NAME Royston Lumber Company Ltd. | No. 58958

Formerly Mr. McPherson's file J.44.

58958

GENERAL RELEASE

IN THE MATTER OF ROYSTON LUMBER CO. LTD. (LIQUIDATED

and

IN THE MATTER OF A CLAIM FILED ON BEHALF OF THE SAID COMPANY BEFORE THE JAPANESE CLAIMS COMMISSION (CASE NO.1381)

and

IN THE MATTER OF FUNDS HELD BY THE CUSTODIAN ON ACCOUNT OF SENICHI TOMIHIRO, AN ENEMY ALIEN.

WHEREAS during the war certain shareholders of the Royston Lumber Company Limited were evacuated from the Protected Area of British Columbia and by Order in Council P.C. 1665 of March 4, 1942, as amended, it was provided that the Secretary of State acting in his capacity as Custodian, may order that all or any property whatsoever situated in any Protected Area of British Columbia belonging to any person of the Japanese race shall for the purpose of protecting the interest of the owner or any other person, be vested in the Custodian pursuant to the Revised Regulations Respecting Trading with the Enemy (1943);

AND WHEREAS the share interests as appeared from the Company's records in the common stock of the Royston Lumber Company Limited were issued as follows:

Keiji Minato	22 shares
Matsutaro Iwasa	62 shares
Kinosuke Minato	20 shares
George Kenroku Uchiyama	48 shares
George Kenroku Uchiyama 'in trust'	2 shares
Estate of Kannosuke Kaminishi	284 shares
Senichi Tomihiro	22 shares
	460 shares

AND WHEREAS the Custodian was informed that during the war Senichi TOMIHIRO, a person of the Japanese race, was interned in the United States of America and as such was an enemy within the meaning of the Regulations;

AND WHEREAS all the shares were vested in the Custodian by an Order dated at Ottawa the 21st day of May, 1942;

AND WHEREAS the Custodian appointed P.S.Ross & Sons, Chartered Accountants, Controllers with full power to supervise and control the said Company by an Order dated at Ottawa the 21st day of May, 1942;

AND WHEREAS upon rescinding the above Order the Custodian appointed Frederick Field, Chartered Accountant, in the City of Vancouver, British Columbia, a representative of P.S. Ross & Sons, as Controller of the said Company with such powers as are exercisable by a Liquidator pursuant to an Order dated at Ottawa the 28th day of October, 1942;

AND WHEREAS the Custodian further required the said Company to be wound up and dissolved under the provisions of the Companies Act R.S.B.C. 1936, Cap. 42, by an Order dated at Ottawa the 17th day of August, 1946;

NAME Royston Lumber Company Ltd. (formerly Sm. Proprietary Ltd. p. 44.

NO. 58958

AND WHEREAS upon the liquidation of the said Company it appeared that the said Company was indebted to said Senichi Tomihiro in the sum of $1,245.63 and the said sum was paid by the Liquidator to the Custodian and held by him in Enemy Account;

AND WHEREAS upon the liquidation of the said Company it appeared that the said Senichi Tomihiro was entitled to $6,110.12 with respect to the said shares registered in his name and the said liquidator paid the said sum to the Custodian who has held the same in Enemy Account;

AND WHEREAS certain property belonging to the said Company was disposed of by the Custodian through the said Liquidator and/or was lost, stolen or destroyed while in the care, custody or control of the Custodian and a claim was made that in respect of such disposal and/or loss, theft or destruction the shareholders of the said Company suffered pecuniary loss;

AND WHEREAS the Commissioner appointed under Part I of the Inquiries Act has recommended that the said Company be awarded the sum of $69,950.00;

Sixty-nine thousand, nine hundred and fifty dollars.

AND WHEREAS the Custodian has been duly authorized to carry out the recommendation of the Commissioner and to pay the aforementioned sum to the persons entitled to receive same in proportion to their interest in the shareholdings of the said Company;

AND WHEREAS the Custodian has retained out of the said sum recommended the sum of $2,897.28 and held the same in enemy account, which said sum represents the amount of said award proportionate to the shareholding of the said Senichi Tomihiro after deducting a proportionate share of the legal expenses in presenting the claim of the Company paid by the shareholders.

AND WHEREAS the said Senichi Tomihiro has applied to the Custodian to release the said sums held by him after deduction of a fee of 2% of the total amount held by him;

AND WHEREAS certain of the other shareholders of the said Company have made claim to the said moneys held by the Custodian which relate to the shares held by the said Senichi Tomihiro to wit the said sums of $6,110.12 and $2,897.28 respectively and the said Senichi Tomihiro has acknowledged the claim of said shareholders and has instructed the Custodian to pay the said sums to their Solicitor, Mr. R. J. McMaster, after deduction of the Custodian's fee of 2% of the said sums;

AND WHEREAS the Custodian has paid to the said R. J. McMaster the sum of $8,827.25;

AND WHEREAS the Custodian has now paid to Senichi Tomihiro the sum of $1,220.72;

NOW THIS INDENTURE WITNESSETH that in consideration of the premises and of the sums so paid by the

NAME Registration Number Company Ltd. formerly Inv. Registrations Ltd. P.444.

NO. 58958

Custodian to the said Senichi Tomihiro and to the said R. J. McMaster on the direction of the said Senichi Tomihiro, the said Senichi Tomihiro hereby releases His Majesty the King in Right of Canada and the Custodian from all actions, claims and demands whatsoever in respect of real and personal estate of the said Company and the rents, profits and income thereof respectively, or any part or parts thereof, and all debts owing to him by the said Company and in respect of any act, deed, matter or thing whatsoever done or omitted to be done by the Custodian in or about the administration, sale or disposal of the Company's property or in respect of any of the matters above recited.

IN WITNESS WHEREOF the Releasor has affixed his hand and seal this 5th day of May A. D. 1951.

SIGNED, SEALED AND DELIVERED)
IN THE PRESENCE OF:
Robt H. Brkmer

Senichi Tomihiro
SENICHI TOMIHIRO.

NAME Kyotaro Furumber Company Ltd.
formerly Mr. Tomihiro's file #.44.
No. 58958

copy

GENERAL RELEASE

IN THE MATTER OF ROYSTON CO. LTD.
(LIQUIDATED)

and

IN THE MATTER OF THE JAPANESE
PROPERTY CLAIMS COMMISSION
(CASE NO. 1381)

WHEREAS in or about the Month of March, 1951 in consideration of certain sums of money then paid to them by the Custodian, Keiji Minato, Matsutaro Iwasa, George Kenroku Uchiyama and Koichi Kaminishi did release His Majesty the King in Right of Canada and the Custodian from all actions, claims and demands whatsoever in respect of real and personal estate of Royston Lumber Co. Ltd. and the rents, profits and income thereof respectively, or any part or parts thereof or in respect of any act, deed, matter or thing whatsoever done or omitted to be done by the Custodian in or about the administration, sale or disposal of the Company's property or in respect of any of the matters recited in the said release, save and except their respective interest, if any, in the share of Senichi Tomihiro in the distribution of the assets of the said Company upon liquidation and the award made to the said Company pursuant to the recommendation of the Japanese Property Claims Commission;

AND WHEREAS the Custodian has held in enemy account the moneys paid to him by the Liquidator of the said Company as the distributive share of 22 shares of the said Company registered in the name of Senichi Tomihiro in the sum of $6,110.12, and also the sum of $2,897.28 being the net share of the award payable with respect to said shares pursuant to the recommendation of the Commissioner of the Japanese Property Claims Commission;

AND WHEREAS the said Senichi Tomihiro has applied for release of the said funds and has agreed with the Releasors (the persons above named) that they are entitled to payment of the said sums and has authorized the Custodian to pay the said sums to their solicitor, R. J. McMaster after deduction of the Custodian's fee of 2% of the total of said sums;

AND WHEREAS the Releasors have, and do hereby authorize the deduction of said 2% fee and the payment of the balance of said sums to the said R. J. McMaster;

AND WHEREAS the Custodian has now paid to the said R. J. McMaster the sum of $8,827.25;

NOW THIS INDENTURE WITNESSETH that in consideration of the premises and of the sums so paid by the Custodian to the said R. J. McMaster for and on behalf of the Releasors and pursuant to the authority herein contained the said Releasors hereby release His Majesty the King in Right of Canada and the Custodian from all actions, claims and demands whatsoever in respect of the share of Senichi Tomihiro in said distribution of the assets of the aforesaid Company and the award made pursuant to the recommendation of the said Commissioner payable with respect to the shares registered in the name of the said Senichi Tomihiro.

IN WITNESS WHEREOF the Releasors have hereunto

NAME Royston Lumber Company Ltd. NO. 58958

affixed their respective hands and seals this _____ day of _____ A.D. 1951.

SIGNED, Sealed and Delivered in the presence of:

_____
Keiji Minato

_____
Matsutaro Iwasa,

_____
George Kenroku Uchiyama

_____
George Kenroku Uchiyama
in trust,

_____
Koichi Kaminishi

NAME Kyuteiou Lumber Company Ltd.
NO. 58958

AFFIDAVIT OF WITNESS

PROVINCE OF BRITISH COLUMBIA)
TO WIT:)

IN THE MATTER OF ROYSTON CO. LTD. (LIQUIDATED)
and
IN THE MATTER OF THE JAPANESE PROPERTY CLAIMS COMMISSION
(CASE NO. 1381)

I, _____ of the
of _____ DO SOLEMNLY DECLARE:

1. That I was personally present and did see the within release duly signed, sealed and executed by , in trust, the Releasor therein named.

2. That, of my personal knowledge, the said is of the full age of twenty-one years and is the person entitled to receive the compensation mentioned in the within release.

3. That I am a subscribing witness to the said release.

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of The Canada Evidence Act.

DECLARED before me at)
_____)
this _____ day of _____)
A.D. 1951.)
_____)

_____

A Commissioner etc.

NAME Royston Lumber Company Ltd.
NO. 58958

STATEMENT OF

J. ARTHUR MacLENNAN

Re: ROYSTON LUMBER COMPANY LIMITED

1948		
Oct. 4th to 8th	Paid travelling expenses J. A. MacLennan, G. K. Uchiyama and K. Kaminishi, Vancouver to Nanaimo to Courtenay to Cumberland to Royston to Victoria including hotels and meals for J. A. MacLennan, and payment of photostatic copies of plans and other exhibits in possession of E. & N. Land Development Co., Victoria. (This trip was necessary for the purpose of interviewing witnesses and obtaining further particulars for proper presentation of this claim).	$106.49
Oct. 9th	Paid Process Server service of subpoenas on witnesses:	6.00
Oct. 11th	Paid witness fees and expenses of A. J. Edwards on hearing of claim - Mr.Edwards travelling from Royston to Vancouver.	33.90
	Paid witness fees and expenses of witness Frank McHugh travelling from Victoria to Vancouver:	25.15
Oct. 15th	Paid attendances expenses and witness fees of William Byers who testified on hearing:	47.50
	Paid Universal Appraisal Co. for attendances and witness fees of witness Skelding. (Mr. Skelding spent a great deal of time with Counsel for the Claimant in preparation of the evidence on the valuation of the equipment and approximately 3 days on the hearing, and his fee was considered very reasonable.)	300.00
Oct. 21st	Paid exchange on cheque received from Toronto Committee:	1.25
Nov. 15th	Paid conduct money witnesses Stekle and Brown appearing under subpoena:	8.00
Nov. 28th	Paid McIntosh, McVicar & Dinsley, Chartered Accountants of Vancouver. (This firm of accountants was retained on behalf of the claimant for analyses of voluminous financial statements of the Liquidator of Royston Lumber Co. Ltd.)	75.00
1949		
Nov. 9th	Paid telegrams to G. K. Uchiyama, K. Kaminishi and Iwasa and long distance telephone calls re presentation of arguments and further information required:	3.70
Nov. 30th	Paid long distance telephone calls Vancouver to Victoria and Nanaimo for further information on preparation of argument:	8.15
	Paid postage and miscellaneous disbursements:	3.50
		$ 618.64

NAME Royston Lumber Company Ltd. formerly Imp. Treforest's file 9.44.

NO. 58958

Victoria Bldg., 7 O'Connor St.,
Ottawa, Ontario
May 2nd, 1950

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Re: Royston Lumber Company Ltd.
Your File No. 15706

Dear Mr. Shears:

I have for acknowledgment your communication of the 24th ultimo, enclosing copy of P. S. Ross & Sons' Report on the winding-up of the above Company, dated March 31st, 1950, for which please accept our thanks.

Yours very truly,

K. W. WRIGHT
CHIEF COUNSEL

KWW/JF

NAME Royston Lumber Company Ltd. formerly Inn. Properties Ltd. | NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. 15706

506 Royal Bank Bldg.,
Vancouver, B.C.,
April 24, 1950.

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

Dear Mr. Wright: Re: Royston Lumber Company Ltd.

We enclose herewith a copy of P.S. Ross & Sons' Report on winding-up, dated 31st of March, 1950, in connection with the above mentioned company.

Yours very truly,

F. G. Shears

F. G. Shears,
Director.

FGS/GN
Encl.

NAME Royston Lumber Company Ltd.
formerly Inn. Reporters file J.44.

NO. 58958

Victoria Bldg., 7 O'Connor St.,
Ottawa, Ontario
January 21st, 1950

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Mr. Shears:

I have for acknowledgment your communication of the 13th instant, enclosing the following accounts of Messrs. P. S. Ross & Sons:

Canada Daily News	$200.00
Japan & Canada Trust Savings Company	832.31
Royston Lumber Co.	600.00
Union Fish Co.	401.47

These accounts have now been approved for payment and are returned herewith.

Yours very truly,

A. H. Mathieu
Assistant Deputy Custodian

AHM/JF
Encl.

See Mrs Shears letter on file J-20

NAME Royston Lumber Company Ltd.
formerly Mrs. Royston's file J.44.
No. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

JAPANESE EVACUATION SECTION

PHONE PACIFIC 6121
PLEASE REFER TO
FILE No. 13524
15706

506 ROYAL BANK BLDG.
HASTINGS AND GRANVILLE
VANCOUVER, B. C.

December 2, 1947.

K.W. Wright, Esq.,
Counsel to the Custodian,
Office of the Custodian,
Victoria Building,
Ottawa, Canada.

Dear Mr. Wright: Re: Deep Bay Logging Company &
Royston Lumber Company.

Referring to your letter of November 25th, Mr. Field has advised me that he has a letter from the Assistant Timber Controller of British Columbia, dated August 28, 1942, a copy of which is enclosed herein.

In the case of the appointment of Mr. Field as Controller of the Royston Lumber Company with the powers of a liquidator, a clause is inserted, reading as follows -- "-and whereas Mr. D.D. Rosenberry, the Assistant Timber Controller for British Columbia, has requested the above Company to resume its operations as quickly as possible, in view of the fact that lumber is urgently required for the United Kingdom and defence work."

Mr. Field's appointment in connection with the Deep Bay Logging Company makes no reference to the Assistant Timber Controller.

I notice in connection with the vesting order covering Block 195, which was in the name of Mr. E. Kagetsu, that Mr. Sheppard wrote you on June 7, 1943 -

" 1. We have deleted the reference to any request of the Timber Controller for the reason that under P.C. 2483 the discretion is assigned to the Custodian to make the vesting order, by the use of the words in Regulation 12 (2) "the Custodian may." The Order-in-Council therefore impliedly contemplates the discretion of the Custodian being exercised in favour of the particular order contemplated and such Order-in-Council purporting to divest property in others will be strictly construed. We were, therefore, of the opinion that it would not strengthen the case to insert a request by the Timber Controller in that it might leave open to argument that the Custodian is not exercising

NAME Royston Lumber Co. Ltd. formerly Mr. Kagetsu file #.44.

NO. 58958

his own discretion but is acting on the request of others, and to that extent abdicating his own discretion. In addition that Regulation permits the order to be made for the purpose of protecting the interest of the owner, or any other person. From strict construction the other person must have an interest, that is, a legal or equitable interest in the property and we do not think the Timber Controller has such an interest, again assuming that the Court will give the word "interest" a strict construction. If any reference to the Timber Controller be left out it could always be shown that the request of the Timber Controller was one of the facts that was considered by the Custodian. On the whole we are inclined to the opinion that reference should not be made to any request of the Timber Controller."

At that time you sent me a memorandum stating - "Mr. Sheppard struck out Clause 3 relating to the request of the Timber Controller. I do not see that the reference to the Timber Controller's request harms the vesting order, but Mr. Sheppard seems to think otherwise."

The above is written for your information and files.

Yours very truly,

F.G. Shears

F.G. Shears,
Director.

FGS/GN
Encl. 1

NAME Registered Lumber Company Ltd. formerly Mrs. Registered Co. Ltd. | NO. 58958

COPY

DEPARTMENT OF MUNITIONS AND SUPPLY

1732 Marine Building,
Vancouver, B.C.
August 28, 1942.

Deep Bay Logging Co.,
c/o P.S. Ross & Sons,
675 West Hastings St.,
Vancouver, B.C.

Gentlemen:

It would be appreciated if everything possible could be done to resume your operations.

Lumber is very urgently required for Canadian and United Kingdom Defence work, and for this reason it is imperative that every possible effort be made to maintain, and if possible increase, the supply of lumber available.

Very truly yours,

D.D. Rosenberry (Signed)

Assistant Timber Controller
for British Columbia

D.D.Rosenberry/S

NAME Royston Lumber Company Ltd.
formerly Mr. Mepsteads file #.44.
NO. 58958

Victoria Bldg., 7 O'Connor St.,
Ottawa, Ontario
November 25, 1947

J-11 & J-44

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Re: Deep Bay Logging Company Limited,
Royston Lumber Company Limited

Dear Mr. Shears:

Upon my return to Ottawa, I have perused reports of Messrs. P. S. Ross & Sons in connection with the above Companies.

On Page 6 of their report of February 29, 1944, in connection with Royston Lumber Company, they state as follows:

"3. As your decision to sell the property was influenced by the request of the Assistant Timber Controller to have same placed in production, the agreements provided that Somerset Limited should immediately commence continuous operations".

On Page 1 of their report of March 15, 1945, on the Deep Bay Logging Company, they state:

"On August 28th, 1942, the Assistant Timber Controller for British Columbia requested that everything possible be done to resume operations in order to increase the supply of lumber urgently required for the war effort".

From this it would appear that Messrs. P. S. Ross & Sons may have received written requests from the Timber Controller and I would suggest that you take this matter up with Mr. Field.

Yours very truly,

K. W. WRIGHT
COUNSEL TO THE CUSTODIAN

KWW/JF

NAME Royston Lumber Company Ltd. formerly Somerset Lumber Co. Ltd. Properties file J-44.

No. 58958

Attention: G. W. McPherson

OFFICE OF THE CUSTODIAN
RECEIVED
MAR 10 1947
PASS TO.....
TRANSFER TO.....
ANSW'D BY FILE

411 Royal Bank Building
Vancouver, B.C.
27th February, 1947

Our File 295-144

Office of the Custodian
506 Royal Bank Building
Vancouver, B.C.

Attention: Mr. F. G. Shears

Dear Sirs:

re: Royston Lumber Company Limited

A few days ago we were present at a meeting with yourself and some of the shareholders of the above mentioned company. After the conversation had taken place Mr. Uchiyama suggested that the timber owned by the Company and sold under our direction had been re-sold by the purchaser at a greatly increased price. In view of the fact that the Government has announced their intention to hear claims from resident Japanese who feel themselves aggrieved in the matter of prices obtained for their property, we are enclosing herewith copy of a letter on our files, stated to be written by Mr. Uchiyama on March 14th, 1942, giving an option to purchase the holdings of the Royston Lumber Company Limited. While this copy we have is not signed, we understand that Mr. Uchiyama did sign the original and delivered a copy to Mr. Simpson.

At the time of departure of Mr. Uchiyama from Vancouver our Mr. Wray had several discussions with Mr. Humbird, former president of the Victoria Lumber and Manufacturing Company Limited. Mr. Humbird stated that Mr. Uchiyama had indicated his desire to dispose of his property and had mentioned the figure of $200,000.00. As you are aware, the property was sold, including the lumber on hand for a figure quite a bit in excess of $200,000.00.

We are also enclosing for your files copy of a letter received from Mr. Eustace Smith, pointing out that there is a large variation upward in the price of stumpage. This, of course, would account for the ability of the purchaser to re-sell the timber at a higher price and in our opinion should not affect the situation at the time Mr. Uchiyama left here. We are not asked to give an opinion at this time but it would appear to us that there can be no claim by Mr. Uchiyama on the question of price and we are not aware as to whether the Government has decided to consider the question of damages through forced evacuation. This, of course, is another question entirely.

Yours faithfully,

T. J. Ross & Co.

NAME Royston Lumber Company Ltd. formerly Jim. Theodosiou file J.444
NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE NO. 147-A

Enemy Section

J-44

506 Royal Bank Bldg.,
Vancouver, B.C.,
21st November, 1946.

K.W. Wright, Esq.,
Counsel to the Custodian,
Victoria Bldg., 7 O'Connor St.,
Ottawa, Ontario.

Dear Mr. Wright:

Re: Royston Lumber Company Limited

In connection with the liquidation of the above Company, on advice of Mr. Sheppard Mr. Field has requested that the 460 issued shares of this Company be transferred to the Custodian or his nominees.

These shares were vested in the Custodian by Order dated the 21st day of May, 1942 and we enclose herewith Warrant transferring these shares to the Custodian and his nominees.

Kindly arrange for these documents to be signed by the Assistant Deputy Custodian and returned in due course.

Yours very truly,

F.G. Shears

F.G. SHEARS
DIRECTOR

FGS-DG
Encls.

NAME Royston Lumber Company Ltd.
Formerly Sam. Thompson's file J.44.

No. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.

FORM 2

WHEREAS pursuant to the Revised Regulations Respecting Trading with the Enemy 1943, the Secretary of State on the 28th day of October, 1942, has appointed Frederick Field, Chartered Accountant of the City of Vancouver, in the Province of British Columbia, a representative of P. S. Ross and Sons, as Controller of the Royston Lumber Company Limited with such powers as are exercisable by a liquidator in a voluntary winding-upof a Company; and has since terminated such appointment.

AND WHEREAS the Secretary of State now requires that the Company be wound up and dissolved under the provisions of the Companies Act, R.S.B.C. 1936, Cap. 42.

NOW THEREFORE the Secretary of State by his duly authorized and lawful deputy hereby requires you, the said Frederick Field to have commenced and continued all proceedings for a voluntary winding-up of this Company, and the Secretary of State as a shareholder of the said Company does hereby appoint you as his proxy to vote for him and on his behalf at any meeting of the Company to be held in connection with such winding-up proceedings, and in particular:-

(a) To pass a Special Resolution that the Company be wound up and that you be appointed as liquidator, and

(b) To pass resolutions introduced at the final meeting before dissolution held pursuant to Sec. 222 of the Companies Act.

DATED at Ottawa, this 17th day of August, A.D. 1946.

F. H. Gibson

Under Secretary of State

NAME Royston Lumber Company Ltd. formerly Mr. Mapletown's file 9.44.

NO. 58958

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

20th May, 1946.

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE
PLEASE REFER TO
FILE No. 147-A
Enemy Section

Miss Carroll,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Miss Carroll,

Re: Royston Lumber Company

We are in receipt of your letter of the 14th instant and thank you for returning the Releases of Messrs. P.S. Ross & Sons and of Mr. Field as Liquidator of the above company duly executed by Mr. Mathieu.

Yours truly,

F.G. Shears

F. G. Shears,
Director.

PMH

NAME Royston Lumber Company Ltd.
formerly Inn. Theatorium file J.444.
NO. 58958

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

May 14, 1946.

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Company

Your letter of April 30th enclosing Release of Controllership of P. S. Ross & Sons and release of Mr. Field as Liquidator of the above company, has been received.

The Releases have been duly executed by the Assistant Deputy Custodian and are returned herewith.

Yours very truly,

FC. Miss F. Carroll

NAME Royston Lumber Company Ltd. formerly Wm. Thornton's file 0.44. | NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. 147-A

Enemy Section

506 Royal Bank Building,
Vancouver, B.C.

30th April, 1946.

K. W. Wright, Esq.,
Counsel to the Custodian,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. Wright:

Re: Royston Lumber Company

We enclose herein Release of controllership of Messrs. P.S. Ross & Sons and also Release of Mr. Frederick Field as Liquidator of the above company.

Kindly have these documents executed by the Assistant Deputy Custodian and returned in due course.

Yours very truly,

F. G. Shears

F. G. Shears,
Director.

FGS/PMH

encl.

NAME Royston Lumber Company Ltd.
formerly Inn. Theatorium's Ltd. | NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. 147-A

Enemy Section

506 Royal Bank Building,
Vancouver, B.C.

17th November, 1945.

K. W. Wright, Esq.,
Counsel to the Custodian,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. Wright:

Re: Royston Lumber Company Limited.

We are enclosing herein copy of Messrs. P.S. Ross & Sons' Report on Liquidation dated the 10th November, 1945, in respect of the affairs of the above company as at 31st October, 1945.

Yours very truly,

F. G. Shears,
Director.

PMH

encl.

NAME Royston Lumber Company Ltd.
formerly Inn. Theatrical file J.444.

NO. 58958

Copy for Mr. G. W. McPherson

27th July, 1945.

Our File 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Royston Lumber Company Limited
and Somerset Limited (A. Stekl)

This will confirm our conversations wherein we discussed a request by Mr. Stekl for a discount for prepayment of the balance due by Somerset Limited to Royston Lumber Company Limited. The amount owing at this time by Somerset Limited is approximately $37,000.00 and he has already prepaid approximately $17,000.00 so that this will represent a prepayment of $54,500.00.

As we reported to you Mr. Stekl asked that he be given a discount of $1,500.00 for immediate settlement. In our conversations with you we suggested that we should offer Mr. Stekl a discount of $750.00 and be prepared to increase this to $1,000.00 in order to close the matter. We feel that there are certain advantages in having Mr. Stekl make immediate payment of this balance as it should result in clearing up the affairs of the company in a much shorter time. Under the terms of the existing agreement Mr. Stekl would not be required to finally pay up until 1947 and it should be possible to complete the affairs of this company by the end of 1945 if settlement now be received.

We now wish to report that we have discussed the matter with Mr. Stekl and have finally agreed on allowing him $1,000.00 and he has handed us today a cheque dated the 31st day of July, 1945, in the sum of $36,122.34. As far as our records are concerned this represents the balance in full owing by Somerset Limited. As soon as we have passed this cheque through the bank we propose to instruct the solicitors to prepare the necessary release of this mortgage.

Yours faithfully,

P. T. Ross & Sons

NAME Royston Lumber Company Ltd. formerly Sm. Properties file 295-144 | NO. 58958

CC: MR. MCPHERSON

509 Royal Bank Building,
Vancouver, B. C.
November 22nd, 1944

147-A
Legal Department

Messrs. P. S. Ross & Sons,
411 Royal Bank Building,
Vancouver, B. C.

Re: Royston Lumber Company Limited and
Courtenay Native Sons Building Co. Ltd.

Dear Sirs:

Confirming the interview Mr. Shears and the writer had with your Mr. Field yesterday, we approve acceptance of the offer of the Courtenay Native Sons Building Company Limited to liquidate the bonds at fifty cents (50¢) on the dollar.

We understand that there may be some rebate of taxes from the Municipality, and if so, you will kindly make arrangements to have the Custodian share in the distribution of such rebate on the same basis as other bond holders.

Yours truly,

K. W. WRIGHT
COUNSEL TO THE CUSTODIAN

KWW/JF

NAME Royston Lumber Company Ltd.
formerly Mun. Protection file #.44.
NO. 58958

Copy for Mr. G. W. McPherson

October 17th, 1944.

Our File 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. K. W. Wright

Dear Sirs:

Re: Royston Lumber Company Limitedand
Courtenay Native Sons Building Co. Ltd.

In reply to yours of the 21st September we now have received from Mr. Grant of Courtenay the information requested by you. We are attaching to this letter copy of Mr. Grant's letter and financial statement as at 31st August, 1944 of the Courtenay Native Sons Building Co. Ltd.

It would appear from Mr. Grant's letter that the company leases the premises to Assembly #3 of the Native Sons of Canada and it would appear that the funds to retire these bonds are being provided by the Native Sons of Canada.

Yours faithfully,

J. Ross Tolmie

Encl.

Journal 18836

NAME Royston Lumber Company Ltd. formerly Mr. Mapleton's file 295-44.

No. 58958

P
Y

Courtenay, B. C.

October 12th, 1944

P. S. Ross & Sons Ltd.,
Royal Bank Building,
Vancouver, B. C.

Re: Your File 295-144

Courtenay Native Sons Building Co.

Royston Lumber Co. Ltd.

Gentlemen:

I received your letter in late September and have delayed in answering it to get you a Financial Statement for 1943-44. The end of the year is August 31st but Major Hilton, who is the auditor has been busy and could not make up the statement until this morning.

In explanation of this statement, the hall is rented from the Hall Company Limited by Assembly #3, Native Sons of Canada. The reason for this was that with new fire restrictions and other Government regulations it took from eight to twelve people to operate a dance and the cost was too great to pay for the help. The Assembly took this over and have done very well for the last year or two since the Army and Airforce people came to town. The interest which is shown here, of course, is just a bookkeeping item. No interest has been paid.

In regard to your second question, as to whether the payment offered at 50¢ is the offer being made to all holders of the bonds the answer is "yes" and not more that 50¢ will be paid to any bond holder unless it is paid to them all. There is a feeling in the Assembly that all bond holders must get exactly alike, although some were willing to sell for 25¢. They have all been deposited in the Royal Bank to be delivered upon payment of the sum of $50.00 per each $100.00 bond. I might add that we now have all the bonds in or promised that were held locally. Seven bonds beside yours are still out.

In regard to your third question, what action if any has been taken in respect of accrued interest, the answer is "none". It would be an impossibility to take care of this. The $50.00 per bond is all the money to be paid.

Yours truly,

"Robt. H. Grant."

PLA/rh

NAME Royston Lumber Company Ltd. formerly Inn. Proprietary Ltd. | NO. 58958

COPY

Courtenay Native Sons Building Co. Ltd.

Courtenay, B. C.

Financial Statement and Operating Account Covering the Year ended 31st August, 1944

Assets		Liabilities	
The Native Sons Hall, Building & Land	26,159.49	Depreciation	7,159.46
Furniture & Fixtures	4,103.70	Bonds	19,142.00
Accounts Receivable		Bond Interest A/C	16,700.00
N. S. Assembly	388.83	Capital	
Insurance	66.17	Paid up Shares	500.00
Cash:-			
R.B.C. Current A/C	165.79		
" Reserve Fund	977.16		
Deficit	11,640.32		
	$ 43,501.46		$ 43,501.46

Profit & Loss Account

Revenue			
Rent of Hall			2,400.00
Repairs to Building		1,643.65	
General Expense:-			
City Taxes	292.97		
Office	180.00		
Insurance	240.00		
Depreciation	499,97		
Interest	1,336.00	2,548.94	4,302.59
Loss to Deficit Account			$ 1,802.59

NAME Registrar-Treasurer Company Ltd. formerly Sons of England Benevolent Society

NO. 58958

for Mr. G. W. McPherson

September 14th, 1944.

Our File 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. K. W. Wright

Dear Sirs:

Re: Royston Lumber Company Limited

The above mentioned company is the owner of 10 debentures of $100.00 each of the Courtenay Native Sons' Building Co. Ltd. No interest has been paid on these bonds for at least the last ten years, possibly longer. Recently, due to army occupation, the organization has been able to make a little money and has now come forward with a proposal to their bond holders to liquidate the bonds at .50¢ on the dollar. It is our understanding that other holders of bonds have agreed to accept such a proposal.

We have made an examination of the company's Balance Sheet and as a result of our perusal thereof we would recommend that the offer of .50¢ on the dollar for these debentures be accepted.

Yours faithfully,

NAME Royston Lumber Company Ltd. (formerly Courtenay Native Sons' Protective Assn.) | NO. 58958

Copy for Mr. G. W. McPherson

14th August, 1944.

Our File 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears

Dear Sir: Re: Royston Lumber Company Limited

We have received a request from Mr. Arthur Stekl of Sommerset Limited for permission to pick up the railroad at Royston and to change the method of operation from railroad to trucking. The proceeds of the sales of the rails and rolling stock are to be turned over to us as a payment on account of the balance to become due under the mortgage.

Mr. Stekl agrees to give whatever assurance we require that this job will be completed, that is, that the trucking road will be immediately finished and ready for operation.

We have discussed this proposal with Mr. Eustace Smith and in his opinion this change would be of material benefit. Railroading is becomming quite obsolete except in the larger operations and when the Company is operating on Block 545 (the last block purchased by the Company) the timber will be more readily accessible by trucking roads. It is Mr. Stekl's intention that if operations are to be commenced he will contract the trucking. In Mr. Smith's opinion this is quite feasible and usual in present day operations.

In view of the foregoing, we propose, subject to your consent, to agree to this change in the companys working methods and would appreciate receiving your concurrance.

Mr. Stekl is of the opinion that the company has on hand more automobiles and trucks than would be of service in the operations. In view of this he has requested permission to sell certain of these and turn the proceeds of the sales over to us. We concur in this and would appreciate receiving your approval.

Yours faithfully,

P. L. Robertson

NAME Royston Lumber Company Ltd. formerly Smith Thompson's file $.44.

NO. 58958

for Mr. G. W. McPherson

July 27th, 1944.

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. K. W. Wright

Dear Sirs:

Re: Mrs. Kayano KAMINISHI - #02892
also known as Miss Kayano Takehara

We thank you for your letter of the 26th instant re Mrs. Kaminishi. We were concerned in this because the Kaminishi estate are the major shareholders of Royston Lumber Company and the current telephone directory shows Mrs. Kaminishi as still the holder of telephone Pacific 6986.

Yours faithfully,

R. L. Richards & Sons.

NAME Royston Lumber Company Ltd. formerly Mrs. K. Kaminishi file J.44.

NO. 58958

Copy for Mr. G. W. McPherson

March 30th, 1944.

Our File 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Royston Lumber Company Limited

We have yours of the 29th instant re the above including the comments of Mr. McPherson upon our recent report.

Item 1. - We are again asking the Somerset Company Limited to make further attempts to secure from the Assistant Timber Controller a letter stating that under present conditions it is impossible to operate the timber limit.

Item 2. - With regard to the question of discount of 2%, we refer you to your letter of the 9th February wherein you agree to approve an allowance of 2% on the existing balance.

As a result of that letter we advised Mr. Stekl that we would be willing to grant him the discount in respect of all prepayments.

There is at the present time an amount of approximately $40,000.00 still owing on this contract by Mr. Stekl's company which we understand it is his intention to settle shortly and if you feel there should be any variation in the understanding, we would ask you to advise us immediately so that we may communicate further with Mr. Stekl.

Items 3 & 4. - covering the trespass by Canadian Collieries Dunsmuir Limited is being attended to by us. and collection of accounts receivable by Mr. N. W. Spink. We are returning to you the documents attached to your letter; the two copies sent to you were with the intention that one would remain in your Vancouver office and one be sent to Mr. McPherson.

Yours faithfully,

Encls.

NAME Royston Lumber Company Ltd.
formerly Mr. McPherson's file #.44.
NO. 58958

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

J-44

March 28, 1944.

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Co. Ltd.

I am attaching herewith P. S. Ross & Sons' account in duplicate for $2,574.16 covering services rendered for the period March 1943 to February 1944 inclu inclusive liquidating the affairs of the above company, and expenses, which has been approved by Dr. Coleman.

Yours very truly,

G. W. McPherson
Executive Assistant

FC.

NAME Royston Lumber Company Ltd. formerly Inn. Properties Ltd. | NO. 58958

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

J-44

March 23, 1944.

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Co. Ltd.

I have your letters of March 10th and March 11th with enclosures. I am returning the documents enclosed in your letter of March 11th since I assume you will wish to keep these on your file.

As regards P. S. Ross & Sons report of February 29th last, I have the following comments to make -

1. I assume that P. S. Ross & Sons will press for a letter from the Assistant Timber Controller stating in effect that under present conditions it is impossible to operate the timber limit. This point is dealt with on page 6, clause 3.

2. As regards the discount of 2% on the gross amount, the Custodian only approved of such a discount on the basis that the payment would be made immediately and I note at the top of page 7 that this privilege expired on the 31st of October, 1943. This point has been further dealt with on page 8 and under the circumstances, and in view of the many delays that have occurred as a result of Mr. Stekl's actions, I do not think the Custodian will be prepared to consider the discount except possibly on the balance of the principal unpaid at the time that an offer to complete the payment in full is made.

3. As regards trespassing of Canadian Colleries (Dunsmuir) Limited, I trust P. S. Ross & Sons will press this matter, it being referred to on page 11 of their report.

4. As regards the accounts receivable, unless Mr. Spink has taken some definite action in the matter to collect, I think his services might be terminated and collection letters written by your office which would likely bring better results. The Custodian is not anxious to have Japanese companies under his control engage in court actions to collect debts if this can be avoided.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

NAME Royston Lumber Company Ltd. formerly Inv. Registered file J-44.

NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. 147 Int.

506 Royal Bank Building,
Vancouver, B.C.

11th March, 1944.

G.W. McPherson, Esq.,
Executive Assistant,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson:

Re: Royston Lumber Company Limited.

In sending you yesterday Messrs. P.S. Ross & Sons' Report on the liquidation of the above company I omitted to forward the enclosed documents which were prepared by Messrs. Locke, Lane, Guild & Sheppard and have been completed by the company and Somerset Limited and Mr. Stekl:

Bill of Sale - The Company to Somerset Ltd.
Assignment of Lease - The company to Somerset Ltd.
Agreement - The company and Somerset Ltd.
Mortgage - Somerset Ltd. and the company with Arthur Stekl as Guarantor.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH

encl.

NAME Royston Lumber Company Ltd. formerly Inv. Mgt. Servants file 9.44.

NO. 58958

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE
PLEASE REFER TO
FILE No. Int. 147

March 10th, 1944

G.W. McPherson, Esq.,
Executive Assistant to the
Secretary of State,
7 O'Connor Street,
Ottawa, Ontario.

Dear Mr. McPherson:

Re: Royston Lumber Co. Ltd.

The enclosed Report on Liquidation of the above Company has just been received, and is forwarded herein for your information.

Yours very truly,

F.G. Shears

F.G. Shears,
Director.

FGS/AW

encl.

NAME Royston Lumber Company Ltd.
formerly Mr. McPherson's file 8.44.

NO. 58958

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

J-44

March 6, 1944.

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Savings Association

I have your letter of February 28th, with enclosure, and have reviewed P. S. Ross & Sons' report of March 31, 1943.

It seems to me on reading the report that the principal work to be done is to collect funds from innumerable Japanese who are under the control of your evacuation section and that your evacuation section is in a better position to collect these monies than P. S. Ross & Sons.

The liquidation of the company will depend upon its collection of accounts receivable since there are practically no funds in the company that could be distributed at the present time.

I do not think, therefore, that we should incur the expense of having P. S. Ross & Sons liquidate this company. I would appreciate your views.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

NAME Royston Lumber Company Ltd. formerly Mrs. McPherson's file J-44
NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. 13997

506 Royal Bank Building,
Vancouver, B.C.

28th February, 1944.

G.W. McPherson, Esq.,
Executive Assistant,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson:

Re: Royston Savings Association

I am enclosing herein Order vesting all the shares of Royston Savings Association and Order appointing Mr. Frederick Field Liquidator of the Association.

Will you kindly have these executed by the Deputy Custodian and returned in due course.

Yours very truly,

F. G. Shears

F. G. Shears,
Director.

PMH

encl.

NAME Royston Lumber Company Ltd. formerly Inv. Protective Ass'n file 9.44.

NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. 13997

WHEREAS, by Order in Council Number P.C. 1665 dated the fourth day of March, 1942, as amended by Order in Council Number P.C. 2483, dated the twenty-seventh day of March, 1942, as amended by Order in Council Number 469, dated the nineteenth day of January, 1943, the Custodian may order that all or any property whatsoever situated in any protected area of British Columbia belonging to any person of the Japanese race may for the purpose of protecting the interests of the owner or any other person, be vested in the Custodian;

AND WHEREAS, the ROYSTON SAVINGS ASSOCIATION has issued nine hundred forty-six (946) shares of its common stock to the following persons:

Name	No. of Shares	Name	No. of Shares
Monpei Anpi	25	Shokichi Kiyonaga	2
Tatsujiro Deguchi	25	Shori Kiyonaga	25
Kenichi Doi	12	Shigeru Kiyono	25
Minoru Fujimoto	22	Tokiji Kiyono	10
Sakae Fujimoto	3	Masao Kobayakawa	25
Takao Fujimoto	5	Genwo Kobayashi	25
Takujuro Fujimoto	25	Kenzo Kojima	18
Shinsaburo Fujioka	3	Masayaki Kumabe	25
Saichi Harafuji	25	Keiji Minato	25
Atomatsu Ishihara	25	Kinosuke Minato	25
Totsumi Iwasa	25	Toshio Minato	25
Hideo Kaiura	18	Suyematsu Miyahara	25
Minoru Kaiura	25	Walter Masato Miyahara	25
Fred Kato	25	Nobusuke Nishimura	25
Guntaro Kato	25	Yasuto Oda	25
Shigeo Kawaguchi	25	Goichi Okahora	22
Yoshitoshi Kawata	25	Kensaburo Onizaki	25
Tsunesaku Kimura	25	Sadamu Sato	25
Tsuneyoshi Kimura	25	Shoso Tomihiro	25
Kiheiji Kiyonaga	25	George Kenroku Uchiyama	25
Kitaji Kiyonaga	21	Shigeru Yaguchi	15
Shoji Kiyonaga	20	Yonesaburo Yoshioka	25

AND WHEREAS, it appears that all of the shareholders are persons of the Japanese race;

AND WHEREAS, it appears that the interests of the said persons and all the creditors of the said association should be protected;

NAME Royston Lumber Company Ltd. formerly Royston Sawmills Ltd. NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. 13997

NOW THEREFORE, the Secretary of State of Canada acting in his capacity as Custodian by his duly authorized and lawful Deputy, hereby orders that the shares of:

Name	No. of Shares	Name	No. of Shares
Monpei Anpi	25	Shokichi Kiyonaga	2
Tatsujiro Deguchi	25	Shori Kiyonaga	25
Kenichi Doi	12	Shigeru Kiyono	25
Minoru Fujimoto	22	Tokiji Kiyono	10
Sakae Fujimoto	3	Masao Kobayakawa	25
Takao Fujimoto	5	Genwo Kobayashi	25
Takujuro Fujimoto	25	Kenzo Kojima	18
Shinsaburo Fujioka	3	Masayaki Kumabe	25
Saichi Harafuji	25	Keiji Minato	25
Atomatsu Ishihara	25	Kinosuke Minato	25
Totsumi Iwasa	25	Toshio Minato	25
Hideo Kaiura	18	Suyematsu Miyahara	25
Minoru Kaiura	25	Walter Masato Miyahara	25
Fred Kato	25	Nobusuke Nishimura	25
Guntaro Kato	25	Yasuto Oda	22
Shigeo Kawaguchi	25	Goichi Okahora	25
Yoshitoshi Kawata	25	Kensaburo Onizaki	25
Tsunesaku Kimura	25	Sadamu Sato	25
Tsuneyoshi Kimura	25	Shoso Tomihiro	25
Kiheiji Kiyonaga	25	George Kenroku Uchiyama	15
Kitaji Kiyonaga	21	Shigeru Yaguchi	25
Shoji Kiyonaga	20	Yonesaburo Yoshioka	

and any other persons of the Japanese race in the said association to be, and are hereby vested in the Custodian in accordance with the provisions of Order in Council Number P.C. 1665 dated the fourteenth day of March, 1942 as amended by Order in Council Number P.C. 2483, dated the twenty-seventh day of March 1942, as amended by Order in Council Number 469, dated the nineteenth day of January, 1943.

DATED at OTTAWA, this day of , A.D., 1944.

Under Secretary of State

NAME Japanese Company Ltd. formerly Imp. Negotiants file J.44.

NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. 13997

WHEREAS, by an order dated the day of , 1944, the Secretary of State acting in his capacity as Custodian, by his duly authorized and lawful Deputy, all shares of the ROYSTON SAVINGS ASSOCIATION, were vested in the Custodian;

AND WHEREAS, it appears to the Secretary of State that the business of the ROYSTON SAVINGS ASSOCIATION should be wound up and the assets disposed of;

NOW THEREFORE, the Secretary of State of Canada by his duly authorized and lawful Deputy, hereby appoints FREDERICK FIELD, Chartered Accountant, in the City of Vancouver, in the Province of British Columbia, a representative of P.S. Ross and Sons as controller of the affairs of the said ROYSTON SAVINGS ASSOCIATION.

The Secretary of State of Canada hereby confers upon FREDERICK FIELD, Chartered Accountant in the City of Vancouver, in the Province of British Columbia, a representative of P.S. Ross and Sons, such powers as are exercisable by a liquidator in a voluntary winding-up of a company, including power in the name of the said ROYSTON SAVINGS ASSOCIATION or in his own name and by deed or otherwise to convey or transfer any property and power to apply to the Court having power to appoint a receiver or liquidator or to grant a winding-up order, or a judge thereof to determine any question arising in the carrying out of this order.

The Secretary of State orders that the remuneration payable and costs, charges and expenses incurred in connection with control and in the winding-up of the business and shall be charged on such assets in priority to any other charges thereof.

DATED at OTTAWA, this day of , A.D., 1944.

Under Secretary of State

NAME Royston Savings Association
formerly Mr. Mortgage Co. Ltd.

NO. 58958

Copy for Mr. G. W. McPherson

January 31st, 1944.

Our File 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Royston Lumber Company Ltd.

We enclose copy of a letter received from Mr. Arthur Stekl wherein he signifies that he wishes to complete payment of the balance owing by him re purchase of the assets of the above mentioned company.

You will recall that a similar proposal was made by Mr. Stekl on September last but without any payment resulting. We questioned Mr. Stekl and he assures us definitely that he is now in a position to carry out the payment. We see no objection to granting Mr. Stekl the discount of 2% that he requests except in the case of $4,300.00 which has been received as the proceeds of the sale of equipment by him.

In view of the fact that the immediate payment by Mr. Stekl of the balance will relieve the company of considerable cost necessary to ascertain if the provisions of the agreement are being carried out, we would recommend for your approval that Mr. Stekl be granted this discount for payment in full within eight days after your approval is received. It is understood, of course, that interest as provided in the agreement will be collected up to the date of payment.

Yours faithfully,

BSKrS.

Encl.

NAME Royston Lumber Company Ltd.
NO. 58958

C
O
P
Y

Arthur Stekl,
5376 Marguerite St.,
Vancouver, B. C.

January 27th, 1944.

Royston Lumber Company Limited,
c/o Frederick Field & Co.,
Royal Bank Building,
Vancouver, B. C.

Dear Sirs:

I want to clean up the balance owing to you under our agreement of May 31st, 1943.

Referring to my conversation with Mr. Field, I would know if in that case I could obtain the two percent discount on the amount not due, that is, on $140,450.00, payment to be made in eight days at the latest, after obtaining your consent.

Yours very truly,

"Arthur Stekl"

NAME Royston Lumber Company Ltd.
NO. 58958

NAME Royston Lumber Company Ltd. | NO. 58958

Formerly Mr. McPherson's file J.44.

COPY/FM

File # J-44

Extract from: P. S. ROSS & SONS' LETTER

Dated: February 2, 1944.

ROYSTON LUMBER COMPANY LIMITED

We have recently had a definite proposal by the purchaser of this property to liquidate the balance due by him in full. The amount to be received will be approximately $110,000.00. A complete report on this company is now being typed and should be in your hands in the course of the next week.

Copy for Mr. G. W. McPherson

44

Our file 295-144

13th September, 1943.

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears,
Director

Dear Sirs:

Re: Royston Lumber Co. Limited

The above company maintained a railway siding at Hilliers, B. C. The siding was used to load telephone poles being cut on the operation of the Cameron Lake Logging Company Limited. The interest of the Royston Lumber Co. Limited in this business was that it would receive a commission from the ultimate purchasers of the poles for all poles shipped. As this siding is located approximately forty miles from Royston, B. C. it is of no value to the company's operation, and we have a letter from Mr. Stekl wherein he states he does not wish to continue the lease of same from the Esquimalt and Nanaimo Railway Company.

The Esquimalt and Nanaimo Railway Company have agreed to accept the payment of rentals to date and cancel the lease of the siding. We are of the opinion this should be done and would appreciate receiving your concurrence herein.

Yours faithfully,

O. S. Ransom

NAME Royston Lumber Company Ltd. formerly Mr. Mcpherson's file #.44.

NO. 58958

4/4

7th September, 1943.

Our file 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears

Dear Sir:

Re: Royston Lumber Company Ltd.

As approved by you in your telephone conversation of 4th September, we are paying the Esquimalt & Nanaimo Railway Company the balance owing of $38.028.35 and interest to date re the purchase by the above Company of Block 545 Nelson District. While one instalment in the sum of $10,393.87 is not ~~yet~~ due until June 15, 1944, we have the approval of the Railway Company to make the payment in full which will save a considerable amount of interest.

Yours faithfully,

O. S. Rawlins

NAME Royston Lumber Company Ltd. formerly Mr. Thorkelsson's file $.44.

NO. 58958

Copy for Mr. G. W. McPherson

4/4

Our file 295-144

2nd September, 1943.

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears, Director

Dear Sirs:

Re: Royston Lumber Co. Limited

We attach hereto two notes of the Courtenay Golf Club Limited in favour of G. M. Uchiyama in the amount of $100.00 each. As these two notes represent funds advanced by the company to the club, we would ask you to endorse same to the favour of the Royston Lumber Co. Limited, so that we may present the notes for collection.

Yours faithfully,

P. A. Russ Sons.

Enclosure.

NAME Royston Lumber Company Ltd. formerly Mr. Uchiyama file J.44.

NO. 58958

G.W. McPherson

16th August, 1943.

Our file 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention Mr. F.G. Shears

Dear Sirs:

Re: Royston Lumber Company Limited

Referring to your letter of August 11th in the matter of the labour situation at the above Company's operations, we now attach hereto additional correspondence therein:

1. Copy of a letter received from the Selective Service Officer at Courtenay of July 31st, 1943.

2. Copy of a letter to Mr. Rosenberry of 4th August, 1943.

3. Copy of Mr. Rosenberry's reply of 12th August, 1943.

4. Copy of a letter received from Messrs. Grossman and Holland of 3rd August, 1943.

In addition to the foregoing, we called on Mr. F. D. Coles, the Assistant Director of the Regional Selective Service Office for B. C. on Monday, August 2nd, accompanied by Mr. Arthur Stekl. Mr. Coles confirmed to us that Mr. Stekl had made applications for labour that his office were unable to fill and also that the wages offered by Mr. Stekl were reasonable. He promised that everything would be done of that day to fill the orders of Mr. Stekl and we were subsequently advised the efforts were not successful.

In our opinion everything possible has been done to obtain the necessary labour to continue operations, but as the agreement containing the covenant to operate provides that this must be proven to the satisfaction of the Assistant Timber Controller, we have written to Messrs. Grossman and Holland suggesting they should state Mr. Stekl's case to the Assistant Timber Controller

NAME Royston Lumber Company Ltd.
formerly Wm. Thetchenic Ltd. 0.44.
NO. 58958

before we can approve their action in closing down operation.

We have written to the Assistant Timber Controller acknowledging his letter of August 12th and advising him he will probably be approached by Mr. Stekl's solicitors.

Yours faithfully,

Enclosure:

NAME Royston Lumber Company Ltd. formerly Sm. Inspection file 8.44.

NO. 58958

COPY

DEPARTMENT OF MUNITIONS AND SUPPLY

410 Seymour St.,
Vancouver, B.C.
August 12, 1943.

Messrs. P. S. Ross & Sons,
Royal Bank Building,
Vancouver, B. C.

Gentlemen:

Your file 295-144

This will acknowledge your letter of August 4 with regard to the Royston Lumber Company.

It would be difficult for me to advise you in connection with the questions you raise, for the reason that I do not know the precise terms of your contract. I take it, however, that the sale was an arrangement conditional upon the plant and logging operation being immediately put into production. Conditions have not changed materially since the deal was made, in that equipment has been difficult to secure and labour has been scarce all during the period of negotiation, and these conditions will undoubtedly continue. I should hesitate to agree with the suggestion that operations be postponed indefinitely, and would suggest rather that possibly another purchaser might be found in a better position to operate.

Very truly yours,

"D.D. Rosenberry"
Assistant Timber Controller
for British Columbia.

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NAME Royston Lumber Co. Ltd. formerly Sm. Mfg. Co. Ltd. file 0-44-4

No. 58958

COPY

August 4th, 1943

D. D. Rosenberry, Esq.,
Assistant Timber Controller,
355 Burrard Street,
Vancouver, B. C.

Dear Sir:

Re: Royston Lumber Co. Limited

As advised the assets of the above company were sold to Mr. Arthur Stekl.

In our agreement with Mr. Stekl and his nominee, Somerset Limited, it is provided that he must commence continuous operations, but is excused from doing so upon the inability of procuring sufficient labour, equipment, parts of materials if such conditions preventing operations be proven to be the satisfaction of the local representative of the Timber Controller.

Last week we were advised by telephone by Mr. Stekl that the labour situation was such he would probably have to shut down. We immediately wrote to Mr. G. B. Capes, the Selective Service Officer at Courtenay, B. C., and attach hereto copies of our letter of July 29th and his reply of July 31st. Last Saturday, July 31st, Mr. Stekl was forced to shut down operations.

In addition to the foregoing we interviewed Mr. F. B. Coles, the Assistant Director of the Regional Selective Service Office for British Columbia, yesterday and Mr. Coles could give us no assurance that sufficient labour could be obtained for the Royston operation.

In view of the foregoing will you be kind enough to advise us whether or not, in your opinion, Mr. Stekl should be excused from operating under the agreement due to the present labour situation.

Yours faithfully,

Enclosure:

NAME Royston Lumber Company Ltd. formerly Sm. Stekl Lumber Co. Ltd. NO. 58958

COPY

GROSSMAN & HOLLAND

Stock Exchange Bldg.,
Vancouver, B. C.
August 3rd, 1943.

Frederick Field & Co.,
Royal Bank Bldg.,
Vancouver, B. C.

Dear Sirs:

Re: Royston Lumber Co. Ltd.

Mr. A. Stekl has been in to see us covering the difficulties experienced in obtaining man power. We understand that both your Mr. Field and your Mr. Ray saw and spoke to the Selective Service Department and to the Assistant Timber Controller, when they both took the position that help was not available.

In view of this situation we take it you agree that the provisions of the agreement between you and Somerset Limited as to a shut down are in force.

Yours truly,

GROSSMAN & HOLLAND

Per MMG

COPY

NAME Royston Lumber Company Ltd. (formerly Sm. Proprietaries file #.44)

NO. 58958

UNEMPLOYMENT INSURANCE COMMISSION

Box 240,
Courtenay, B.C.
July 31st, 1943.

Messrs. P. S. Ross and Sons,
Royal Bank Building,
Vancouver, B. C.

Dear Sirs:

Re: Royston Sawmills Ltd.

In reply to your letter of the 29th instant, we did everything possible to secure the labour required both through our own office and through other offices of the Unemployment Insurance Commission.

We are sending a copy of your letter and that of one from the Royston Sawmills to our Regional office in Vancouver, B.C.

Yours truly,

"G. B. Capes"
Manager,
Courtenay Office.

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NAME Royston Lumber Company Ltd. formerly Mrs. Mapleleaf's file #.44.

NO. 58958

July 29th, 1943

G. B. Capes, Esq.,
Selective Service Officer,
Courtenay, B. C.

Dear Sir:

Re: Royston Lumber Company Limited

The assets of the above company were sold to Mr. Arthur Stekl, who is operating under the name of Royston Sawmills Limited and Royston Logging Company Limited.

The property was sold pursuant to a request by the assistant timber controller in order to increase the production of lumber, which is vitally needed in the country's war effort. This was done against the wishes of the Japanese shareholders, and the purchaser has given a covenant to immediately commence continuous operation.

We are advised by Mr. Arthur Stekl he is unable to obtain sufficient labour to carry on proper operations, and it is possible that the operations recently commenced cannot be continued.

While we appreciate you must be doing all you can to obtain the necessary labour for this operation we are bringing the foregoing to your attention in the hope that something may be done to insure our efforts to place this property in production have not been wasted.

Yours faithfully,

"P.S. Ross and Sons"

NAME Royston Lumber Company Ltd. formerly Mr. Stekl's file J.44.

No. 58958

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

August 2, 1943.

F. G. Shears, Esq.,
Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Company Ltd.

I have copies of P. S. Ross & Sons letters of July 21st, 29th and 30th, together with the enclosures, and if I were present I could say to Mr. Field - "I told you so", but of course I would never think of doing this. It is possible, of course, that Mr. Stekl cannot get sufficient help.

In their letter of July 30th they refer to investing $25,000. in the Fourth Victory Loan but I do not think we should invest this money since, as soon as the debts of the company are paid, we may find we should distribute the funds in the form of a dividend to the shareholders who are not enemies. You might give some consideration to this matter.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

NAME Royston Lumber Company Ltd. formerly Royston Properties Ltd.
NO. 58958

Copy for Mr. G. W. McPherson

29th July, 1943.

Our file 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. E. G. Shears, Director

Dear Sirs:

Re: Royston Lumber Co. Limited.

We received a telephone call from Mr. Stekl on Tuesday wherein he advised us that the operations commenced about a week ago, but that the limited supply of labour, particularly in the sawmill, was such that the operations were exceedingly handicapped. In his opinion if the situation is not alleviated in the near future he might be forced to close down.

As you are aware his covenant to operate is excused under our agreement with him in the event that labour is not available. We, therefore, have written to the Selective Service Officer in the district so that we will be assured everything possible is being done to insure that operations continue, and we attach hereto a copy of our letter.

We telephoned the Assistant Timber Controller, Mr. G. D. Rosenberry and advised him of the situation and he informed us that he had so many requests from operators in the lumber business, for assistance in obtaining labour, that he was unable to give preference to any one operator by taking action in a specific case.

Yours faithfully,

D. S. Ross Sons

NAME Royston Lumber Company Ltd. Formerly Sm. Properties file 295-44.

NO. 58958

C
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Our file 295-144.

29th July, 1943.

G. B. Capes, Esq.,
Selective Service Officer,
Courtenay, B. C.

Dear Sir:

Re: Royston Lumber Co. Limited

The assets of the above company were sold to Mr. Arthur Stekl, who is operating under the name of Royston Sawmills Limited and Royston Logging Company Limited.

The property was sold pursuant to a request by the assistant timber controller in order to increase the production of lumber, which is vitally needed in the country's war effort. This was done against the wishes of the Japanese shareholders, and the purchaser has given a covenant to immediately commence continuous operation.

We are advised by Mr. Arthur Stekl he is unable to obtain sufficient labour to carry on proper operations, and it is possible that the operations recently commenced cannot be continued.

While we appreciate you must be doing all you can to obtain the necessary labour for this operation we are bringing the foregoing to your attention in the hope that something may be done to insure our efforts to place this property in production have not been wasted.

Yours faithfully,

C. S. Ramsay

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NAME Royston Lumber Company Ltd. formerly Mr. Mortensen's file J.44.

NO. 58958

Copy for Mr. G. W. McPherson

Our file 295-144

21st July, 1943.

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sirs:

Re: Royston Lumber Co. Limited

We received from Shallcross-Nasmyth Adjusting Co., Victoria, B. C., representing the Halifax Insurance Company Policy No. OAR31-144, a proof of loss covering a tire and wheel stolen from one of the above company's trucks.

As we previously advised you the insurance on the company's fleet was being covered by us, and if there has been any duplication of insurance we are of the opinion you are entitled to a return of your premium.

Yours faithfully,

A. S. Ronsons

NAME Royston Lumber Company Ltd.
formerly Inn. Shipbuilders Ltd. 44.
NO. 58958

Copy for G. W. McPherson

16th July, 1943.

Our file 295-144

Office of the Custodian,
Royal Bank Building,
Vancouver, B.C.

Attention: Mr. R. P. Alexander

Dear Sirs:

Re: Royston Savings Assn.

Referring to your letter of 14th July we note you have collected the note receivable from Kaizo Tsuyuki in full and we attach hereto his note which you may wish to return to him.

With reference to the statement of G. K. Uchiyama that certain notes receivable were paid by guarantors by the withholding of share distributions to the guarantors. We note that in March and April 1942 41% of the issued share capital was returned to most of the shareholders. Certain of the shareholders received less than 41% and they are as follows:-

	Shares	Received	Short
1. Anpi, Manpei	12,500	36.90	14.35
2. Doi, Kenichi	6,000	8.20	16.40
3. Kiyano, Shigeru	12,500	34.85	16.40
4. Kobayashi, Genwo	12,500	---	51.25
5. Kato, Guntaro	12,500	41.00	10.25
6. Kanada, Shuichi	12,500	45.10	6.15
7. Minato, Keiji	12,500	20.50	30.75
8. Minato, Kinosuke	12,500	20.50	30.75
9. Minato, Toshio	12,500	34.85	16.40
10. Oda, Yasuto	12,500	36.90	14.35
11. Onizaki, Kenzaburo	12,500	---	51.25
12. Uchiyama, G. K.	12,500	---	51.25
13. Yoshioka, Yonesaburo	12,500	45.10	6.15
	156,000	323.90	315.70

While Uchiyama's statement with reference to the payment of the loan to K. Nagano by his guarantors is partly correct, we consider Nagano still owes $36.05 which should be deductible from future distributions on shares to the guarantors as follows:

NAME Royston Lumber Company Ltd. formerly Imp. Mfg. Co. file J.44.

NO. 58958

Office of the Custodian,
Vancouver, B. C.

16th July, 1943.

Amount of K. Nagano note	$ 64.75
1. Nanpei Anpi - Guarantor - ½	32.37
Withheld	14.35
Balance Deductible	$ 18.02
10. Yasuto Oda - Guarantor - ½	$ 32.38
Withheld	14.35
Balance Deductible	$ 18.03

With reference to the remaining amounts withheld from the share distributions:-

2. Doi, Kenichi	
Loan Account	36.00
Withheld	16.40
Balance due Ass'n	$ 19.60
No Guarantors	
3. Kiyano, Shigeru	
Loan Account	40.00
Withheld	16.40
Balance due Ass'n	23.60
Not Guaranteed	
4. Kobayashi, Genwo	
Loan Account	125.00
Amount Withheld	51.25
Balance due Ass'n	73.75

In the event that the assets of the Association do not realize sufficient to pay the members' shares to the extent of their p r value then Kobayashi's guarantors will be liable. They are:

Fujimoto, S. - Balance Share a/c	$ 8.85)	limited to
Okuki, G. - No shares	)	amount of note $36.00

The remaining three notes of Kobayashi are not endorsed by guarantors.

5. Kato, Guntaro	
Loan Account	25.00
Amount Withheld	10.25
Balance due Ass'n	14.75

NAME Fujimoto Lumber Company Ltd. formerly Mr. Fujimoto's file #44

NO. 58958

Office of the Custodian,
Vancouver, B. C.

16th July, 1943.

9. Minato, Toshio
Loan Account 36.00
Amount Withheld 16.40
Balance due Ass'n 19.60

No Guarantors

11. Onizaki, Kenzaburo
Loan Account 302.50
Withheld 51.25
251.25

Withheld from Guarantors

7. Minato, Keiji	30.75			
6. Kanada, S.	6.15			limited to
13. Yoshioka, Y.	6.15	33.05		amount of
		218.20		note $40.00

It would appear that part of this loan will be uncollectible unless Onizaki has funds to pay the deficiency. In addition Keiji Minato owes $149.25 under his guarantee and only the sum of $73.75 remains to his credit in the share account.

The remaining three notes of Onizaki are not guaranteed:

8. Minato, Kinosuke
Amount withheld 30.75

We cannot ascertain why this amount was withheld when distribution was made to the shareholders.

10. Uchiyama, George K.
Loan Account 2,243.00
Amount withheld 51.25
Balance due Ass'n 2,191.75

There are no guarantors of these notes.

In addition G. K. Uchiyama is the guarantor of a note due the Association by T. Matsubuchi $105.54.

We believe the foregoing gives you the information you require and will assist in straightening out the Association's affairs.

@ Limited to $180.00. Also joint guarantor T. Uyeda not a shareholder.

NAME Japanese Farmers Association Property Co. Ltd. formerly Imm. Protective Ass'n Ltd.
NO. 58958

NAME Royston Lumber Company Ltd. | NO. 58958

Formerly Mr. McPherson's file J.44.

16th July, 1943.

Office of the Custodian,
Vancouver, B.C.

We suggest that if Keiji Minato has any funds in your possession that at least $100.00 be withheld until it is known whether or not Kensaburo Onizaki is able to pay his loans.

We also suggest that Fred Kato be asked why $30.75 was withheld from Kinosuke Minato.

We return herewith your file.

Yours faithfully,

Royston Lumber Co.

Copy for Mr. G. W. McPherson

file

Our file 295-144

28th June, 1943.

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Royston Lumber Company Limited

We are advised by Mr. Arthur Stekl that his financial arrangements have not been completed whereby he can pay the balance in cash and obtain the discount before the end of this month. He has requested we grant him an extension of an additional month or so, so that he may have a reasonable opportunity to complete his financial arrangements and determine whether or not we are to be paid in cash. If we agree to grant this extension he will pay an additional $10,000.00 or $20,000.00 forthwith as evidence of good faith.

At the present moment should Mr. Stekl pay cash the solicitors are not in a position to deliver the conveyance to the company's property. Certain certificates of title are missing and it is now apparent they cannot be found. Mr. Sheppard is of the opinion that the Registrar at Victoria, upon being approached, will accept a conveyance from the Custodian's office or from Mr. Field as liquidator, but in any event it will be a week or so before we are in a position to give title.

In view of the foregoing and the fact that we consider it would be preferable for Mr. Stekl to pay cash, it was agreed between us that this extension should be given to Mr. Stekl provided that the interest at 5% per annum be paid from the 30th June to the date Mr. Stekl pays in cash.

Yours faithfully,

O'Sullivan Sons.

NAME Royston Lumber Company Ltd.
formerly Imp. Shipbuilding Co. Ltd.
NO. 58958

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. 147

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

12th June, 1943.

G.W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ontario.

Dear Mr. McPherson:

Re: Royston Lumber Company Limited.

At long last the Royston Lumber Company deal has been consummated.

As arranged when you were here it was insisted that Mr. Arthur Stekl should definitely complete the deal by the Tuesday after you left.

A meeting was held and an agreement reached. However, the wording of the documents were revised several times before being ready for signature.

The documents have now been signed and the balance of the initial payment of $39,000.00 has been paid. In addition to this, an amount of $20,450.00 has been paid in advance on future stumpage payments.

Yours very truly,

F. G. Shears,
Acting Director.

FGS/PMH

encl.

NAME Royston Lumber Company Ltd.
formerly Royston Lumber Co. Ltd.
NO. 58958

G. W. McPherson

June 10th, 1943

Our file 295-144

Office of the Custodian,
Royal Bank Building,
Vancouver, B. C.

Attention Mr. F. G. Shears

Dear Sirs:

Re: Royston Lumber Company Limited

This is to formally advise you the agreements between the above company and Arthur Stekl's nominee, Somerset Limited, have been executed and the following sums received thereunder:

Deposit with tender	$ 21,000.00
Balance of initial payment required under agreement	39,000.00
	60,000.00
Additional payment on account of future stumpage payments	20,450.00
	$ 80,450.00

Yours faithfully,

G. W. McPherson

NAME Royston Lumber Company Ltd.
formerly Sm. Mapletown's file #.44.

NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B.C.

1st May, 1943.

Our file 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. R. P. Alexander

Dear Sirs:

Re: Royston Savings Association,
your file 13997

Referring to your letter of April 22nd, we would advise you that it is our instructions from your office to make all payments to evacuated Japanese through your office, therefore, any sums out of the Royston Lumber Company to be paid to Mr. Uchiyama will be received by you. We have already forwarded to you a letter from Mr. Uchiyama concerning the identity of certain employees in the association.

Yours faithfully,

C. S. Lee Sons

NAME Royston Lumber Co. Ltd. formerly Inn. Trading Co. Ltd. p.44

NO. 58958

COPY

LOCKE, LANE, GUILD & SHEPPARD

Vancouver, B. C.

April 27th, 1943.

P. S. Ross and Sons,
Royal Bank Building,
Vancouver, B. C.

Attention Mr. Wray

Dear Sirs: Re: The Custodian and the Royston Lumber Company

There are two matters which you have requested that we deal with by letter following our interview yesterday.

1. Some of the correspondence suggests that Mr. Field as Controller of the Company would have the right to hold the deposit in the event of Stekl refusing to continue with his purchase. We are of the opinion that this is not the case. The right to hold the deposit as liquidated damages arises where there is an agreement and the purchaser refuses to complete the purchase; in that event providing the amount is not so excessive as to amount to a penalty the Vendor may be permitted to retain the deposit as damages for loss of his bargain. This would not apply to the present instance because there is no binding contract of purchase. The property was advertised and by this advertisement tenders were requested; Stekl filed his offer and we replied accepting the offer subject to certain particular requirements, including demand for continuous operations. Adding that term would prevent your acceptance bein effective in law as to the previous offer by Stekl. In any event had your letter pursuant to Stekl's offer unqualifiedly accepted his tender we are of the opinion there would even then have been no binding contract for the reason that this type of agreement is not a common form, but on the contrary every clause must be drafted for the particular circumstances and the Court would therefore come to the conclusion that the parties did not intend the exchange of letters to be a contract but merely the basis for an agreement and a binding contract would arise only when the final documents were prepared in a form acceptable to both parties and signed by them. Therefore, at this stage there is no binding contract, breach of which could give rise to damages and therefore no basis for retaining the deposit. Mr. Stekl could therefore withdraw from the purchase and demand a refund.

2. It was first proposed that the interests of the Company in the various assets be sold. To this Stekl objected that if the subject matter were so described as the interests of the Company then it would be open to attack by returning Japanese claiming that particular assets were their assets and not those of the Company and

NAME Royston Lumber Company Ltd. formerly Sm. Treasurers file J.44.

NO. 58958

therefore he was not a purchaser. From the Custodian's point of view he is adverse to giving any warranty of title except in this instance as to certain specified chattels, and that warranty is to be limited to the value of those chattels as shown in the Schedule to the Agreement.

To meet the objections of both parties we have provided in the Agreement of Sale in Clause 3 that the Company, which is the Vendor, shall convey titles to the freeholds free of encumbrance, shall assign the rights-of-way and leaseholds subject to the stipulations in the overholding lease and give a registerable Bill of Sale of the chattels clear of encumbrance. Ordinarily these provisions would give rise to a warranty of title but we have expressly provided in Clause 7 that until purchase is completed, that is by the conveyances stipulated for, the Vendor shall not be liable other than for return of the purchase monies, and after completion there is to be no liability in respect of warranty of title except as to the enumerated chattels mentioned in the Schedule. In respect of those chattels any claim is to be based on their respective values as shown in that schedule. The result is that there is no liability in damages under warranty of title except as to those enumerated chattels, It, therefore, appears to us that this complies with the instructions of the Custodian, although in one sense there is a warranty of title arising from the undertaking to convey clear of encumbrance, yet it is expressly provided that this shall not make the Vendor liable in damages except as to the enumerated chattels after completion. Therefore the effect of this agreement is essentially to show what the purchaser was to receive for the payment of his money and therefore the terms upon which he may withdraw upon defect of title before completion.

We would be obliged if you would inform us whether this agreement is acceptable in the form as drafted.

Yours truly,

LOCKE LANE GUILD & SHEPPARD

PER FAS

FAS/EB

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NAME Poynton Lumber Company Ltd. formerly Sm. Thistlethwaite Ltd. NO. 58958

Vancouver, B. C.

26th April, 1943.

Our file 295-144

Locke, Lane, Guild and Sheppard,
Barristers and Solicitors,
470 Granville Street,
Vancouver, B. C.

Attention: Mr. F. A. Sheppard

Dear Sirs:

Re: Royston Lumber Company Limited

Referring to your letter of April 24th, wherein you enclose a redraft of the agreement between the above Company and the purchaser of it's assets, we would make the following comments on the agreements:

Sale Agreement

Page 3-3A and page 4-3D: We assume you are satisfied these clauses are not a warranty of title. We understood the purchaser after perusing the title deeds would satisfy himself as to the condition of the title.

Page 4-5: In the last line "outgoings" would appear to be a rather broad term. Are you satisfied this could not be applied to assets of the Company not being sold? In any event it would appear to have a rather broad application for this agreement.

Page 4-7: This clause would appear dangerous, in that it might possibly give the purchaser the right to cancel the deal and be returned his deposit. We, of course, would have to be guided by your interpretation and advice in this matter.

General: While we notice the purchasers warranty to immediately commence continuous operations is contained in the mortgage agreement, it would seem advisable that some reference thereto should be made in the sale agreement. This, of course, is a legal matter upon which you should decide.

Mortgage Agreement

Page 3-1C: Should houses, bunkhouses and railways be included as a chattel interest in this paragraph?

Page 5-2A and B: Is it necessary to state that the greater of $4.00 per thousand or $40,000.00 per year is to

NAME Royston Lumber Company Ltd. formerly Inn. Registered file #.44.
NO. 58958

Locke, Lane, Guild and Sheppard, 26th April, 1943.
Vancouver, B. C.

be paid?

Page 8-4B: We consider this clause should be enlarged, so that who is to determine whether or not profitable operations can be continued is defined. At least what is a reasonable profit should be determined.

Page 11-4N: We are of the opinion that the most effective manner in which to ascertain whether or not the payments made by the purchaser are in order, is to periodically have a brief check made by a timber cruiser of the timber areas. Are you satisfied this paragraph gives us the authority to have this done?

Pages 18 and 19 Covenants of Guarantor: The clauses covering the covenant of the guarantor in our opinion do not define when the liability of the guarantor becomes operative and is payable.

We are forwarding the draft of the agreements to the Custodian's office, together with a copy of this letter for their approval. Should they have any exceptions to make we will immediately advise you, so the agreements can be complete for Mr. Field's signature on Wednesday.

Yours faithfully,

NAME Pyramid Lumber Company Ltd.
formerly Imp. Properties file 0.44.
NO. 58958

347-195
7/8/63

ESTABLISHED 1858

P. S. Ross & Sons
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

CABLE ADDRESS PHILROSS

MAJ. GEN. J. G. ROSS, C.M.G.,
J. W. ROSS, LL.D.,
S. R. CAMPBELL,
J. A. GRANT,
W. L. GATEHOUSE,
G. M. HAWTHORN,
I. A. ROSS,
H. I. ROSS,
G. M. SMITH,
G. E. HOULT,
S. B. PECKHAM,
W. G. JEPHCOTT,
H. S. HAWTHORNE,
F. E. H. GATES,
J. A. ROSS,
F. A. COFFEY,
G. G. HARRIS.

ROYAL BANK BUILDING
~~360 ST. JAMES STREET~~
~~MONTREAL, QUE.~~
Vancouver, B.C.

7th April, 1943.

Our file 295-144

G. W. McPherson, Esq.,
Executive Assistant,
Department of the Secretary of State,
Victoria Building,
7 O'Connor Street,
Ottawa, Ontario.

Dear Sir:

Re: Royston Lumber Company Limited

This is to confirm your wire received yesterday as follows:

MY RECOLLECTIONS DISCUSSION WITH YOU RECENTLY
STEKL PAYING CASH TO DISCOUNT STOP WIRE ACTUAL
AMOUNT HE IS PAYING AND WHETHER DISCOUNT OR
NOT STOP PLEASE RUSH ANSWER BOTH TELEGRAMS

and our reply of the same date as follows:

RETEL ROYSTON STEKL TO PAY FULL TWO HUNDRED
TWO THOUSAND STOP AGREEMENT WILL PROVIDE HE
CAN PAY BALANCE AHEAD OF SCHEDULE TO SAVE
INTEREST STOP BALANCE PAYABLE FORTY THOUSAND
PER ANNUM OR FOUR DOLLARS PER THOUSAND AS LOGGED
WHICH EVER GREATER INTEREST AT FIVE PERCENT

Subsequent to our acceptance of Mr. Stekl's tender he approached us with a view to ascertaining what discount we would allow in consideration of his paying cash outright. We were of the opinion that, in view of the interest Mr. Stekl was to pay on the balance, any discount given him should be of a very nominal amount. The amount of discount should only offset any expense of the Custodian in examining the property and records of the Company to ascertain that the provision of the sales agreement was being properly carried out. This was discussed with Mr. Shears and referred to you for confirmation. We then advised Mr. Stekl we were prepared to allow not more than 2%, and he stated he preferred to carry on on the basis of his tender. If at a subsequent date he wishes to make

NAME Royston Lumber Company Ltd. formerly Mr. Stekl's file #.44.
NO. 58958

G. W. McPherson, Esq.,
Ottawa, Ontario.

7th April, 1943.

prepayments to save interest he will do so, therefore, the amount of $202,000.00 is the gross sale price. As previously reported to you a small mill in the woods at Royston, that appeared in the inventory of assets, was sold by Uchiyama for $3,750.00 prior to his departure. While we have not admitted Mr. Stekl's right to claim on this item we have suggested he should come forward with his proposition, and the matter will be considered.

Yours faithfully,

O. S. Ross Sons

NAME Royston Lumber Company Ltd.
formerly Mr. McPherson's file 9.44.
NO. 58958

EXTRACT FROM MEMO TO DR. COLEMAN DATED APRIL 7, 1943, ON FILE J-69

Re: Disposition of Assets of The Royston Lumber Company Limited

(a) This company was Japanese evacuee owned and at the request of the Timber Controller steps were taken to dispose of the Assets in order that the company might be operated in the interests of Canada's war effort.

(b) The company owns timber licences, operates a railway logging operation and sawmill near Courtenay on Vancouver Island.

(c) Tenders were called for by public notice published in six local newspapers, the notices being published between November 25th and 27th, 1942, and tenders being received up to December 15, 1942.

(d) Three tenders were received:

1. Arthur Stekl, 5376 Marguerite St., Vancouver - $202,000. terms.

2. H. R. MacMillan Export Company Ltd., Vancouver - $150,000. terms.

3. C. W. Logging Co. Ltd., Parksville, B.C. - $140,000. terms.

The Arthur Stekl tender of $202,000. was on the basis of $60,000. cash and the balance payable $40,000. per year or $4. per thousand as logged whichever is greater, with interest at five percent. The balance may be paid ahead of schedule to save interest.

For your general information I would advise that Mr. Eustace Smith, a well known timber expert, valued the company's assets and reported by letter on January 15, 1943, that a price of $193,300. would be reasonable if the purchaser assumed a liability to the E. & N. Railway Company of $38,028.85, placing his valuation, therefore, at $231,328.85. Subsequently the tender received from the H. R. MacMillan Export Company Ltd. was clarified when they advised that they had assumed that they would pay the debt owing to the E. & N. Railway Company and requested that the offer be considered as $188,028.85, but even this increased offer did not equal the offer of Mr. Stekl. Information available indicated that Mr. Uchiyama, the Manager of the company had granted an option, on March 14, 1942, to sell all the holdings of the company for $210,000. and at that time the company had an inventory of lumber on hand. The Custodian's liquidator operating the company re-manufactured the inventory of lumber and disposed of it, realizing a net amount of $40,000. which would, therefore, reduce the value of the assets left, according to Mr. Uchiyama's figure, to $170,000. The offer of Mr. Stekl was considered reasonable and you will recall that the special committee of the cabinet approved of accepting same.

NAME Royston Lumber Company Ltd. formerly Mr. Uchiyama's file J-44. NO. 58958

FORM 6122

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	D L
Night Message	N M
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

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G W MCPHERSON, EXECUTIVE ASSISTANT=

980 VICTORIA BUILDING 7 OCONNOR ST OTTAWA ONT=

RETEL ROYSTON STEKL TO PAY FULL TWO HUNDRED TWO THOUSAND STOP AGREEMENT WILL PROVIDE HE CAN PAY BALANCE AHEAD OF SCHEDULE TO SAVE INTEREST STOP BALANCE PAYABLE FORTY THOUSAND PER ANNUM OR FOUR DOLLARS PER THOUSAND AS LOGGED WHICH EVER GREATER INTEREST AT FIVE PERCENT=

=P S ROSS AND SONS.

NAME Royston Lumber Company Ltd. formerly Sm. Thompson's file 8.44.

No. 58958

CLASS OF SERVICE

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Please mark an X opposite the class of service desired.

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W. D. NEIL, General Manager of Communications, Montreal

CD 2X

CHECK

TIME FILED

Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

7 O'Connor Street,
Ottawa, Ontario.
April 6, 1943.

R U S H

P S ROSS & SONS
CHARTERED ACCOUNTANTS
411 ROYAL BANK BLDG
VANCOUVER B C

MY RECOLLECTIONS DISCUSSION WITH YOU RECENTLY STEKL PAYING CASH NO DISCOUNT STOP WIRE ACTUAL AMOUNT HE IS PAYING AND WHETHER DISCOUNT OR NOT STOP PLEASE RUSH ANSWER BOTH TELEGRAMS

G W MCPHERSON

EXECUTIVE ASSISTANT

Charge to Custodian's Office.
File J-44. GWMcP/FC.

NAME Registration Number Company Ltd.
formerly Mr. Registration's file J-44.
NO. 58958

Copy for Mr. G. W. McPherson

HH

Vancouver, B.C.

31st March, 1943.

Our file 295-144

Office of the Custodian,
912 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. K. W. Wright

Dear Sirs:

Re: Royston Lumber Company Limited

We would acknowledge your letter of March 30th, and are advising Mr. Sheppard that you consider the right of way in Mr. Uchiyama's name should not appear in the sales agreement.

Referring to the third paragraph of your letter, wherein you state "Mr. McPherson also requested Mr. Shears to arrange for immediate and continuous operation and to secure Mr. Stekl's personal obligation". These two items were conditions to our acceptance of Mr. Stekl's offer and are referred to in our report of the 20th January on page 5.

Yours faithfully,

A. S. Pearson

NAME Royston Lumber Company Ltd. (formerly Mr. Hagiwara's file #44)

NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B.C.

26th March, 1943.

Our file 295-144

Office of the Custodian,
912 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. K. W. Wright,
Counsel to the Custodian

Dear Sirs:

Re: Royston Lumber Company Limited

We attach hereto a draft of the agreements between the above Company and the company to be formed by Mr. Arthur Stekl. We also attach hereto our comments therein.

If you have any additional comments, will you please advise us so that we may pass same on to Messrs. Locke, Lane, Guild and Sheppard.

Yours faithfully,

Enclosure.

We presume that these should be added.

2. Page 5, paragraph 30: We consider the vendors liability for a breach of warranty should be restricted to the valuation placed upon the particular item of equipment as set out in the valuation of the equipment of the Company as made by Galbraith and Company.

NAME Royston Lumber Company Ltd. formerly Mr. Mcpherson's file #444 | NO. 58958

Vancouver, B.C.

Our file 295-144 26th March, 1943.

Locke, Lane, Guild & Sheppard,
Barristers and Solicitors,
470 Granville Street,
Vancouver, B. C.

Dear Sirs:

Re: Royston Lumber Company Limited

Referring to the drafts of the agreements between the above Company and Arthur Stekl submitted for our perusal, we attach hereto a schedule giving our comments therein. This schedule together with your draft has been submitted to the Custodian's office, and if they have any additional comments to make we will advise you forthwith.

Yours faithfully,

Enclosure.

We presume that these should be added.

2. Page 5, paragraph 3C: We consider the vendors liability for a breach of warranty should be restricted to the valuation placed upon the particular item of equipment as set out in the valuation of the equipment of the Company as made by Galbraith and Company.

NAME Royston Lumber Company Ltd. formerly Mr. Stekl's file #444

NO. 58958

Royston Lumber Company Limited

Memo re Draft Agreements between the above Company

and the company to be formed by Mr. Arthur Stekl

Re: Mortgage Agreement

1. Page 3C (2): As this right of way is in favour of Mr. G. K. Uchiyama we consider all the Company can do is to agree to urge Mr. Uchiyama to assign this right of way.

2. Pages 8 and 9 4E: We understand that the Forestry Department are not concerned to have the timber from the Company's operations scaled. This was not done in the past and the Forestry Department accepted an annual summary of the timber cut, supplied by the Company, for the purpose of their timber production records. We understand the Forestry Department under certain circumstances would appoint an employee of the Company a Deputy Scaler, but we do not consider the circumstances will warrant having this done.

3. Page 9 4F: As the logs being produced will be immediately cut into lumber, some of which will go into storage in the yard, we do not consider that the supplying of a copy of every invoice will constitute an accurate record of the production from the Company's timber areas. We also consider that the supplying of extra copies of invoices would be superfluous.

We are of the opinion that paragraphs 4D, 4E and 4F should be amended so that the mortgagor is required to keep accurate records showing the timber produced and complete records of the footage and sales amounts of lumber sold. These are to be available for inspection by the mortgagee, or his representative at any time.

4. Page 9, paragraph 4G: We consider an addition necessary to this paragraph to the effect that the mortgagor shall carry out all the provisions required by the Forest Act to be completed by persons engaged in the logging industry, with particular reference to the matter of the burning of slash and the removal of snags.

5. Page 10, paragraph 4L: We consider the mortgagee should have the right to pay any assessments of the Compensation Board should he wish to prevent a seizure by the board of any of the Company's assets. Any such payment should be a charge on the property included in the agreement.

6. Page 19: The address of the mortgagee should be Royston Lumber Company Limited, care of Frederick Field, Controller, Royal Bank Building, Vancouver, B. C.

Re: Sales Agreement

1. The following properties of the Company do not appear in this agreement:

Blocks 410 and 411 Nelson District; Lots 5, 6 and 7
Block "C", Section 61, Comox District.

We presume that these should be added.

2. Page 5, paragraph 3C: We consider the vendors liability for a breach of warranty should be restricted to the valuation placed upon the particular item of equipment as set out in the valuation of the equipment of the Company as made by Galbraith and Company.

NAME Royston Lumber Company Ltd. formerly Inv. Properties Ltd. | NO. 58958

Memorandum regarding discussion of the affairs of

Royston Lumber Company Limited

held on Tuesday, the 23rd March, 1943.

PRESENT:

Mr. G. W. McPherson	Authorized Deputy of the Secretary of State
Mr. F. G. Shears	Acting Director
Mr. K. W. Wright	Counsel
Messrs. Frederick Field and R. F. Wray	Representing P. S. Ross & Sons

Messrs. P. S. Ross & Sons reported that matters were proceeding actively toward the completion of the sale to Mr. Arthur Stekl for the price of $202,000.00. Agreements covering the sale are being settled between Messrs. Locke, Lane, Guild & Sheppard for the controller, and Messrs. Grossman, Holland & Co. on behalf of Mr. Stekl. As soon as these documents are agreed to and approved by the Custodian's office, the transfer of the physical assets involved will take place.

NAME Royston Lumber Company Ltd. formerly Mr. Frederick's file J.44. | NO. 58958

944

506 Royal Bank Building,
Vancouver, B.C.

18th March, 1943.

Dr. E. H. Coleman,K.C.,
Under Secretary of State of Canada,
West Block,
Ottawa, Ontario.

Dear Dr. Coleman:

Re: Royston Lumber Company Limited.

I duscussed this matter with Mr. Shears and Mr. Field and have ascertained that the reason for the delay in completing the sale (in accordance with the terms of the advertisement) is due to the fact that Mr. Sheppard, who was preparing the legal documents, has been East.

I understand from Mr. Field that Mr. Sheppard has returned and the matter is being completed immediately.

Yours very truly,

G. W. McPherson.

GWMcP/PMH

NAME Royston Lumber Company Ltd. formerly Mr. Theodore's file 944

NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B. C.

15th March, 1943.

Our file 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sirs:

Re: Royston Lumber Company Limited and
Keiji Minato, registration No. 06264

We attach hereto a letter received from the above person dated March 12th. As he is concerned about certain of his personal effects we are forwarding his letter on to you for reply.

The assets of the Royston Lumber Company Limited have been sold, and it is expected that the purchaser will take delivery within the next week or so. The purchaser has agreed that any personal effects may be stored in one building on the property.

Yours faithfully,

A. L. Carlisle.

NAME Royston Lumber Company Ltd. formerly Mrs. Thorkelsson's file J.44. | NO. 58958

Grindrod, B. C.
March 12th, 1943.

Mr. Frederick Field,
Vancouver, B. C.

Dear Sir:

I see by the Cumberland paper "The New Canadian" that the Royston Sawmill is sold. As I am a shareholder in this I am interested to know if this is correct. I haven't had any other notification of this so would be glad if you could let me know what it was sold for and when, as I would have arrangements to make regarding my personal effects there.

Hoping to hear from you at an early date.

Thanking you,

Yours truly,
"Keiji Minato".
No. 06264

copy

NAME Royston Lumber Company Ltd.
Formerly Mr. Frederick Field file #.44.
NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B.C.

15th March, 1943.

Our file 295-144

Office of the Custodian,
Japanese Evacuation Section,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. A. McAlister,
Claims Department

Dear Sirs:

Re: Royston Lumber Company Limited

Referring to your letter of February 11th, we would now advise you that it would appear that I. Hori, M. Tsumura, and N. Nakayama are either deceased, addresses not known or resident of enemy territory. We, therefore, are adding their balances to the "Enemy Debt" of the above Company, and you may consider your file closed in this matter.

Yours faithfully,

O. S. Rowland.

NAME Royston Lumber Company Ltd.
formerly Mr. Tsutomu Hori's file #.44.

NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B.C.

15th March, 1943.

Our file 295-144

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears,
Acting Director

Dear Sirs:

Re: Royston Lumber Company Limited

In our report to you on the investigation of the above Company dated 23rd October, 1942 we attached a balance sheet as at 31st March, 1942, wherein trade and general accounts payable amounted to $10,518.75. The following three accounts were included therein, and we have just been advised of their present addresses by Mr. G. K. Uchiyama, the former manager of the Company:

Inosake Hori Formerly resident of Japan now deceased.	58.46
M. Tsumura Address not known.	1.75
Naojiro Nakayama Resident in Japan.	70.40
	$ 130.61

It would appear, therefore, that this amount of $130.61 should be added to the "Enemy Debt" of the above Company.

Yours faithfully,

P. S. Ross & Sons.

NAME Royston Lumber Company Ltd.
formerly Inn. Thejoteramis file J.44.

NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B. C.

25th February, 1943.

Our file 295-144

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sir:

Re: Royston Lumber Company Limited and
Deep Bay Logging Company Limited

With reference to the item appearing in the local newspapers last night and today about the sale of the Royston Lumber Company Limited to Arthur Stekl, we have been unable to ascertain the source of this information, and from our recent discussions with Mr. Stekl he appeared to be adverse to any publicity in this matter.

As discussed with you yesterday our policy is to make absolutely no statements to the papers, and any cases of this nature have been referred to your office.

In your absence today we advised the Vancouver Sun that the Deep Bay Logging Company Limited had not been sold, and they agreed to print a retraction. The Province made no mention of the Deep Bay Logging Company Limited.

Yours faithfully,

O. S. Rowland

file

NAME Royston Lumber Company Ltd. formerly Inv. Protection file 9.44.

NO. 58958

VANCOUVER PROVINCE, FEBRUARY 22, 1943

Reported Alaska Pine Purchase Was In Error

Reports, originating on Vancouver Island and published on Saturday, to the effect that interests associated with Alaska Pine Co. had purchased the assets of the Royston Lumber Co. and Deep Bay Logging Co., were incorrect, The Vancouver Daily Province is informed today.

The Royston company was formerly operated by Japanese.

NAME Royston Lumber Company Ltd.
formerly Imp. Properties prior to 1944.
NO. 58958

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

J-44

February 18, 1943.

Messrs. P. S. Ross & Sons,
Royal Bank Building,
Montreal, Quebec.

Attention: Mr. Gates.

Dear Mr. Gates:

Re: Royston Lumber Company Ltd.

Attached hereto for your information is a copy of a letter addressed to Mr. Shears under date of February 18th and concerning Mr. Stekl's offer for the above company.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

NAME Royston Lumber Company Ltd. | NO. 58958

Summerly Inv. Prospectus file J-44.

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

J-44

February 18, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Company Ltd.

I received your telegram today as follows:

"Re Royston Stekl wishes warranty of title to machinery and equipment stop reason being to protect himself against claims of third persons stop we believe agreement to indemnify him for specific amounts as determined our valuation in event third persons claim ownership will suffice stop stekl also offers to forego warranty if we accept cash with discount of five to ten percent stop his offer contains right to prepay or interest at five percent stop therefore do not consider discount should exceed two percent stop this would eliminate our future administration expense estimated at three thousand stop please wire your views in foregoing."

After discussing your telegram with Dr. Coleman and Mr. Gates, who happened to be in my office, I telephoned you and I now wish to confirm the telephone conversation.

The Custodian does consider that where an offer to purchase is received the offer should either be accepted or rejected as it stands and no subsequent negotiations should be carried on to vary the terms of such offer. In the case of Mr. Stekl it appears that he is adopting the very questionable tactics of trying to trade after he has made an offer and these tactics are not appreciated. I, therefore, advised you that unless Mr. Stekl complies to the letter with his offer within such limited time as you may approve, and I suggested 10 o'clock Saturday morning, the

NAME Royston Lumber Company Ltd. formerly Mr. Stekl's file J-44.

NO. 58958

cheque should be return to him and he should be advised that his offer has been rejected. The Custodian insists that in any discussion with Mr. Stekl it is clearly understood that the agreement for sale will contain a provision that the timber limits must be operated immediately and continuously. You will also require the personal guarantee of Mr. Stekl that the payments of $4.00 per thousand feet are on the basis of logs cut as stated in his offer of December 16th and have nothing whatever to do with the question of manufacturing lumber. The Custodian will not give any warranty as to title other than such warranty as may be approved of by Messrs. Locke, Lane, Guild and Sheppard.

I note in your telegram that you refer to the question of Mr. Stekl paying the purchase price in cash and that you consider that a discount of 2% might be reasonable in view of the fact that this would approximate the administration charges which would be incurred by the liquidator over the period if payment is on a term basis. When I was talking to you on the telephone I did not have time to confirm the 2% discount but I am sure that the Deputy Custodian will approve of my agreeing to this discount in view of the advantages resulting and particularly in view of the fact that Mr. Gates of Messrs. P. S. Ross and Sons, Montreal, recommends such a discount.

I also advised you that you can take a very strong attitude with Mr. Stekl and his solicitor and if he is not prepared to meet the conditions the Custodian will approve of your actions in returning his cheque.

Yours very sincerely,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

NAME Royston Lumber Company Ltd.
formerly Wm. Stephenson's file #.44.
NO. 58958

FORM 6125

CLASS OF SERVICE	SYMBOL
Full-Rate Message	—
Day Letter	D L
Night Message	N M
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN TELE

D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ON.

CNT 6296 5-36

CONFIRMATION OF TELEGRAM

Telephoned

TO BE O'Connor Allan

...e Connection with ...ERN UNION ...GRAPH CO. ...le Service the World Transferred ... Telegraph

STANDARD TIME

MOB31 103 DL=VANCOUVER BC 16 1212P

G W MCPHERSON, EXECUTIVE ASSISTANT=(

698 OFFICE OF THE CUSTODIAN DEPARTMENT OF THE SECRETARY OF STATE OTTAWA ONT=

RE ROYSTON STEKL WISHES WARRANTY OF TITLE TO MACHINERY AND EQUIPMENT STOP REASON BEING TO PROTECT HIMSELF AGAINST CLAIMS OF THIRD PERSONS STOP WE BELIEVE AGREEMENT TO INDEMNIFY HIM FOR SPECIFIC AMOUNTS AS DETERMINED OUR VALUATION IN EVENT THIRD PERSONS CLAIM OWNERSHIP WILL SUFFICE STOP STEKL ALSO OFFERS TO FOREGO WARRANTY IF WE ACCEPT CASH WITH DISCOUNT OF FIVE TO TEN PERCENT STOP HIS OFFER CONTAINS RIGHT TO PREPAY OR INTEREST AT FIVE PERCENT STOP THEREFORE DO NOT CONSIDER DISCOUNT SHOULD EXCEED TWO PERCENT STOP THIS WOULD ELIMINATE OUR FUTURE ADMINISTRATION EXPENSE ESTIMATED AT THREE THOUSAND STOP PLEASE WIRE YOUR VIEWS IN FOREGOING=

F G SHEARS.

NAME Royston Lumber Company Ltd. formerly Inn. Shipbuilding Co. Ltd. NO. 58958

J-44

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

February 18, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Company Ltd. and
Mr. Spinks

I have a copy of P. S. Ross & Sons' letter of February 12th, addressed to you and referring to the above matter.

I do not think the Custodian would approve of Mr. Spinks commencing legal action to collect these debts at the present time but I think the names of the debtors should be carefully reviewed by yourself and Mr. Field and you may find that a letter from the Custodian's office may have more effect than one from Mr. Spinks.

No information is given as to the amount of commission charged by Mr. Spinks on collections but if the Custodian collects the monies it is clearly understood that Mr. Spinks would not be entitled to the commission.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

NAME Royston Lumber Company Ltd. formerly Jno. Thistlethwaite file J-44 | NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B.C.

12th February, 1943.

Our file 295-144

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sir:

Re: Royston Lumber Company Limited

Referring to our report to you under date of 23rd October, 1942, wherein we advised you Mr. N. W. Spink had not reported to us on the accounts receivable of the above Company placed in his hands by Mr. G. K. Uchiyama for collection, we would now advise you that this statement has been received made up to the 31st December, 1942, and shows that Mr. Spink has collected the sum of $1,641.44 for the period ending that date.

The balance of accounts amounting to $11,474.81 he advises us include statute barred debts in the sum of $1,468.58, and disputed accounts amounting to $31.37 leaving a balance of $9,974.86 that are possibly collectible.

In Mr. Spinks opinion there are a number of these accounts which are not collectible unless action is taken, and he requests the authority to proceed with Court actions after giving the debtors due notice. As the list of debtors includes approximately two hundred names, we, of course, would not recommend taking such action in the accounts of only a nominal amount, but we hesitated to advise Mr. Spink to proceed without your consent.

Yours faithfully,

P. S. Ross & Sons

NAME Royston Lumber Company Ltd. formerly Inn. Shipbuilders file 295-144 NO. 58958

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

February 18, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Company Limited

I have your letter of February 16th and wish to thank you for same. I have discussed this matter with you over the telephone and would appreciate hearing what ultimate disposition is made.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

NAME Royston Lumber Company Ltd.
formerly Inn. Properties file #.44.

NO. 58958

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

February 17, 1943.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Bldg.,
Vancouver, B. C.

Dear Mr. Shears:

Re: Royston Lumber Company Ltd.

I have a copy of P.S. Ross & Sons' letter of February 1st, addressed to you, together with the enclosure. I hope P. S. Ross & Sons will stand out for the points made in their letter dated February 1st to Locke, Lane, Guild and Sheppard.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP:FC.

NAME Royston Lumber Company Ltd.
formerly Inn. The Ottawa file J.44.

NO. 58958

VIA AIR MAIL

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. 147

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

16th February, 1943.

Your Ref. - Legal Section

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson,

Re: Royston Lumber Company Limited.

I am not sure if a copy of Messrs. P.S. Ross & Sons' letter of February 13th has been sent to you so we are enclosing a copy herein, together with copy of a letter from Messrs. Locke, Lane, Guild & Sheppard to Frederick Field & Company.

We have to-day wired you as follows:

"RE ROYSTON STEKL WISHES WARRANTY OF TITLE TO MACHINERY AND EQUIPMENT STOP REASON BEING TO PROTECT HIMSELF AGAINST CLAIMS OF THIRD PERSONS STOP WE BELIEVE AGREEMENT TO INDEMNIFY HIM FOR SPECIFIC AMOUNTS HAS DETERMINED OUR VALUATION IN EVENT THIRD PERSONS CLAIM OWNERSHIP WILL SUFFICE STOP STEKL ALSO OFFERS TO FOREGO WARRANTY IF WE ACCEPT CASH WITH DISCOUNT OF FIVE TO TEN PERCENT STOP HIS OFFER CONTAINS RIGHT TO PREPAY OR INTEREST AT FIVE PERCENT STOP THEREFORE DO NOT CONSIDER DISCOUNT SHOULD EXCEED TWO PERCENT STOP THIS WOULD ELIMINATE OUR FUTURE ADMINISTRATION EXPENSE ESTIMATED AT THREE THOUSAND STOP PLEASE WIRE YOUR VIEWS IN FOREGOING"

I appreciate the value of our policy by which we offer assets for sale without any warranty so that we avoid any liability for failure to give good title. It does appear to me, however, that the purchaser has a right to be protected to the extent of receiving the assets purchased or being entitled to an adjustment for same if a claim is maintained to ownership by a third person.

NAME Royston Lumber Company Ltd. formerly Sm. Thompson's file J.44.

NO. 58958

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. 147

G.W. McPherson Esq.

With regard to the suggestion that Stekl might wish to pay the purchase price in full for cash, Mr. Wray asked Mr. Sheppard what Grossman & Company, on behalf of Stekl, might have in mind.

Mr. Sheppard 'phoned me while Mr. Wray was in my office and mentioned a discount of 5% to 10%. We told him that such a discount could not be entertained. Strictly speaking Stekl's offer was on a basis of value for cash and terms were allowed by the additional charge of 5% interest.

According to Mr. Wray there will be costs during the next two or three years by way of supervision of logging operations and examining records etc. which might cost $1,000.00 or so and we thought that a rebate say $2,000.00, or up to 2% of the purchase price might be allowed in order to clean up the whole matter.

On the other hand, the deal as originally proposed from an investment point of view would be satisfactory in that it would return 5% of the amounts outstanding.

However, we are hoping to have had some reply from you in regard to these matters which will be a guidance for us should any definite offer be made by Stekl.

Yours very truly,

F.G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

NAME Boyston Lumber Company Ltd.
formerly Wm. McPherson's file G.44.

NO. 58958

Copy for Mr. F. G. Shears

- 2 -

F. G. Shears, Esq., 13th February, 1943.

Vancouver, B. C.

13th February, 1943.

Our file 295-144

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sir:

Re: Royston Lumber Company Limited

Referring to our letter of February 1st, we would now advise you that the various points between ourselves and Mr. Stekl have been agreed to by Mr. Stekl, with the exception of the matter of the warranty of title to the assets.

We attach hereto a copy of a letter received from Locke, Lane, Guild and Sheppard, wherein it would appear that Mr. Sheppard is of the opinion that there is no particular objection to giving this warranty of title. In view of the policy of the Custodian we are not inclined to do so, but we do feel that Mr. Stekl's stand in this matter is reasonable.

His concern is that the books of the Company do not contain sufficient information to insure that the Company is the owner of all the equipment on the property. He is of the opinion, and we are inclined to agree, that it is possible that some third person may come forward and prove to be the owner of certain items of equipment. We understand from Mr. Sheppard that the fact that the creditors of the Company have been circularized and an advertisement placed in newspapers requesting proofs of debt to be filed does not preclude any such persons having a valid claim to remove machinery owned by them.

In view of this we do not feel it is necessary to give a warranty of title, but consider if we agree to put a clause in the agreement whereby Mr. Stekl will be indemnified in the event that certain machinery on the property is not owned by the Company, that Mr. Stekl will be satisfied. This matter can be limited to the value placed on specific items of the equipment in the independent valuation we have had made on the Company's equipment.

NAME Royston Lumber Company Ltd. formerly Inv. Properties file 295-44

NO. 58958

. Shears, Esq.,
couver, B. C. 13th February, 1943.

In view of the Custodian's policy we are hesitant to agree to this indemnity without your consent, therefore, your views herein will be appreciated.

Yours faithfully,

O. L. Ross Sons

Enclosure.

NAME Royston Lumber Company Ltd.
Formerly Sun Progressive file 0.44.
NO. 58958

LOCKE LANE GUILD AND SHEPPARD

703 Rogers Building

Vancouver, B. C.

February 9th, 1943

Frederick Field & Company,
Royal Bank Building,
675 West Hastings Street,
Vancouver, B. C.

Dear Sirs:-

Re: The Royston Lumber Company, your file No. 295-144

We have informed Messrs. Grossman & Company on your behalf that the offer of Arthur Stekl would be acceptable in the event of certain other matters being arranged. Over these items there was some objection on the part of Mr. Gorssman acting for Mr. Stekl but after the meeting of Mr. Field, Mr. Wray, and Mr. Grossman, Mr. Stekl and his Solicitor have agreed upon the following demands:-

1. That the Agreement for Purchase would include a covenant for immediate and continuous operation, subject to circumstances beyond the control of the Purchaser.

2. Stumpage will be paid as the logs are cut, irrespective of the marketing or manufacturing.

3. Mr. Stekl will give his personal guarantee.

There remains to settle the issue of the warranty of title. There is no doubt that your published offer being for the sale of the interests of this Company would preclude warranty of title of any particular asset. Mr. Stekl is insisting upon warranty of title by the Royston Lumber Company as Vendor for the reason that if he were to pay his purchase monies he would still be left open to a claim by third persons that particular assets which Stekl had valued to include in the purchase were not the property of the Company, and therefore, Stekl could not be assured of receiving the benefit of the assets which he is valuing and paying for. We are of the opinion that Mr. Stekl has good grounds

NAME Royston Lumber Company Ltd. formerly Mr. Stekl's file #.44. NO. 58958

for this objection and for his insistence upon warranty of title. There is no doubt that in making up his offer he would do so on the basis that he is to receive certain assets and on the value of these assets he fixes the price which he is prepared to pay, and unless he does receive those certain assets then he is paying for something he does not receive. Warranty of title by the Company would permit him to claim damages to the extent of any particular asset in respect of which title proved defective: that is in damages to the value of that asset, and that claim in damages could be offset by Stekl against future payments accruing under the agreement. We do not consider this warranty of title to constitute an onerous obligation for the Vendor for the following reasons:-

1. The warranty of title in respect of the real property would amount to a merely nominal obligation because the Agreement of Sale will be completed by a conveyance in fee simple and when that fee simple is vested in the Purchaser then the title becomes indefeasible except in case of fraud. There can be no suggestion of fraud in the sale or purchase of these assets, therefore, substantially for all purposes the warranty of title of the real property will cease with the conveyance. Warranty of title in respect of the chattels will continue but that warranty is subject to the following limitations.

   (a) Under the warranty the purchaser would recover the value of the asset in respect of which title proved defective.

   (b) The title of the Purchaser would become invalid in any event by the expiration of six years adverse possession. That is, third persons could not claim beyond that period. The possession of the Royston Lumber Company could be added to the possession of the purchaser in computing this six years. It is, therefore, evident that liability under that covenant is limited in time.

   (c) The covenant will be given by the Royston Lumber Company, the Vendor, and we would anticipate that the effective period of that warranty would not extend beyond that period of deferred payments, therefore it would be no obstacle in winding up the Company.

On the whole, therefore, we agree with Mr. Stekl's contention that he is not buying a mere chance to get assets but on the contrary he is buying specific assets and therefore he should have his remedy in the event of those assets not being provided him.

Yours truly,
LOCKE IANE GUILD & SHEPPARD
Per FS.

NAME Royston Lumber Company Ltd. formerly Mr. Stekl's file #444.

NO. 58958

VIA AIR MAIL

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. 147

506 Royal Bank Building,
Vancouver, B.C.

12th February, 1943.

OFFICE OF THE CUSTODIAN RECEIVED FEB 15 1943 PASS TO..... TRANSFER TO..... ANSWER

Your Ref. - Legal Section

11/

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson,

Re: Royston Lumber Company Limited.

Replying to your letter of the 4th instant.

Thank you for pointing out the typographical error on page 5 of Messrs. P.S. Ross & Sons' Report where reference is made to March 1943. This will be corrected.

I have advised Mr. Field of your comments in connection with the danger of any negotiations subsequent to tenders being received and this is fully understood.

I should say that this matter was discussed between Mr. Field, Mr. Wray and myself.

With regard to the Stekl offer, the only negotiations carried on after the tender was received was purely along the lines of terms and conditions.

In connection with the clarification of the H.R. McMillan offer, our own thought in regard to this was that it was a definite change in the intent of their offer, but under either interpretation it was not given favourable consideration. We thought that in the event of any unforseen obstacle arising in the completion of negotiations with Stekl, the clarification of McMillan's offer provided a better second string to our bow.

However, your concern in regard to the danger of any subsequent change in tenders is appreciated and will be kept strictly in mind.

Yours very truly,

F. G. Shears,
Acting Director.

FGS/PMH

NAME Royston Lumber Company Ltd. formerly Inn. Registered file J.44.

NO. 58958

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

506 Royal Bank Building,
Vancouver, B.C.

8th February, 1943.

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE
PLEASE REFER TO
FILE No. 147

OFFICE OF THE CUSTODIAN
RECEIVED
FEB 15 1943
FILE TO.....
TRANSFER TO.....
ACTION | FILE

Your Ref. - Legal Section

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson,

Re: Royston Lumber Company Limited.

On January 29th we forwarded to you Messrs. P.S. Ross & Sons' Report of investigation.

We have now received from them a map showing a plan of the logging operations. This is enclosed in order that you may attach it to your file.

Yours very truly,

F. G. Shears

F. G. Shears,
Acting Director.

FGS/PMH
encl.

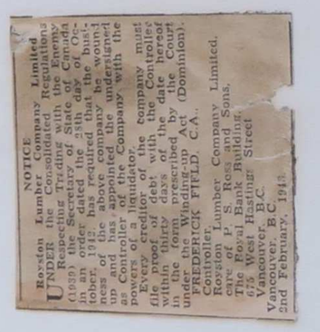
file

NAME Royston Lumber Company Ltd.
formerly Mr. Mcpherson's file J.44.
NO. 58958

NAME Royston Lumber Company Ltd. | NO. 58958

Formerly Mr. McPherson's file J.44.

Vancouver Sun - February 4, 1943.



NOTICE
Royston Lumber Company Limited
UNDER the Consolidated Regulations Respecting Trading with the Enemy (1939) the Secretary of State of Canada has required that the above company be wound up and has appointed the undersigned as Custodian of the Company with the powers of a liquidator.
Every creditor of the company must file proof of debt with the Custodian within fifty days of the date hereof in the form prescribed by the Court under the Winding-up Act (Dominion).
FREDERICK FIELD, C.A.
Custodian
Royston Lumber Company Limited.
care of P. S. Ross and Sons,
The Royal Bank Building,
626 West Hastings Street,
Vancouver, B.C.
2nd February, 1943.

Victoria Building,
7 O'Connor Street,
Ottawa, Canada.

Legal Section
GWM/DI

4th February, 1943.

Dear Mr. Shears:-

Re: Royston Lumber Company Limited

I have your letter of January 26th, enclosing a report of P. S. Ross and Sons, dealing with the tenders received for the above Company's assets.

I would point out that there is a typographical error on Page 5 of the report, where reference is made to March, 1943.

It appears from the report, that subsequent to the receipt of tenders, negotiations were carried on with the parties tendering, and this is a dangerous practice, which I trust Mr. Field will avoid in the future.

Yours very truly,

G. W. McPHERSON,
Executive Assistant.

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

NAME Royston Lumber Company Ltd.
formerly Inn. Protection's file #.444.
NO. 58958

LOCKE, LANE, GUILD & SHEPPARD
Barristers & Solicitors

703 Rogers Building

COPY

Vancouver, B. C.
January 29th, 1943.

P. S. Ross & Sons,
Royal Bank Bldg.,
Vancouver, B. C.

Dear Sirs:

Re - The Royston Lumber Company Limited -
Your file 295-144

We interviewed Mr. Gorssman of Grossman, Holland & Company on the 28th instant pursuant to our letter of the 26th instant when we informed Mr. Stekl that his offer was accepted subject to certain other terms being settled between the parties. Mr. Grossman's comments are as follows:

1. We required immediate and continuous operations to be a term of the agreement to purchase. That is referred to as one of the reasons in Mr. McPherson's authority to Mr. Field. Mr. Grossman objects to this term. He offers the undertaking of the purchasers to pay $40,000 per year irrespective of production. That is, the purchasers will pay at the rate of $4.00 per thousand feet with an undertaking to pay at least $40,000 per year. The $4.00 per thousand he stipulates shall be not on the logs cut but on the lumber which is produced through the mill and logs from the limits. The distinction is that the $4.00 will not accrue until manufacture or sale.

2. We had stipulated that the Company to be formed should be supplied with sufficient working capital. From Grossman we understand that the proposed plan is to form a holding company consisting of two brothers of the name of Stekl and their respective wives; this Company will be the purchaser. Subsidiary companies will be formed to operate the sawmill and for carrying on the logging operations. The capital will, therefore, be in these two subsidiary companies: the original purchasing company will presumable have no assets. Mr. Grossman offers the guarantee of these two subsidiary companies.

NAME Royston Lumber Company Ltd. formerly Sm. Shepherson's file J.44. NO. 58958

P. S. Ross & Sons.

3. We demanded that the Controller have the right of inspection. That is agreed upon.

4. The Company should carry full insurance on felled and cold-decked logs and equipment. That is agreed upon.

5. Demand of personal guarantee by Stekl. This was refused for the assigned reason that the initial payment coupled with a debenture should constitute adequate security to the Vendor and from Stekl's point of view his personal guarantee may seriously affect his credit so as to preclude his financing other operations.

6. On your instructions we informed Grossman that the basis of the sale be the assets of the Royston Company without warranty as to the ownership of the particular assets on the premises, but as to this the purchaser must take his chance. We appreciate that there would be no difficulty in giving a warranty of the real property, in that title would determine the ownership. Mr. Grossman will not agree to a sale on this basis but will require that the particular assets which the purchaser is to obtain will be set out in an inventory with a warranty of title, that is of the Royston's right to convey. There need not be any warranty of encumbrance as this can be ascertained by the purchaser but there is demanded a description of the particular assets plus a warranty of the title to those particular assets.

7. As to the security there is no objection to any form which we may demand. You will remember that we suggested a debenture to operate as a specific charge on the real property, a floating charge on the assets generally. The equipment will probably be replaced from time to time, therefore a floating charge would be more appropriate in that a specific charge would offer some obstacle to the sale of equipment, and could attach generally only that equipment which is subsequently acquired.

We would be obliged for your instructions as to the points raised by Mr. Grossman.

Yours truly,

LOCKE, LANE, GUILD & SHEPPARD

Per:

NAME Royston Lumber Company Ltd. formerly Sm. Thompson's file J.44. NO. 58958

Vancouver, B. C.
1st February, 1943.

Our file 295-144

Messrs. Locke, Lane, Guild
and Sheppard,
Barristers and Solicitors,
703 Rogers Building,
Vancouver, B. C.

Attention Mr. Sheppard

Dear Sirs:

Re: Royston Lumber Company Limited

We have your letter of 29th January containing Mr. Grossmans comments relative to the conditions of our acceptance of Mr. Stekl's offer. We would reply as follows:-

Your Item 1. As the principal motive in selling the assets of the company against the owners wishes was to have the property in production as requested by the Assistant Timber Controller, this condition to our offer must stand. We, of course, could not object to the usual provision relieving Mr. Stekl in the event that circumstances beyond his control prevented operations.

We consider that as the principal asset of the company is standing timber, we should not allow the purchaser to cut and remove same without the stumpage payment.

Your Item 2. Without full particulars of the proposed set-up of these two companies, it is difficult to give our opinion in this matter. This will be influenced by what is finally done re "your Item 5".

Your Items 3, 4 and 7. We are pleased to note there will be no difficulty in these provisions.

Your Item 5. In receiving the tenders, due consideration was given to the responsibility of the various tenderers. The offer is made by Mr. Stekl personally and we have obtained bank references. We have another tender wherein there can be no doubt of the value of the covenant, and in a deal of this moment wherein terms are offered, the covenant for the payment of the balance,

NAME Royston Lumber Company Ltd. formerly Mr. Stekl's file #144
NO. 58958

Messrs. Locke, Lane, Guild
and Sheppard,
Vancouver, B. C.

1st February, 1943.

is in our opinion a substantial part of the consideration offered. Subject to your concurrence, we are of the opinion that our condition in this respect must stand.

Your Item 6. It is possible Mr. Grossman has not read the advertisement. We are particular in drafting these advertisements to avoid a warranty of title. We are prepared to give the purchaser all the assistance we can to ascertain the position of the titles, but we think you will agree that our obligation is not beyond this point.

In closing we would point out that if Mr. Stekl is not prepared to accept the conditions of the advertisement and your acceptance of his offer, you should consider whether or not he is in default. If we are so advised by you the matter of retaining his deposit will have to be considered.

Yours faithfully,

NAME Protestant Trustee Company Ltd. formerly Mtn. Protestant Pub. Co. Ltd. NO. 58958

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE
PLEASE REFER TO
FILE No. 147

506 Royal Bank Building,
Vancouver, B.C.

29th January, 1943.

G. W. McPherson Esq.,
Executive Assistant to the
Secretary of State of Canada,
Office of the Custodian,
Victoria Building,
Ottawa, Ont.

Dear Mr. McPherson,

Re: Royston Lumber Company Limited.

We recently sent you Messrs. P. S. Ross & Sons' Report on tenders received for the sale of the above Company's assets.

We do not appear to have sent you the report of their investigation and this is enclosed herein.

Yours truly,

F.G. Shears

F. G. Shears,
Acting Director.

FGS/PMH

encl.

NAME Royston Lumber Company Ltd.
formerly Wm. McKechnie Ltd. 4.44.
NO. 58958

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE
PLEASE REFER TO
FILE No. 147

506 Royal Bank Building,
Vancouver, B.C.
26th January, 1943.

Your Ref. - Legal Section

G.W. McPherson Esq.,
Office of the Custodian,
Victoria Building,
7 O'Connor Street,
Ottawa, Ont.

Dear Mr. McPherson,

Re: Royston Lumber Company Limited.

We have now received Messrs. P.S. Ross & Sons' Report on tenders received in response to an advertisement for the sale of the Royston Lumber Company Limited's assets.

Some clarification was made in regard to the two offers received. In the case of the H.R. MacMillan Export Co., Ltd., in addition to their offer of $150,000.00 they claimed to understand that they would also assume the responsibility for the amount of $38,000.00 still owing to the E. & N. Railway Co.

With regard to Arthur Stekl's offer, the arrangements for paying the balance was increased from $3.00 to $4.00 per thousand on the basis of not less than 10,000 feet per year with the interest on the deferred payments at 5% per annum.

On the basis that funds on hand would be worth 3% the report shows a schedule of comparison between the two offers received. The ultimate difference between the two offers being somewhat over $25,000.00.

As agreed upon when you were here in Vancouver, we have accepted Mr. Stekl's offer and have confirmed the same with Messrs. P.S. Ross & Sons.

Yours truly,

F G Shears

F. G. Shears,
Acting Director.

FGS/PMH

NAME Royston Lumber Company Ltd. (formerly Inv. Proprietaries Ltd.) NO. 58958

Copy for Mr. G. W. McPherson

Shears

Vancouver, B.C.

24th January, 1943.

Our file 295-144

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Dear Sir:

Re: The Poyston Lumber Company Limited

We attach hereto two copies of our report on the investigation of the above Company dated 23rd October, 1942, and released 15th January, 1943.

We also hand you a copy of our report on tenders received re sale of assets of the above.

Yours faithfully,

Enc.

NAME Poyston Lumber Company Ltd.
formerly Wm. Poyston's Ltd. 1944.
NO. 58958

Victoria Building,
7 O'Connor Street,
Ottawa, Canada.

Legal Section
GWM/DI

January 13th, 1943.

Dear Mr. Shears:-

Re: Royston Lumber Company Limited

I received a wire from P.S.Ross & Sons immediately after my return from the committee meeting yesterday, the wire reading as follows:

"Tenderers for Royston assets are pressing for decision . Can you indicate when we are to receive your instructions,"

and I replied as follows:

"Retel. Just received decision committee Cabinet approving sale. You may accept offer."

Would you please advise P.S.Ross & Sons, sending a copy of your letter, of advice to the Montreal office, that the Custodian has approved of the sale at the price of $202,000, in accordance with the highest tender received.

I do not appear to have a report from P.S. Ross & Sons dealing with the affairs of this company, but assume that your file nas their definite recommendation approving of the offer. As soon as you have a report, would you please let me have a copy of same.

Yours truly,

G. W. McPHERSON,
Authorized Deputy of the Secretary
of State and/or Custodian.

F.G.Shears, Esq.,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B.C.

NAME Royston Lumber Company Ltd. formerly Mr. Thompson's file J.444.

NO. 58958

Copy for Mr. G. W. McPherson

Vancouver, B. C.

11th January, 1943.

Our file 295-144

F. G. Shears, Esq.,
Acting Director,
Office of the Custodian,
912 Royal Bank Building,
Vancouver, B. C.

Dear Sir:

Re: The Royston Lumber Company Limited

For your information we attach hereto a copy of a wire we have forwarded to Mr. G. W. McPherson, Authorized Deputy of the Secretary of State and/or Custodian.

Yours faithfully,

Enclosure.

NAME Royston Lumber Company Ltd. formerly Am. Properties Ltd. | NO. 58958

COPY

11th January, 1943.

G. W. McPherson, Esq.,
Victoria Building,
Ottawa, Ontario.

TENDERERS FOR ROYSTON ASSETS ARE PRESSING FOR DECISION

STOP CAN YOU INDICATE WHEN WE ARE TO RECEIVE YOUR

INSTRUCTIONS

P. S. ROSS & SONS

COPY

NAME Royston Lumber Company Ltd.
formerly Mr. Robertson's file #.44.

NO. 58958

G. W. MCPHERSON ESQ.

Vancouver, B.C.

Our file 295-144

F. G. Shears Esq.,
Acting Director,
Office of Custodian,
Royal Bank Building,
Vancouver, B.C.

Dear Sir:

Re: Royston Lumber Company Limited.

We referred several accounts for our services for May to July inclusive, in the amount of $490.00 to Mr. Uchiyama, the former manager of the company, for his approval. We attach herewith a copy of his reply. It would appear he is willing to accept same providing such accounts should be paid by his company. Please advise us if you consider this sufficient to warrant issuing the cheque.

Yours faithfully,

Enclosure.

NAME Royston Lumber Company Ltd.
formerly Jim Thompson's file $.44.

NO. 58958

C O P Y

Minto City, B.C.
Jan. 2nd. 1943

Messrs. P. S. Ross & Sons
Royal Bank Bldg.
Vancouver, B.C.

Dear Sirs.

File 295-144

Thank you for referring your expenses bills on the services of controlling the our Company's affairs.

If the Custodian have been approved it should be final, as I am not in position to approve the same on the capacity of managing director of the Company, as I am not in clear who should be paid such expenses.

I herewith return 3 copies of bills

Yours truly

G. K. UCHIYAMA.

NAME Japanese Property Custodian Number Company Ltd. formerly Imp. Properties Ltd. No. 58958

Form 6102B

Exclusive Connection with WESTERN UNION TELEGRAPH CO.
Cable Service to all the World
Money Transferred by Telegraph

CANADIAN NATIONAL TELEGRAPHS

D. E. GALLOWAY, Assistant Vice-President, Toronto, Ont.

CLASS OF SERVICE DESIRED
FULL-RATE MESSAGE
DAY LETTER
NIGHT MESSAGE
NIGHT LETTER

PATRONS SHOULD MARK AN X OPPOSITE THE CLASS OF SERVICE DESIRED. OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to
Veuillez expedier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

Legal Section
GWM/DI

January 11, 1943.

P. S. ROSS AND SONS,
ROYAL BANK BUILDING,
VANCOUVER, B. C.

RETEL JUST RECEIVED DECISION COMMITTEE CABINET

APPROVING SALE STOP YOU MAY ACCEPT OFFER

G. M. McPHERSON

Charge to the Office of the
Custodian of Enemy Property,
7 O'Connor Street, Ottawa.

NAME Pacific Lumber Company Ltd.
formerly Wm. Mackenzie plus J. A. A.
NO. 58958

C.D. 1R

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W.D.NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL

1943 JAN 11 PM 2 17

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VANCOUVER BC 11 1101A

G W MCPHERSON 709

VICTORIA BLDG OTTAWA.

TENDERERS FOR ROYSTON ASSETS ARE PRESSING FOR DECISION STOP

CAN YOU INDICATE WHEN WE ARE TO RECEIVE YOUR INSTRUCTIONS

P S ROSS & SONS

NAME Royston Lumber Company Ltd.
formerly Dom. Shipbuilding Corp. Ltd.
NO. 58958

File #147

21st December, 1942.

MEMORANDUM

Re: Royston Lumber Co.

This Company has been advertised for sale. Tenders received and are under consideration.

The Evacuee shares were vested by Special Order and Mr. Field is the Liquidator.

It is hoped that the sale of this Company's assets are settled before I leave.

P.S. Ross & Sons' accounts should be charged against the Company since all of the work has definitely been done in the interests of the shareholders.

If none of the tenders are accepted, attempts will be made by the Liquidator to negotiate a private sale.

Mr. Uchiyama is the Attorney for all the shareholders and his approval to the sale should be obtained if possible.

Since this is an operation that is required in Canada's war effort, the opinion of the Evacuee should not necessarily govern if the Liquidator thinks a reasonable price is being obtained.

GWMcP/PMH

NAME Royston Lumber Company Ltd. formerly Wm. Thompson's file J.44.

NO. 58958

C O P Y

WHEREAS, by Order in Council Number P.C. 1665 dated the fourth day of March 1942 as amended by Order in Council Number P.C. 2483 dated the twenty seventh day of March 1942, the Custodian may order that all or any property whatsoever situated in any protected area of British Columbia belonging to any person of the Japanese race may for the purpose of protecting the interests of the owner or any other person, be vested in the Custodian;

AND WHEREAS, the ROYSTON LUMBER COMPANY LIMITED being duly incorporated under the laws of the Province of British Columbia has issued four hundred sixty shares of its common stock to the following persons:

Estate of K. Kaminishi
M. Iwasa
G.K. Uchiyama
Kinosuke Minato
Keiji Minato
S. Tomihiro

AND WHEREAS, it appears that the beneficiaries of the Estate of K. Kaminishi and all of the other shareholders are persons of the Japanese race.

AND WHEREAS it appears that the interests of the said persons and all the creditors of the said company should be protected.

NOW THEREFORE, the Secretary of State of Canada acting in his capacity as Custodian by his duly authorized Deputy GLENN WILLOUGHBY McPHERSON, hereby orders that the interests of:

Estate of K. Kaminishi
M. Iwasa
G.K. Uchiyama
Kinosuke Minato
Keiji Minato
S. Tomihiro

and any other persons of the Japanese race in the said company to be, and is hereby vested in the Custodian in accordance with the provisions of Order in Council Number P.C. 1665 dated the fourteenth day of March 1942 as amended by Order in Council Number P.C. 2483 dated the twenty-seventh day of March 1942.

DATED at Vancouver this 21st day of May 1942.

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

NAME Royston Lumber Company Ltd. formerly Mrs. Tsuteyasu Kie, J. 444.

NO. 58958

ATM

Ottawa, October 5, 1942.

Dear Mr. Neill,-

In my absence your letter of September 22nd was acknowledged and a report was obtained from Mr. McPherson, who is presently supervising in Vancouver the Custodian's operations relating to enemy property.

In the course of a telephone conversation relating to a number of problems, I mentioned the matter to Mr. McPherson. I communicate for your information the following excerpts from his report:

"This company is not an enemy company but is owned by evacuees, who, under the Order-in-Council were permitted to take their shares with them at the time of their evacuation. However, since it is a logging operation with a small sawmill and particularly in view of the fact that the Timber Controller is anxious to get lumber and logs, the company was seized and the mill put into operation.

The mill is what is known as a Jap. Mill, which means that it requires a great deal of hand labour, which is not available. There was a considerable supply of lumber on hand, which had to be re-sawed, and the manager who knows the sawmill business was placed in charge of the mill and is doing this work, co-operating closely with the Timber Controller.

The information available does indicate that there is about two million feet of logs in the bush and Messrs. P. S. Ross & Sons have been doing everything possible to locate people who would be interested in purchasing the company as a going concern. In view of the scarcity of labour, particularly in the logging industry, they have not been successful in finding anyone prepared to take it over.

While ---

A. W. Neill, Esq., M.P.,
Alberni, B.C.

NAME Japanese Lumber Company Ltd. formerly Mr. McPherson's file J.44.

NO. 58958

While Mr. McLeod might be able to operate the mill, it will require a Logging Company to take the logs out of the woods and I am informed by practical loggers that it is not practical to go into the bush for two million feet of logs unless the operation is going to be continued and this could only be done if the necessary labour was available. There are several reasons why people are not interested in this company as a milling operation, the principal one being that it is a Jap. Mill and another good reason being that it is a railroad operation with no water dump where the logs can be sorted to suit the mill. The mill cannot handle the larger logs, which have to be taken out by railroad.

I do not think that Mr. McLeod has been in touch with Messrs. P. S. Ross & Sons, but I am asking Mr. Wray of this firm to contact him immediately and see whether or not he would be interested in buying the operation."

When I have any further report I shall be glad to communicate with you again. In the meantime I hope P. S. Ross & Sons have been in touch with Mr. McLeod.

Yours sincerely,

E. H. COLEMAN
Under Secretary of State
and Deputy Custodian.

NAME Pacific Lumber Company Ltd.
Formerly Jap. Properties file J.44.
NO. 58958

VIA AIR MAIL

CANADA
DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. 147.

1942 OCT 1 AM 9:36

509-10 Royal Bank Building,
Vancouver, B.C.
September 28th, 1942.

Dr. E.H. Coleman, K.C.,
Under Secretary of State,
West Block,
OTTAWA, Ontario.

Re: Royston Lumber Co.Ltd.

Dear Doctor:

I have Mr. O'Meara's letter of September 25th, together with the enclosure, and wish to confirm the telephone conversation I had with you this morning.

This company is not an enemy company but is owned by evacuees, who, under the Order-in-Council were permitted to take their shares with them at the time of their evacuation. However, since it is a logging operation with a small sawmill and particularly in view of the fact that the Timber Controller is anxious to get lumber and logs, the company was seized and the mill put into operation.

The mill is what is known as a Jap. Mill, which means that it requires a great deal of hand labour, which is not available. There was a considerable supply of lumber on hand, which had to be re-sawed, and the manager who knows the sawmill business was placed in charge of the mill and is doing this work, co-operating closely with the Timber Controller.

The information available does indicate that there is about two million feet of logs in the bush and Messrs. P.S. Ross & Sons have been doing everything possible to locate people who would be interested in purchasing the company as a going concern. In view of the scarcity of labour, particularly in the logging industry, they have not been successful in finding anyone prepared to take it over.

NAME Royston Lumber Company Ltd. formerly Mr. Fredericks file D.44.

NO. 58958

While Mr. McLeod might be able to operate the mill, it will require a Logging Company to take the logs out of the woods and I am informed by practical loggers that it is not practical to go into the bush for two million feet of logs unless the operation is going to be continued and this could only be done if the necessary labour was available. There are several reasons why people are not interested in this company as a milling operation, the principal one being that it is a Jap. Mill and another good reason being that it is a railroad operation with no water dump where the logs can be sorted to suit the mill. The mill cannot handle the larger logs, which have to be taken out by railroad.

I do not think that Mr. McLeod has been in touch with Messrs. P.S. Ross & Sons, but I am asking Mr. Wray of this firm to contact him immediately and see whether or not he would be interested in buying the operation.

The Japanese as owners and the Custodian as Trustee would, I believe, be reluctant to rent a mill or logging operation, since experience has shown that equipment vanishes rapidly and property is not always logged to the best advantage. I would not recommend that the mill be leased, separately from the sale of the logging operation, but I will have Mr. Wray look into the matter thoroughly and will write you in due course.

Yours very truly,

G.W. McPHERSON.
Authorized Deputy of the Secretary
of State and/ or the Custodian.

GWMcP:HW.

NAME Japan Lumber Company Ltd.
formerly Mr. Fred Harris plus J. Ito.
NO. 58958

O'M:DC

AIR MAIL: Ottawa, September 25th, 1942.

Dear Mr. McPherson,

Attached is a copy of a letter which has been received in Doctor Coleman's absence from Mr. A.W. Neill, M.P., Alberni, British Columbia, and which you will find self-explanatory.

The Minister, when I brought the matter to his attention this morning, directed me to communicate the request to you for any comment which you might wish to submit for the Deputy Custodian's consideration upon his return. It would be appreciated if you would reply by air mail at your early convenience.

Yours very truly,

Encl.

(W.P.J. O'Meara)
Acting Under Secretary of State.

Glenn W. McPherson, Esq.,
Authorized Representative of the
Custodian of Enemy Property,
509-10 Royal Bank Building,
VANCOUVER, B.C.

A.W. Neill, Esq., M.P.,
ALBERNI, British Columbia.

NAME Registration Number Company Ltd. | NO. 58958
formerly Inv. Protection file J.44.

O'M:DC

AIR MAIL: Ottawa, September 25th, 1942.

Dear Mr. Neill,

In the absence of Doctor Coleman on official business I have your letter of the 22nd instant suggesting that Mr. S. McLeod, of Courtenay, whose mill recently burned down, be allowed to lease the premises of The Royston Lumber Company located near Royston on Vancouver Island, which you explain is now in the hands of the Custodian of Enemy Property.

By direction of the Minister, I have forwarded your request today to Mr. Glenn W. McPherson, Authorized Representative of the Custodian of Enemy Property, on the West Coast, for any comment which he may desire to submit for the Custodian's consideration. I have communicated with Mr. McPherson by air mail requesting that he similarly expedite his reply to the end that the matter may be given consideration by the Custodian at the earliest possible moment.

Yours very truly,

(W.P.J. O'Meara)
Acting Under Secretary of State.

A.W. Neill, Esq., M.P.,
ALBERNI, British Columbia.

NAME Royston Lumber Company Ltd. formerly Mr. McPherson's file S.44.

NO. 58958

House of Commons
Canada

AIRMAIL

Alberni, B. C.,
September 22nd, 1942.

Department of Secretary of State of CANADA
Companies
SEP 24 1942
Branch

E. H. Coleman, Esq., K.C.,
Deputy Custodian of Enemy Property,
Under-Secretary of State,
OTTAWA, Canada.

Dear Mr. Coleman:

The Royston Lumber Company located near Royston on Vancouver Island, was a Jap owned company and was taken over of course by your Department. I understand you have got a guardian in charge, in fact he has been doing some mill work, putting lumber through the planer to full urgent orders. I am told there is some two million feet of logs in the bush which will be rotting, and which should be cut up very soon. The mill had a capacity of something like 35,000 feet per day, and the lumber is urgently needed.

A reputable man named S. McLeod of Courtenay, recently had his mill burned down, and instead of rebuilding, which would need to have all kinds of priorities, I would suggest that he be allowed to lease this mill

NAME Royston Lumber Company Ltd.
formerly Sm. Inspectorate file J.44.
NO. 58958

and run it and at least dispose of these logs that are cut.
The lumber is badly needed and he is a valuable man.

Yours faithfully,

A. W. Neill.

NAME Pyatt Lumber Company Ltd. NO. 58958

347 / 35
11/3/43.

Royston Lumber Company Limited

Report on Winding-up

31st March, 1950

P. S. Ross & Sons
CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER

5895

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. Ross & Sons

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

MAJ. GEN. J. G. ROSS, C.M.G.,
J. W. ROSS, LL.D.,
S. R. CAMPBELL,
J. A. GRANT,
W. L. GATEHOUSE,
G. M. HAWTHORN,
I. A. ROSS,
H. I. ROSS,
G. M. SMITH,
G. E. HOULT,
S. B. PECKHAM,
W. G. JEPHCOTT,
H. S. HAWTHORNE,
F. E. H. GATES,
J. A. ROSS,
F. A. COFFEY,
G. G. HARRIS.

ROYAL BANK BUILDING
360 ST. JAMES STREET
MONTREAL, QUE.

31st March, 1950

Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

Attention: Mr. F. G. Shears, Director

Dear Sir:

re: Royston Lumber Company Limited

Under date of 9th July, 1948, we reported to you on the affairs of this company to 30th June. We now wish to advise that the company affairs have been completely wound up and submit our report and supporting exhibits as follows:

Exhibit "A" - Balance Sheet as at 30th June, 1948.

Exhibit "B" - Surplus Account for the period 31st December, 1943 to 27th March, 1950.

Exhibit "C" - Statement of Cash Receipts and Disbursements for the period 1st October, 1942 to 27th March, 1950.

Account receivable - G. B. Capes: Since our last report Mr. Capes has paid a total of $450.00 on account of his old indebtedness. After consultation with Mr. G. K. Uchiyama, the former manager of the company, it was decided that in order to complete the winding up it was in the interests of all concerned to advise Mr. Capes that the company was considering his account settled. We have on file under date of 22nd December, 1949 a letter from Mr. G. K. Uchiyama confirming the forgiveness of this debt. Mr. Capes has been advised of this decision.

NAME Royston Lumber Company Ltd. formerly Inv. Protection file S.446.

NO. 58958

Office of the Custodian,
Vancouver, B. C.

31st March, 1950

Distribution to shareholders: On 15th December, 1949 we made a further distribution to shareholders of $11,500.00. This along with previous advances made a total of $126,500.00 which has been accounted for as follows:

Shareholders	Shares	Total Distribution	Advances	Final Distribution
Keiji Minato	22	$ 6,110.12	$ 6,050.00	$ 60.12
Estate of Kannosuki Kaminishi	284	78,876.07	78,100.00	776.07
Matsutaro Iwasa	62	17,219.43	17,050.00	169.43
Kinosuki Minato	20	5,554.65	5,500.00	54.65
George K. Uchiyama	48	13,331.16	13,200.00	131.16
George K. Uchiyama (In trust)	2	555.46	550.00	5.46
Senichi Tomihiro	22	6,110.12	6,050.00	60.12
	460	$ 127,757.01	$ 126,500.00	$ 1,257.01

The foregoing represents a repayment of $277.73 per share on the original par value of $100.00. On 30th July, 1947 a P.C.1 claim was filed on this company showing a distributable surplus of $110,569.79. Taxes of $18,857.53 were paid on this amount and, consequently, all payments of surplus out of this company are tax free in the hands of the shareholders.

We have been advised by Mr. Uchiyama that Senichi Tomihiro has quit claimed his interest in the shares of the company and that Tomihiro's interest should be divided among the remaining shareholders. We have been unable to locate this document and, as a result, have made the distribution in the normal manner. Tomihiro's share should be held by your department until his status in the company is properly determined.

General: We have received clearances from the Unemployment Insurance Commission, the Workmen's Compensation Board and the taxation authorities in respect of both income and excess profits taxes. The final meeting of shareholders was held on 27th March, 1950 after which the

NAME Japanese Lumber Company Ltd. formerly Jap. Properties file #.44.
NO. 58958

Office of the Custodian,
Vancouver, B. C.

31st March, 1950

Liquidator's accounts were filed with the Registrar of Companies. At the expiration of three months the liquidation of the company should be complete.

We shall be pleased to furnish any additional information you require relative to the foregoing.

Yours faithfully,

P. D. Ross & Co.

Chartered Accountants

NAME Pyramid Lumber Company Ltd. formerly Inn. Mfg. Co. Ltd. | No. 58958

Exhibit "A"

Royston Lumber Company Limited

Balance Sheet

As at 30th June, 1948

A s s e t s

Cash		$ 13,060.76
Accounts receivable		
Trade and general	1,549.91	
Employees	1,128.93	
	2,678.84	
Deduct: Reserve for bad debts	2,678.84	-
		$ 13,060.76

Capital and Surplus

Capital		
Issued and fully paid		
460 shares of $100.00	$ 46,000.00	
Surplus	82,060.76	
	128,060.76	
Deduct: Distribution to shareholders	115,000.00	13,060.76
		$ 13,060.76

NAME Royston Lumber Company Ltd. Formerly Jno. Thompson's Sons Ltd.

NO. 58958

Exhibit "B"

Royston Lumber Company Limited

Surplus Account

For the period 31st December, 1943 to 27th March, 1950

Balance at credit 31st December, 1943			$ 34,151.92
Add: Interest re Somerset Limited		6,987.04	
Interest from victory bonds		11,484.33	
Accounts payable written off		1,917.02	
Bad debts recovered		2,260.00	
Premium on sale of bonds		3,581.25	
Reduction in bad debt reserve		2,321.16	28,550.80
			62,702.72
Deduct: Income taxes and interest thereon 1940 - 1941		27,435.39	
Legal expenses		2,778.90	
Custodian - fees		3,300.00	
- expenses		74.16	
Safekeeping expense re bonds		248.32	
Logging expense - 1942		128.08	
Bank commission and exchange		80.36	
Income tax specialists - fee		75.00	
Bad debts written off		329.09	
Storage of records		110.50	
Workmen's compensation final assessment		126.54	
Taxes on distribution of surplus to shareholders		18,857.53	
Miscellaneous expenses		16.59	53,560.46
			9,142.26
Add: Profit on realization of assets		75,743.50	
Deduct: Amount transferred re T. Iwasa equipment		5,000.00	
		70,743.50	
Recovery Courtney Native Sons Building Co. Ltd.		500.00	
Temporary account re timber written off		1,675.00	72,918.50
Balance at credit 30th June, 1948			82,060.76
Add: Bad debts recovered			450.00
			82,510.76
Deduct: Custodian - fees		600.00	
Legal fees		66.00	
Storage of records		87.75	753.75
Balance at credit 27th March, 1950			$ 81,757.01
Issued capital		46,000.00	
Surplus - as above		81,757.01	
Distribution to shareholders - per exhibit "C"			$ 127,757.01

NAME Royston Lumber Company Ltd. formerly Mr. Theodemus file J. 44.

NO. 58958

Exhibit "C"

Royston Lumber Company Limited

Statement of Cash Receipts and Disbursements

For the period 1st October, 1942 to 27th March, 1950

	1/10/42 to 31/12/43	1/1/44 to 31/10/45	1/11/45 to 27/3/50	Total
Receipts				
Cash on hand and in bank 1st October, 1942 $	22,892.94			22,892.94
Accounts receivable ($13,019.54 re lumber sales May to September 1942)	14,237.50	3.24	3,991.74	18,232.48
Bad debts recovered		1,460.00	1,250.00	2,710.00
Lumber sales	14,450.25			14,450.25
Premium U.S. funds	520.22			520.22
Rentals	124.00			124.00
Interest	524.79			524.79
Somerset Ltd. -				
Payments	95,650.00	103,800.00		199,450.00
Adjustments of taxes, insurance, etc.	1,881.93	5.00		1,886.93
Interest		6,987.04		6,987.04
Canadian Collieries				
Damage claim	1,325.00			1,325.00
Trespass claim		1,242.00		1,242.00
Courtney Golf Club shares	200.00			200.00
Courtney Native Sons Building Co. Ltd.		500.00		500.00
Interest from victory bonds		2,487.50	8,996.83	11,484.33
Income tax refund			2,000.00	2,000.00
Proceeds of sale of victory bonds			128,581.25	128,581.25
Sundries	72.64			72.64
	151,879.27	116,484.78	144,819.82	413,183.87
Disbursements				
Income taxes	2,000.00	27,435.39		29,435.39
Accounts payable				
Trade	54,993.24	135.61		55,128.85
Shareholders		20,592.79		20,592.79
Forestry Department				
Fire protection	3,023.16			3,023.16
Land taxes	8,508.49			8,508.49
Wages	6,246.94			6,246.94
Car switching and freight charges	251.97			251.97
Mill supplies and repairs	46.38			46.38
Truck and auto supplies	508.55			508.55
Logging supplies - 1942		128.08		128.08
Workmen's Compensation Board	109.91		126.54	236.45
CARRIED FORWARD $	75,688.64	48,291.87	126.54	124,107.05

NAME Royston Lumber Company Ltd. formerly Mr. Theotemis file 9.44.

NO. 58958

Exhibit "C" (Continued)

	1/10/42 to 31/12/43	1/1/44 to 31/10/45	1/11/45 to 27/3/50	Total
BROUGHT FORWARD	$ 75,688.64	48,291.87	126.54	124,107.05
Unemployment insurance	257.76			257.76
Telephone, telegraph, postage, stationery, exchange, etc.	299.35	80.36		379.71
Legal expense	179.75	2,584.44	260.46	3,024.65
Electric light	156.75			156.75
Surveys and plans	73.00			73.00
H. C. Airth expense - Board	660.00			660.00
Car mileage	313.60			313.60
Foreshore and ground rents	349.80			349.80
Advertising	230.60			230.60
Appraisal	684.31			684.31
Custodian Control	890.00			890.00
Liquidation	2,800.00	2,500.00	1,400.00	6,700.00
Liquidation expense	126.28	74.16		200.44
Safekeeping and storage	46.70	169.16	277.41	493.27
Income tax specialists		75.00		75.00
Victory bonds purchased	15,000.00	110,000.00		125,000.00
T. Iwasa			2,900.00	2,900.00
Distribution to share-holders			127,757.01	127,757.01
Taxes on distribution			18,857.53	18,857.53
Sundries	51.80	5.00	16.59	73.39
	97,808.34	163,779.99	151,595.54	413,183.87
Cash balance - 27th March, 1950				Nil

58958

7/3/43.

17/6/43

Royston Savings Association

Report as at 31st March, 1943.

P. S. Ross & Sons

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER

58958

MONTREAL, 360 ST. JAMES STREET
TORONTO, ROYAL BANK BUILDING
WINNIPEG, 607 ELECTRIC CHAMBERS
CALGARY, LANCASTER BUILDING
VANCOUVER, ROYAL BANK BUILDING

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. Ross & Sons

CHARTERED ACCOUNTANTS, TRUSTEES & LIQUIDATORS

BRIG. GEN. JAMES G. ROSS, C.M.G., C.A., F.C.A. (CAN.)
A. F. C. ROSS, C.A., F.C.A. (CAN.) F.S.A.A. (ENG.)
JOHN W. ROSS LL.D., C.A., F.C.A. (CAN.)
GORDON W. SCOTT, C.A.
S. R. CAMPBELL, C.A.
JOHN A. GRANT, C.A.
S. B. PECKHAM, C.A.
GUY E. HOULT, C.A.
W. L. GATEHOUSE, C.A.
W. G. JEPHCOTT, C.A.
H. S. HAWTHORNE, C.A.
F. E. H. GATES, C.A.
G. M. HAWTHORN, C.A.
IAN A. ROSS, C.A.
JOHN A. ROSS, C.A.

ROYAL BANK BUILDING
VANCOUVER, B.C.

31st March, 1943.

Office of the Custodian,
Japanese Evacuation Section,
Royal Bank Building,
Vancouver, B. C.

Attention: Mr. R. P. Alexander

Sirs:

Pursuant to your request we have made an examination of the records of the Royston Savings Association and attach hereto the following:

Exhibit "A" Balance Sheet as at 2nd April, 1942 and Statement of Operations for the period from 31st December, 1941 to 2nd April, 1942.

Exhibit "B" Details of Loans Receivable and showing Notes and Association Shares held as security.

Exhibit "C" Summary of Shares Issued showing distribution to shareholders in March and April, 1942.

The books of the Association show that it was formed in 1928. We are advised by Mr. H. G. Garrett, the Registrar of Companies, that the Association is not registered under the "Societies Act of the Province of British Columbia". We are, therefore, unable to ascertain the objects and rules and regulations, if any, governing the Association's operations.

The books of the Royston Savings Association would indicate it is an Association of employees of the Royston Lumber Company Limited. The employees subscribed for shares at five dollars ($5.00) per share and were, as funds were available, loaned money by the Association upon the security of their personal notes, endorsed by two guarantors, and the security of their share certificates.

58958

Office of the Custodian,
Vancouver, B. C.

31st March, 1943.

The following comments are considered pertinent to the exhibits attached hereto:

Exhibit "A": We understand the "Cash on Hand" amounting to sixty-seven dollars and seventy-six cents ($67.76) was located in a safe at the Company's offices and has been turned over to you.

Interest on the loans receivable would appear to have been entered in the Association's books when the loans were paid or renewal notes were issued. We have not accrued the interest on the loans receivable to 2nd April, 1942.

Exhibit "B": The books of the Company do not record the individual balances due re loans. The ledger account showing details of the loans and payments and the total of loans outstanding was analysed by us to ascertain the individual totals. In preparing the attached exhibit "B" we have assumed the following:

1. A debit balance of one hundred twenty-five dollars ($125.00) against G. Unimato and a credit balance in favor of K. Iwasa should be offset. This assumption was based on the fact that there were no notes or share certificates in the Association's files to secure an account of G. Unimato.

2. In February, 1930 a payment on account of outstanding loans of one hundred fifty dollars ($150.00) is recorded without any particulars of the person to receive credit for same. This has been applied to the balance owing the Association by G. K. Uchiyama, as the notes of this person would indicate this is the proper application.

Reference to exhibit "B" discloses that the following loans are partly or entirely unsecured by shares in the Association.

	Loan	Shares	Shortage
Matsubuchi, T. Okutaro Reg. 07381 FILE 4594	105.54	Nil	105.54
Nagano, Kumazo	64.75	Nil	64.75
Onizaki, Kenzaburo	302.50	125.00	177.50
Tsuyuki, Kaizo	400.00	Nil	400.00
Uchiyama, G. Kenroku	2,243.00	125.00	2,118.00
	$ 3,115.79	250.00	2,865.79

1

58958

Office of the Custodian,
Vancouver, B. C.

31st March, 1943.

The names of Matsubuchi, Nagano and Tsuyuki do not appear on the 1942 payroll records of the Royston Lumber Company Limited. We are advised that the following files in your office may identify Matsubuchi and Nagano.

Matsubuchi 4594
Nagano 7439 or 1064

We understand there are no files under the name of Tsuyuki that could be identified as possible former employees of the Company. We have written to Mr. Uchiyama for assistance in this matter.

Exhibit "C": You will note that this exhibit shows distributions or returns of capital investment were made to certain members during March and April, 1942.

General: In our opinion there is no reason to continue the operation of this Association.

Whether or not the members can be repaid the balance of the par value of their shares upon a liquidation of the Association will depend upon the collection of the unsecured loans. G. K. Uchiyama has sums of money due to him from the Royston Lumber Company Limited in excess of the amount he owes the Association. The collection of the remaining unsecured accounts would appear doubtful.

Recommendations: We would make the following recommendations:

1. The Association's affairs should be liquidated.

2. The collection of the loans receivable with interest to date should be proceeded with. If the debtors can not or will not pay their respective balances then their shares should be forfeited or the endorsers of their notes should be approached for payment.

3. When the loans receivable have been collected the funds can be distributed to the members.

5895A

Office of the Custodian,
Vancouver, B. C.

31st March, 1943.

We will be pleased to furnish any additional information that may be required in connection with the foregoing.

Yours faithfully,

P. S. Ross & Sons

Chartered Accountants.

58958

Exhibit "A"

Royston Savings Association
(Royston Lumber Co. Ltd. Employees)
Balance Sheet as at 2nd April, 1942

A s s e t s

Cash on hand	67.76
Loans Receivable (per schedule 1)	3,377.79
	$ 3,445.55

L i a b i l i t i e s

Capital Issued (per schedule 2)	3,180.15
Surplus per statement below	265.40
	$ 3,445.55

Statement of Operations
for the period from
31st December, 1941 to 2nd April, 1942

Interest		97.13
Operating allowance re 1941		20.00
		77.13
Surplus Account balance 31st December, 1941		221.89
		299.02
Less: Dividends paid February and March, 1942		33.62
Surplus Account as at 2nd April, 1942		$ 265.40

3377.79
- 3180.15
197.64
+ 67.76
265.40

58958

Royston Savings Association

Details of Loans Receivable

2nd April, 1942

Employee	Amount per Analysis Loan Account	Notes Held Date	Notes Held Face Amount	Paid Since		Security Held by Association	Total Shares in name of debtor No.	Total Shares in name of debtor Value
				78.00	2/4/42	8 shares	12	51.80
Doi, Kenichi	36.00	19/10/41	78.00					
		30/ 1/42	36.00			10 shares	25	84.00
Kato, Gentaro	25.00	30/12/41	20.00			10 shares		
		30/12/41	5.00					
Kobayashi, Genuro	125.00	8/ 9/41	8.00			2 shares	25	125.00
		16/ 9/41	5.00			2 shares		
		1/12/41	36.00	14.00	10/3/42			
		28/11/41	90.00			21 shares		
Kiyano, Shigeru	40.00	25/ 2/42	40.00			9 shares	25	90.15
		22/12/41	266.00	266.00	15/3/42			
		22/12/41	233.00	233.00	15/3/42			
Matsubuchi, Tokitaro	105.54	29/11/39	105.54				Nil	
Minato, T.	36.00	9/10/41	36.00			10 shares	25	90.15
Nagano, Kumazo	64.75	17/ 2/42	64.75				Nil	
Onizaki, Kanzaburo	302.50	22/12/41	180.00				25	125.00
		18/10/41	32.00			9 shares		
		30/ 1/42	40.00					
		18/ 2/42	22.00			8 shares		
		26/ 9/41	28.50			8 shares		
Tsuyuki, Kaizo	400.00	28/11/41	400.00				Nil	
Uchiyama, G. Kazuhiro	2,243.00	10/ 1/42	1,377.00				25	125.00
		10/ 1/42	720.00					
		9/11/41	146.00					
	$ 3,377.79							

97 shares
@$5 = $ 485.00

Royston Savings Association

Exhibit "C"

Summary of Shares Issued

Showing Distribution to Shareholders

in March and April, 1942

Name	Rec.	File	No. of Shares	Amount	Amount Paid March and April 1942	Balance
Anpi Monpei	06523	4613	25	125.00	36.90	88.10
Deguchi Tatsujiro	06212	6479	25	125.00	51.25	73.75
Doi Kenichi	06195	4852	12	60.00	8.20	51.80
Fujimoto Minoru	06267	4297	22	110.00	45.10	64.90
Fujimoto Sakae	06063	8264	3	15.00	6.15	8.85
Fujimoto Takaa	06201	4296	5	25.00	10.25	14.75
Fujimoto Takujuro	06263	4154	25	125.00	51.25	73.75
Fujioka Shinsaburo			3	15.00	6.15	8.85
Harafuji Saichi	06381	12335	25	125.00	51.25	73.75
Ishihara Atomatsu	n/a.	12350	25	125.00	51.25	73.75
Iwasa Totsumi	06392	4599	25	125.00	51.25	73.75
Kaiura Hideo	06268	8605	18	90.00	36.90	53.10
Kaiura Minoru	06371	4886	25	125.00	51.25	73.75
Kato Fred	06197	4996	25	125.00	51.25	73.75
Kato Guntaro	06259	11825	25	125.00	41.00	84.00
Kawada Shuichi	06388	12351	25	125.00	45.10	79.90
Kawaguchi Shigeo	06187	6456	25	125.00	51.25	73.75
Kawata Yoshitoshi	06203	11846	25	125.00	51.25	73.75
Kimura Tsunesaku	06380	4161	25	125.00	51.25	73.75
Kimura Tsuneyoshi	06200	4568	25	125.00	51.25	73.75
Kiyonaga Kiheiji	06362	8969	25	125.00	51.25	73.75
Kiyonaga Kitaji	06470	5045	21	105.00	43.05	61.95
Kiyonaga Shoji	06364	7599	20	100.00	41.00	59.00
Kiyonaga Shokichi	06483	7499	2	10.00	4.10	5.90
Kiyonaga Shori	06377	8106	25	125.00	51.25	73.75
Kiyono Shigeru	06225	6492	25	125.00	34.85	90.15
Kiyono Tokiji	09281	4677	10	50.00	20.50	29.50
Kobayakawa Masao	06228	4952	25	125.00	51.25	73.75
Kobayashi Genwo	06265	4298	25	125.00		125.00
Kojima Kenzo	06385	11828	18	90.00	36.90	53.10
Kumabe Masayaki	06471	6490	25	125.00	51.25	73.75
Minato Keiji	06264	5066	25	125.00	20.50	104.50
Minato Kinosuke	06224	4851	25	125.00	20.50	104.50
Minato Toshio	06191	12339	25	125.00	34.85	90.15
Miyahara Suyematsu	06279	4020	25	125.00	51.25	73.75
Miyahara Walter Masato	06198 ?	8031 ?	25	125.00	51.25	73.75
Nishimura Nobusuke	06280	12047	25	125.00	51.25	73.75
Oda Yasuto	06474	12327	25	125.00	36.90	88.10
Okahora Goichi	06221	13718	22	110.00	45.10	64.90
Onizaki Kensaburo	06383	12355	25	125.00		125.00
Sato Sadamu	06373	12176	25	125.00	51.25	73.75
Tomihiro Shoso	16185	12052	25	125.00	51.25	73.75
Uchiyama George Kenroku	06182	8485	25	125.00		125.00
Yaguchi Shigeru	06186	4819	15	75.00	30.75	44.25
Yoshioka Yonesaburo	06189	12336	25	125.00	45.10	79.90
			971	$ 4,855.00	$ 1,674.85	$ 3,180.15

Royston Lumber Company Ltd.
formerly Mr. Fredericson file #.44.

NO. 58958