18 to 21) which were sold by the Custodian after the evacuation from the defence area in British Columbia. I wish you would give me more complete particulars in regard to this property, that is, the price for which this property was sold, probably first the price that your father paid for the property and the cash which your father received on account of the sale. You say in your letter that this was another loss of \$8750. Would that mean that for this \$12,000 property your father received \$3250. The balance of \$8750 went by default because your father was not looking after his own business and the Custodian whose business it was to look after it, did not.

*allowed to*

Page 2.....



Within a day or so I expect to go over Mr. Norris' brief when he appeared before the Commissioner or his deputy to plead the case of the Deep Bay Logging Company. I shall know better then on what points, if any, I would like to have further information.

It is unlikely that the Estimates of the Secretary of State will be before the House for a month or so yet.

Thanks again for your letter.

Yours sincerely,

Angus MacInnis, M. P.



512 Brookdale Avenue,  
Toronto, Ont.  
April 2, 1954.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
Ottawa.

Dear Mr. MacInnis:

Thank you for your letter. Profuse correspondence is not my intention but I wish to be as helpful as I can. Unless there is a need, <sup>to reply</sup> therefore, please leave my letters unanswered.

The National JCCA has advised me that they had written to you and it seems that your reply is the same as what I myself would have suggested. I regret their move came too late although well directed in purpose. It is now clear that claimants can expect no change of heart from the Government. One of the lessons here is the undesirability of too strong a Government. Now, my efforts on this matter more than ever will be not family interest but as a responsible citizen, to check abuses of authority, however ineffectual I may be.

You may count on us for whatever assistance that you may require. You may further rest assured that our outlook is not bitter, except during moments of weakness. Whatever is communicated to you therefore will be from an objective view.

The files of the Cooperative Committee are in the custody of the JCCA, here in Toronto, together with the National JCCA files on the same subject - all organized and indexed. I am sure that at your request that file will be made available. Frankly, I myself have made no strong pursuit to gain access to them even on behalf of ELCC (our new committee) but have had occasion to discuss the files which contain a wealth of data re evacuation and claims. Of particular interest to you may be a brief, copies of which were sent to various Ministers of the Cabinet. This brief had to do with many forms of losses which fell outside the terms of reference of the Bird Commission and its purpose was to plea for compensations for such losses. The quotation in my letter of March 26th was the reply from the Prime Minister, to that brief, the same quotation Mr. Garson and Mr. Pickersgill have repeated to me to argue their adamant stand. I have asked Mr. Takaichi Umezuki of the JCCA to send you a copy of that brief. He has agreed to do so. Permission to the files should be to Mr. H.R. Okuda, National JCCA, Montreal stressing a quick reply (otherwise they may take weeks to rely).



Please find the story of the North Vancouver property as follows:-

The sale price as agreed to by E. Kagetsu	\$12,000
Purchaser-Lynmour Creek Sawmill Company	
April 5, 1945-Down Payment	\$2,250 (MORTGAGE \$9,750)
May 2, 1946 First " on Principal	1,000 (1 <sup>ST</sup> YR INTEREST \$490.17 ALSO RECEIVED)
No further collections since	3,250

Loss on sale(or principal) \$8,750

We believe the blame here rests on Custodian regulations, which we have recently gathered, dictates that (A) all bills are to be paid (without questions asked) and (B) collect accounts receivable from only those that will pay (if debtors complain don't collect). This policy is based on being clear of subsequent embarrassment, it seems. Thus, they really do not look after one's best interest. It can be seen that bills between Japanese Canadians <sup>would be</sup> both collected and paid.

Of course with luck even this policy does not preclude the growth of a business. For example, the Dufferin Construction Company owned by J. Franceschini of Toronto, who was interned during the war for disloyal acts, was returned after the war to the owner as a much bigger asset than when confiscated. Needless to add losses are far more common, the above \$8,750 being a case in point.

I can relate another loss hitherto not mentioned. An unreliable solicitor who once held a power-of-attorney of E. Kagetsu went about collecting accounts for the Custodian on behalf of Deep Bay Logging Co. and E. Kagetsu. The Custodians asked that the funds be turned over (to Custodian). The solicitor refused and kept the money. (count B above) This man further had the audacity to bill the Custodian for service charges. The Custodian paid on more than one occasion (count A above). The resulting loss in the aggregate to E. Kagetsu, who had to make good the losses to Deep Bay Logging (count A of a sort) \$2,890.40. The Custodians knew the power-of-attorney was no longer effective but were dictated by their own regulations.

I mentioned overhead losses in my letter of March 27th. It is clear why they were all paid-for rentals on things not used, for Workmen's Compensation when there no longer were workmen.

The unethical were therefore tempted to pad bills submitted, if not to send in an old bill the second time.

The Custodian paid <sup>INCOME</sup> taxes for the Deep Bay Logging Co. as



a going concern. Yet when it comes to claims they accuse it as not being a going concern. Their course seems to be directed according to expediency.

Expediency is manifested in other places too, as far as I can gather. The Deep Bay Logging Company after the sale of assets, had a credit balance of \$86,391. When the Custodians finished paying accounts payables, by 1950, the books were in the red, leaving nothing to distribute to shareholders. E. Kagetsu held about 4/5th of shares. Admittedly over \$14,000 had to be paid to Kagetsu Co. Ltd, as well as about \$11,000 to E. Kagetsu, both being outstanding accounts payable. But, about \$40,000 were in the form of bills, e.g. liquidation fees, taxes, watchmen fees, overhead charges as already cited etc. By expediency I mean the sale of E. Kagetsu property to the Deep Bay Logging Company. Since the latter had insufficient funds left, E. Kagetsu suffered a loss again, this time only a few hundred dollars.

The point is that the authority to dispose of property as the Custodians felt expedient may result in sizable transactions to parties unable to pay. This faulty practice could easily have caused a much greater loss.

To follow this story up, E. Kagetsu is now placed at another disadvantage, re the distribution of the awards. The Custodian argues that the bulk of the awards go to Deep Bay Logging as the books <sup>now</sup> show them to be the owners. We argue that at the time of sale to MacMillan et al certain of the properties were in fact E. Kagetsu's as can be easily proven. Custodians further hold that because certain shareholders were residing in Japan at the time, that they were enemy aliens whose assets are to be confiscated. In fact, they were naturalized Canadians. Sizable losses are again anticipated in not receiving the fair share of the awards.

As may be clear, the losses cited today hardly fall within the terms of reference of the Bird Commission. The sale price could be considered reasonable. No criminal negligence took place and the Custodians did not act out of authority.

Now, if you will indulge with me, a few words about releases.

The Commissioner's data if stacked in one pile would have reached the ceiling. I am convinced an accurate appraisal was impossible. The only way out was conservative estimates, or rather rough estimates (I have heard of no claimant receiving say 5% or nil, although there may have been such awards). I gather that most awards fell within 10% to 25% of the amount claimed. Be that as it may, before payment the unconditional release they insist upon specifically mentions release from every thinkable type of loss.



In other words, the Government has so far succeeded not only in pulling the wool over the eyes of the public but also have succeeded in what may be construed as buying off cheap from the unfortunate claimants unconditional releases. In a pinch they will wave these releases as testimony of claimants being satisfied, for all type of losses.

If one is interested in money, never get on bad terms with the Custodians. There are many ways in which they can whittle down one's asset.

I hope that I am not confusing you. My object is to try to give you a good perspective.

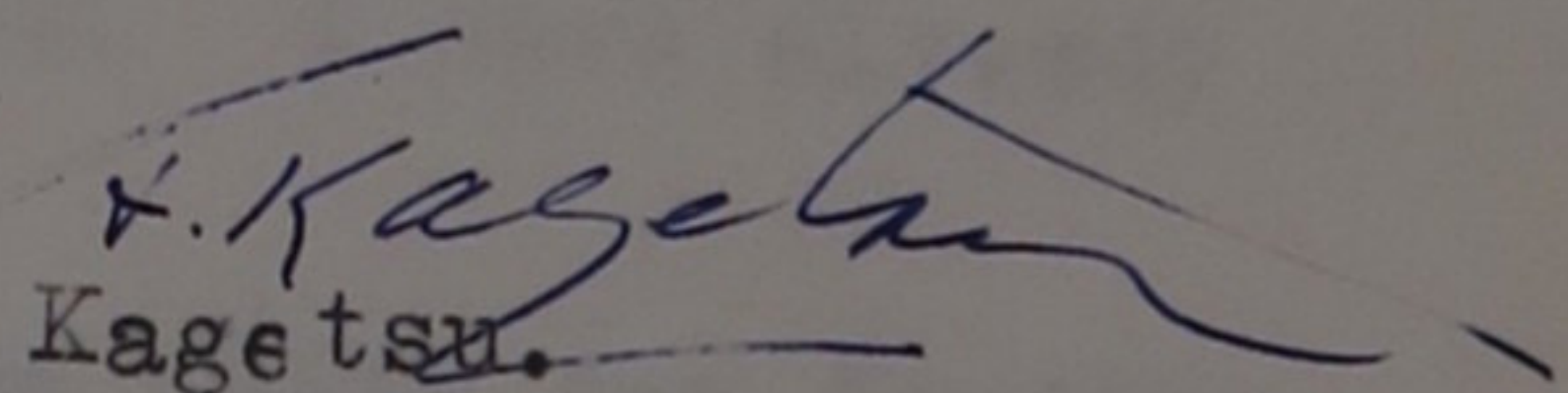
Individuals are not so much to blame as the law, I'm inclined to think.

I find an error in my memorandum sent March 27th, bottom of third paragraph.  $19\frac{1}{2}$  million less  $16\frac{1}{2}$  million leaves 3 million not 2 as written, or about 5 times Commissioner's estimate.

So much for now. Regret imposition on so much of your time.

Best regards to you and Mrs. MacInnis,

Sincerely yours,

  
H. Kagetsu.



512 Brookdale Avenue,  
Toronto, Ont.  
April 19, 1954.

Mr. Angus MacInnis, M.P.,  
House of Commons,  
Ottawa.

Dear Mr. MacInnis:

I have now received further information from the Office of the Custodian, bringing the accounts up to date. The official reproductions show that my extracts sent to you re liquidation charges must now be increased by another \$1,122.95 making a new total of \$20,316.05 lost on this count.

I further discover that a penalty of \$2,115.00 was paid to the Forest Branch for not disposing of slash. Slash left from logging operations are normally burnt to reduce fire hazard of summer months. This is done when it is sufficiently dry but not so dry as to cause a hazard, being late April or May. The evacuation of course made this impossible so the current slash had to be left. The fine is merely another example of a loss through no fault of the evacuee.

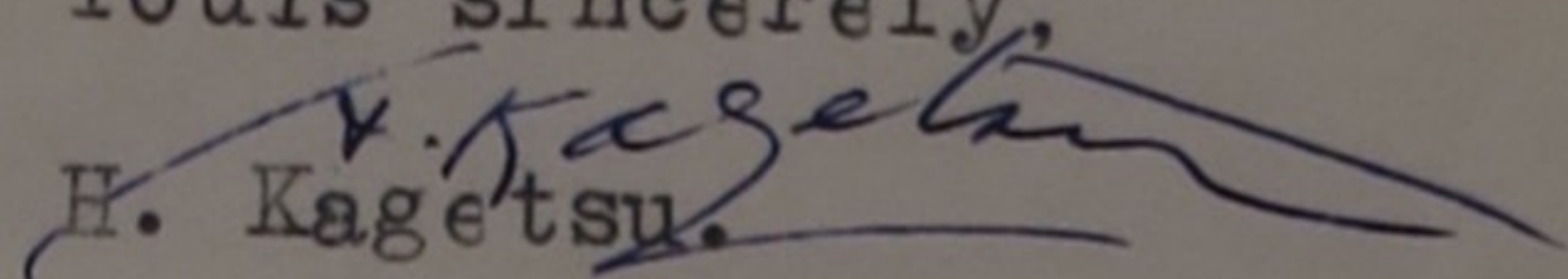
Please feel free to ask us for documentary evidence if you require them. The official copies of ~~my~~<sup>our</sup> accounts, for example are at your disposal. Another claimant has offered letters from the Office of the Custodian refusing payment unless an unconditional release is submitted. I have already described the nature of these releases.

We are thinking of going to Ottawa again for further negotiations with the Office of the Custodian. Therefore, it would be not inconvenient for us to see you if there is anything to discuss. That is, if it will be helpful, <sup>to see</sup> we will decide the Ottawa trip right away, otherwise we may not go at all. My father would rather like to go to Ottawa again if there is sufficient need.

I am not trying to flatter ourselves, but it has occurred to me that perhaps the Secretary of State is waiting for the last of the outstanding claims to be settled before presenting his estimates. There is no doubt that his office is most anxious to close our matter, as attested by the pressure they are bearing on us.

Best regards to all,

Yours sincerely,

  
H. Kagetsu.



O t t a w a  
April 21, 1954

Mr. H. Kagetsu,  
512 Brookdale Avenu,  
Toronto,  
Ontario

Dear Mr. Kagetsu:

This will acknowledge receipt of your letter  
of April 19th.

Mr. MacInnis is at present in Washington and  
I do not expect him back before April 28th.

Just as soon as he returns, I shall bring  
your letter to his attention.

Yours sincerely,

Jean K. Taylor  
Secretary.



O t t a w a  
April 29, 1954

Mr. H. Kagetsu,  
512 Brookdale Avenue,  
Toronto,  
Ontario

Dear Mr. Kagetsu:

This will acknowledge receipt of your letter of April 19th, which was acknowledged by my Secretary.

I think all I need say is if you do come to Ottawa give me a call and I will try and get a little time to talk things over with you. I have no information as to when the Estimates of the Secretary of State will be called. I just returned yesterday to my office from a short visit to the States and I am busy catching up on accumulated correspondence.

Yours sincerely,

Angus MacInnis, M. P.