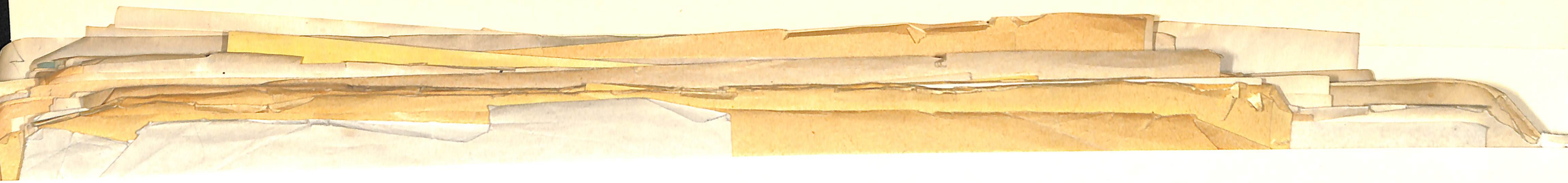
16700 [PT·2·2] DEEP BAY LOGGING CO. 16700 [PT·2·2]



SEE FILE NO. 13524/1

FOR FURTHER CORRESPONDENCE

DEPARTMENT OF THE SECRETARY OF STATE OF CANADA

THE CUSTODIAN OF JAPANESE EVACUEE PROPERTY

VANCOUVER OFFICE

Receipt **No 10646**

Date 24th Oct 1944

RECEIVED from Dept Bay Logging Co Ltd c/o Student Field Controller

the sum of Sixteen 35/100 Dollars Cash / Cheque / Money Order

re: DEEP BAY LOGGING CO LTD Regn. No. File No. 13524

Payment for Certificate of Encumbrance
Issued to cover expense of W. K. W. Wright
re Inst to Mortgage re connection with
affairs of the Company with Mr. Field

$ 16 35/100

For The Custodian of Japanese Evacuee Property.

Cashier

MURPHY & CHAPMAN LTD., PRINTERS AND STATIONERS

ATTACH ORIGINAL BILL TO THIS FORM IN ALL CASES

TO Deep Bay Logging Co. Ltd. DR.

c/o 411 Royal Bank Building, Vancouver.

194 4

Payable to Custodian of Enemy Property

Oct	24	FOR Certificate of Encumbrance	1.00
		Expenses of Mr. K. W. Wright re trip to Nanaimo in connection with the affairs of the Company (with our Mr Keele)	15.35
			16.35

C

Cheque No. 50

File 13524

EXAMINED AND FOUND CORRECT

APPROVED FOR PAYMENT

This receipt must be dated and signed by the party in whose favour this Voucher is made.

....., 194....

RECEIVED OF Deep Bay Logging Co. Ltd.

---------- Sixteen and ----------35/100 DOLLARS

($ 16.35), in full payment of the above account.

Copy

EUSTACE SMITH

1314 Standard Bank Building
Vancouver, B. C.

OCTOBER 24th. 1944

Messrs.
P. S. Ross & Sons,
Custodian Enemy Alien Property,
Royal Bank Building,
Vancouver, B. C.

Dear Sirs:-

As per your request, I have compiled the following Statement showing the amounts of timber on each Lot of the Fanny Bay property, with what I consider should be the value of same:

ESTIMATE OF STANDING TIMBER SITUATED NEAR FANNY BAY,
VANCOUVER ISLAND, B. C.
ON LOTS 504, 617, 566 and 276 - FOMERLY OWNED BY THE DEEP BAY LOG. CO.

	BLK. NO.	FIR	CEDAR	PINE	HEMLOCK & BALSAM	TOTAL	VALUATION
"A"	504	2,250 M	360 M	150 M	240 M	3,000,000 FT.	$6,000.00
"A(a)"	617	5,488 "	870 "	170 "	770 "	7,298,000 "	14,596.00
"A"	566	2,800 "	500 "	200 "	500 "	4,000,000 "	8,000.00
"C"	276	175 "	30 "	70 "	25 "	300,000 "	600.00
		10,713 M	1,760 M.	590 M.	1,535 M.	14,598,000 FT.	$29,196.00
"B"	274 - Mostly Felled & Bucked two years ago - Hemlock and Balsam depreciated - estimated					2,000,000 "	4,000.00
						16,598,000 FT.	$33,196.00

"A" Provincial Assessor and Forestry Dept. records as in name of Deep Bay Logging C. Ltd"

"B" Forestry Dept and Prov. Assessor both record as in name Eikichi KAGETSU

"C" Provincial Assessor records as in name of E. Kagetsu

"A(a) Block 617 Purchased from E M for 8000 — J. 83

Yours truly,

"Eustace Smith"
Eustace Smith

13524

October 23rd, 1944

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

Attention: Mr. F. Field

Dear Sir:

Re: Deep Bay Logging Co.

We have created an overdraft in the above account covering the following:

Certificate of Encumbrance, Victoria, B. C.	$	1.00
Expenses of Mr. K. W. Wright re trip to Nanaimo in connection with the affairs of the Company		15.35
	$	16.35

If you have any funds available at this time we shall be glad if you will forward a cheque to reimburse us.

Yours very truly,

B. Good
Comptroller

CHR:BR

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

No.....

Requisition for Cheque on No. 4 Bank Account

Date Oct. 20/44

Issue to MR. K. W. WRIGHT Regn. No..... $ 15.35

Particulars: Expenses re trip to Nanaimo in connection with the affairs of the Deep Bay Logging Company

Charge to DEEP BAY LOGGING COMPANY Regn. No..... File No. 13524

whose unpaid liabilities as per file amount to $ Not Known

Authorized by..... Requisitioned by.....

Debit
Cash Balance at Credit..... $ 1.00

Deduct Above Cheque..... $ 15.35

Debit
Credit Balance Remaining..... $ 16.35

Approved for Payment

Issued Cheque No.....

Comptroller

Additional Particulars: .....

13524

2nd October, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Company Limited.

Acknowledgment of your letter of September 15th was held for my return from Winnipeg.

Your recommendation to accept the tender of $450.00 for the 1937 Ford truck valued at $332.55 was agreed upon at the time tenders were considered and this letter will confirm that decision.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING
VANCOUVER, B. C.

Rec'd SEP 22 1944
File No. 13524.
Ans.
Referred Mr. Shears

September 22nd, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

With reference to your letter of July 17th re the 1941 Tax assessment levied on the above mentioned company, we wish to advise that we have paid the amount owing to the Income Tax Department.

Yours faithfully,

P. S. Ross & Sons

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

Rec'd SEP 15 1944
File No. 13524
Ans.
Referred W Shears

September 15th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited
and 1937 Ford Truck

This is to confirm the opening of bids on the above mentioned truck owned by Deep Bay Logging Company Limited on the 2nd September, 1944, at the hour of 12:30 P.M. in the presence of Mr. Shears and the writer. The only bid received was from Mr. Alex Shaw in the sum of $450.00. In view of the fact that this truck had been appraised at a valuation of $332.55, we recommended that it be accepted and this was concurred in by you.

Your acknowledgment in due course will oblige.

Yours faithfully,

P. S. Ross & Sons

506 Royal Bank Building,
Vancouver, B.C.

13th September, 1944.

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

Dear Miss Carroll,

Re: Chas. Morrison

We are in receipt of your letter of the 22nd August enclosing copy of a letter from the War Veterans' Allowance Board in regard to the above.

We have now been advised by Messrs. P.S. Ross & Sons that Mr. Morrison has been employed as their watchman at Fanny Bay since October, 1943 at a salary of $150.00 per month together with a living allowance ov $30.00 per month. This position will terminate at any time now as the property has been sold and most of the equipment disposed of.

Messrs. P.S. Ross & Sons further state that Mr. Morrison has been a most faithful and conscientious employee and while he is not in a position due to the state of his health, to carry on heavy work he has carried out an excellent job for them. During the time of his employment he has been ill two or three times but has always made arrangements for a substitute.

Trusting that this is the information required,

Yours truly,

F. G. Shears,
Director.

PMH

Copy for Mr. F. G. Shears

September 12th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Charles Morrison (Deep Bay Logging Company Limited)

In respect of the copy of a letter sent us by you re the above and the War Veterans Allowance Board, we wish to advise that Mr. Morrison has been employed as our watchman at Fanny Bay since October, 1943 at a salary of $150.00 per month together with a living allowance of $30.00 per month. This position will terminate at any time now as the property has been sold and most of the equipment disposed of.

We would like to point out as a matter of information that Mr. Morrison has been a most faithful and conscientious employee and while he is not in a position, due to the state of his health, to carry on heavy work he has carried out an excellent job for us. During the time of his employment he has been ill two or three times but has always made arrangments for a substitute.

We return herewith the correspondence sent us by you.

Yours faithfully,

Encl.

13524
Evacuee Section

509 Royal Bank Building,
Vancouver, B.C.,
11th September, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Company Limited

Attached hereto is letter from the Office of the Surveyor of Taxes, Victoria requesting particulars of any logging done by the above Company during the year October 1st, 1943 to September 30th, 1944.

Will you be kind enough to give the above your attention.

Yours truly,

K.W. WRIGHT
COUNSEL TO THE CUSTODIAN

KWW/DG

13524 August 24th, 1944

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

Re: Deep Bay Logging Co. Ltd.

Dear Sirs:

Your letter of the 14th instant, outlining in brief the discussion which took place at our meeting in your office, together with Mr. Fred Foster of Evans, Coleman and Evans Limited and Mr. Shepherd of Lock, Lane, Guild and Shepherd.

The writer left prior to any definite decision being arrived at but it would appear that Mr. Foster finally agreed to reduce the tonnage of rail which he was claiming to pay for as scrap, from 211 tons to 77 tons, representing 10% of the total tonnage.

This being in line with what was considered fair and in view of your recommendation to this effect, we are prepared to confirm a settlement on this basis, namely 77 tons at $4.00 per ton and the balance at $12.00 per ton.

Yours truly,

F. G. Shears,
Director.

FGS/MHG

FORD TRUCK

FOR SALE BY TENDER

P. S. ROSS & SONS
EXAMINED
Chartered Accountants

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

1937 FORD TRUCK

Model Number 79, owned by Deep Bay Logging Company Limited.

Tenders for the purchase of the above vehicle will be received by the undersigned Controller at his office up to noon (Pacific Daylight Saving Time) on Saturday the 2nd Day of September, 1944, upon the following terms and conditions:

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

2. The vehicle is offered for sale without any warranty whatsoever as to condition or state of repair of such vehicle.

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

4. Each tender must be in a separate sealed envelope addressed to:

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

and each envelope must be marked on the outside "Tender - Deep Bay Logging Company Limited".

Arrangements to inspect the vehicle may be made with the Empress Garage, Victoria, B.C.

Dated at Vancouver, B.C. this 16th day of August, 1944.

Frederick Field,
Controller

Deep Bay Logging Company Limited,
675 West Hastings Street,
Vancouver, B.C.

"Appd.
K.W.W."

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CUSTODIAN OF ENEMY PROPERTY

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

14th August, 1944.

Our File No. 295-168

AUG 18 1944
No. 13524
Referred Shears.

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

Attention: Mr. F. G. Shears

Dear Sir:

Re: Deep Bay Logging Co. Ltd.

This will confirm the details of an interview held at our office on Friday the 11th August, 1944, at which were present our Mr. Field and your Mr. Shears together with Mr. Fred Foster of Evans, Coleman & Evans Limited and Mr. Shepherd of Locke, Lane, Guild and Shepherd, Solicitors.

The matter under discussion was the purchase by Messrs. Evans, Coleman & Evans Limited of the steel rail and fittings contained in the railroad track owned by the above company at Fanny Bay, B. C.

The total tonnage amounted to 770.34 long tons and the matter of tonnage was agreed upon.

Messrs. Evans, Coleman & Evans Limited in making settlement classified approximately 211 tons as scrap and reduced their bid price of $12.00 per ton to $4.00 per ton in respect of this 211 tons. The discussion disclosed the fact that the contractors lifting the rail for Evans, Coleman & Evans Limited had picked up a lot of discarded material alongside the track and it was felt that possibly Messrs. Evans, Coleman & Evans Limited were entitled to some allowance for such material. After considerable discussion, in which it was pointed out that the terms of purchase mentioned only one class of material, it was suggested that an allowance of ten percent or 77 tons would be allowed as material extra to the actual track. The tonnage of 770 at $12.00 per ton amounted to a figure of $9,240.00 and an allowance of 77 tons at $8.00 per ton would amount to $616.00. The discussion finally ended with an understanding that a settlement of $8,500.00 would be recommended to the Custodian for his acceptance.

13524

Yours faithfully,

P. S. Ross & Sons.

opy for Mr. G. W. McPherson

VIA AIR MAIL

July 21st, 1944.

Our File 295-168

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

Dear Sir:

Re: Deep Bay Logging Company Limited

We feel it advisable that we should keep you informed as to the progress of the disposal of the equipment at Fanny Bay belonging to the above mentioned company. The total amount of disposals to date for which payment has been received or agreed upon is $25,286.80. In addition, there should be received approximately $9,000.00 from the rail. There should also be a further collection from Vancouver Equipment Corporation Limited over items, delivery of which is being checked up, of $750.00.; this will mean, as soon as these matters are settled, approximately $35,036.80. The unsold equipment consists of the steam donkeys, second-hand wire rope, a number of blocks and a small quantity of miscellaneous tools. These items it is expected will realize approximately $6,000.00 so that a total realization may be expected for the equipment in the neighborhood of $41,000.00.

We had an appraisal made of the equipment remaining at the time of your visit and in total it represents approximately 55% of the valuation made by the Universal Appraisal Company.

All the steel rail has been removed and shipped away from the property. We are now engaged in checking over quantities with Messrs. Evans, Coleman & Evans Limited and as soon as they complete their tally on the third scow, which has just arrived in Vancouver, the matter will be able to be completed.

The second-hand wire rope we had loaded on a flat car and brought to Vancouver where we feel it will be much easier to dispose of.

Our Mr. Field is going over to the property with Mr. Shaw of H. R. McMillan Company early next week with a view to endeavouring to have them purchase the remaining tools and supplies at the camp. They have indicated they will be interested in looking this equipment and supplies over and we are hopeful that we may be able to arrange a mutually satisfactory price. In the event that they are not interested in buying this equipment it will probably be desirable to ship it to Vancouver and sell it through one of the machinery brokers.

In either event the only remaining equipment at the camp would be the steam donkeys and the parts that could be stolen have been removed from the donkeys. We are hopeful that it will not be too long before offers for these donkeys may be secured. As you are aware in our previous conversations, steam donkeys are very difficult to sell but these are a reasonable size and may appeal to some small operators.

Yours faithfully,

13524

July 17, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Co. Ltd.,

Further to the Deep Bay Logging Co. income tax assessment. The Income Tax Department now advises me that a copy of the 1941 assessment, totalling $1954.93, was forwarded to you in the early part of this month. Will you kindly advise if consideration to the payment of this can now be arranged.

Yours very truly,

F. G. Shears,
Director.

FGS:AS

DEPARTMENT OF NATIONAL REVENUE

ADDRESS REPLY TO
INSPECTOR OF INCOME TAX

CANADA

TAXATION DIVISION

739 HASTINGS STREET WEST,
VANCOUVER, B.C.

QUOTE
THIS REFERENCE

A.E.C.

3rd July, 1944.

Rec'd JUL 4 1944
File No.
Ans.
Referred Shears

Department Secretary of State,
Office of the Custodian,
Japanese Evacuation Section,
506 Royal Bank Building,
VANCOUVER, B.C.

Attention: F.G. Shears.

Dear Sirs:

RE: Deep Bay Logging Co. Ltd.

Copy of the 1941 assessment totalling $1954.93 has now been forwarded to Messrs. P.S. Ross and Sons, in order that this matter may finally be cleared up.

Yours faithfully,

K. H. Shephard

INSPECTOR OF INCOME TAX.

AEC/MMS.

13524

26th June, 1944.

The Department of National Revenue,
Taxation Division,
739 Hastings Street West,
Vancouver, B.C.

Dear Sirs:

Re Deep Bay Logging Company Ltd.
1941 Assessment, $1,954.93

Referring to your letter of June 14th in regard to the above matter.

This company is in liquidation and is under the control of Mr. Frederick Field of Messrs. P.S. Ross & Sons. We have taken this matter up with him and he informs us that he has not received any statement from you showing how the amount in question is made up.

We have advised Mr. Field that we are writing to you asking you to forward this information to him in order that he may be able to deal with this matter.

Yours truly,

F. G. Shears,
Director.

DEPARTMENT OF NATIONAL REVENUE

ADDRESS REPLY TO
INSPECTOR OF INCOME TAX

CANADA

TAXATION DIVISION

739 HASTINGS STREET WEST,
VANCOUVER, B.C.

QUOTE
THIS REFERENCE

June 14th, 1944

EVALUATION SECTION
Rec'd JUN 15 1944
File No. 13524
Ans.
Referred

Custodian of Enemy Property,
675 West Hastings St.,
Vancouver, B.C.

Dear Sirs:

Re: Deep Bay Logging Co.
1941 Assessment $1954.93.

Will you please endeavour to secure a cheque to apply on account of the above upon receipt of this letter.

Thanking you in anticipation.

Yours faithfully,

D.H.Shepard
INSPECTOR OF INCOME TAX

EG:CC

STAMPS COVERING EXCISE TAX MUST BE AFFIXED TO CHEQUES
TIMBRES POUR TAXE D'ACCISE DOIVENT ETRE APPOSES AUX CHEQUES

VIA AIR MAIL

Rec'd JUN 10 1944
File No.
Ans.
Referred

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. J-11

Victoria Building,
7 0'Connor Street,
Ottawa, Ontario.

June 8, 1944.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Ltd.

I have your letter of June 2nd and note that the re-valuation is practically completed.

Mr. Field should be definitely advised that nothing should be sold for less than the valuation placed upon it by the F. & F. Manufacturing Company. Howevever, I agree with you that if an offer is received for a group of articles and the total offer equals the total of the appraised value of the group, the articles might be sold and the money can then be divided up on the basis of the appraised values insofar as the individual articles are concerned.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

506 Royal Bank Building,
Vancouver, B.C.

13524

2nd June, 1944.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Ltd.

Yours of the 31st ultimo received.

It is quite understood that no further sales will be approved until the remaining assets have been revalued. As a matter of fact Mr. Field arranged with the F. & F. Manufacturing Company to do this work and he has received a report from them. This has not yet been referred to me as apparently it is not quite complete, some items appear to have been overlooked. From what Mr. Field indicates, however, the appraisal values are approximately 50% to 60% of Skeldings valuations.

Mr. Field suggests that on some items the new appraisals may be too low and I think he is wondering in his mind whether if he is able to obtain more for such items it should be permitted to give him leeway to revise the acceptance of other items at less than the appraised value.

I feel that for the time being no item should be sold for less than the new appraised value but that the offer of any person bidding on several items might be accepted if the total offer was equal to or exceeded the total valuation of the items concerned.

In view of the fact that when Mr. Field gets around to negotiating for further sales this question of asking us to confirm sales at less than the valuation may crop up and I would be obliged if you would give the matter some thought and let me know what you think about same.

Yours very truly,

F. G. Shears,
Director.

COPY

F. & F. EQUIPMENT COMPANY

436 Prior Street
Vancouver, B. C.

June 2, 1944.

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

Attention Mr. Frederick Field

Dear Sirs:

As per recent verbal request of Mr. Frederick Field, we have pleasure in handing you herewith our appraisal of the equipment still on hand as of May 24th. at Deep Bay Logging Company camp.

You will note we have disregarded the inventory you furnished us and have listed and valuated all items as we found them at the time of the appraisal. In comparing the two lists, however, you will find them basically similar.

In our valuation of each item, we have taken into consideration, age, condition and saleability and depreciated accordingly. Price, placed on each item, therefore, is what we consider it should bring, were it sold individually. On the other hand, if an opportunity presented whereby the entire inventory could be moved, we would recommend acceptance of an offer considerable below our totals.

Yours very truly

F. _ F. EQUIPMENT COMPANY

Per " F. J. Foran

FJF/W.

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.....

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

May 31, 1944.

Rec'd JUN 1 1944
File No. 13624
Ans.
Referred SHEARS

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Limited

I have copies of two letters addressed by P. S. Ross & Sons to you and dated May 18th, dealing with the above company's affairs.

In the one dealing with the Fairbanks boom winch I note that an offer of $300.00 has been received and Mr. Field has apparently made enquiries as to the value of the engine which the Fairbanks Morse people value at $100.00. I do not know what the total value of the boom winch including the engine really is but Mr. Field has been advised in writing that he is not to sell any more of this company's assets without new valuations.

Will you please advise him that you will not approve of any further sales until the remaining assets are valued.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

506 Royal Bank Building,
Vancouver, B.C.

13524

22nd May, 1944.

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

Dear Sirs:

Re: Deem Bay Logging Company Limited.

We are in receipt of your letter of the 18th instant in which you advise us the particulars in regard to the 6 h.p. Fairbanks Morse motor and boom winch.

Your recommendations in this connected are noted and we are pleased to approve of the sale of this equipment to Messrs. Graham & Scott Logging Company for the sum of $300.00.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

506 Royal Bank Building,
Vancouver, B.C.

22nd May, 1944.

13524

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

Dear Sirs:

Re: Deep Bay Logging Company Ltd.

This will acknowledge receipt of your letter of May 17th.

The question of the disposal of the assets of the above company has been the subject of discussion during the past few weeks while Mr. McPherson was here, and together with yourself, Mr. McPherson and myself inspected the Deep Bay Logging Company's property at Fanny Bay.

The results of all your efforts during the past several months to dispose of equipment at the appraised values made by the Universal Appraisal Company Ltd., were discussed. The necessity for arranging for the removal of the rail and other equipment in order to complete the terms of the sale of the timber to the H.R. McMillan Export Company Ltd. has also to be taken into consideration. As a result you advised us of your unqualified recommendation to accept the offers outlined in your letter of May 17th and in view of same we now formally approve the completion of these sales.

The letters which you have received from the Vancouver Equipment Corporation Ltd., and from Tractor Parts Limited re the Cletrac Tractor has been noted.

We have already suggested that the balance of the equipment should be appraised before disposal and it is noted with some satisfaction that the total realisation may still reach the amount set by Mr. Eustace Smith as a satisfactory lump sum offer.

In regard to the tender for the rail. In view of this offer being on a tonnage basis you will please see that all necessary

arrangements are made in this regard so that the correct weight of the rail will be properly established.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

506 Royal Bank Building,
Vancouver, B.C.

13524

22nd May, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Company Ltd.

Your letter of the 18th instant received.

We have today written you in regard to the sale of rail and other equipment. The arrangements for the removal of the rail and the co-operation which we require from the H.R. McMillan Export Company Limited have also been considered.

In the circumstances the date of adjustment for taxes as at June 30th appears equitable and the recommendation which you make in regard to this matter was approved and is hereby confirmed.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

Rec'd
File No. 13524
Ans. Ruth
Referred SHEARS

May 18th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

The approved agreement with the H. R. McMillan Export Company Limited relative to the purchase of timber owned by E. Kagetsu and Deep Bay Logging Company Limited was amended so that the date allowed to the company for removal of the various equipment thereon including the rail, was extended to the 30th day of June, 1944. Due to the delay in making a firm deal with Messrs. Evans, Coleman & Evans and in view of the fact that they demanded three months in which to remove the steel, it was necessary to approach the H. R. McMillan Export Company Limited for a further extension to the 31st day of July, 1944.

The terms of the original agreement provided that property taxes would be adjusted as of the 1st January, 1944. In course of conversation with the H. R. McMillan Export Company's representative it was pointed out by them that while they were paying taxes for 1944 they were not getting possession and if they were to grant a further extension they felt that some consideration was due to them. After some discussion it was arranged that in consideration of their granting us a further month's extension we would agree that the date for determination and settlement of taxes should be moved forward to the 30th June, 1944. We have discussed this with you verbally and received your approval to the arrangement but are now writing to place the matter on record. We would be glad to receive your approval of our action in due course.

Yours faithfully,

P. S. Ross & Sons

ESTABLISHED 1858

CUSTODIAN OF ENEMY PROPERTY

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

Rec'd
File No. 13524
Ans. H.W.H.
Referred SHEARS

ROYAL BANK BUILDING

VANCOUVER, B. C.

May 18th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

We have discovered that there is a boom winch powered with a 6 h.p. Fairbanks Morse motor on a float and we find that this piece of equipment is not listed in the appraisal book. This engine and winch was recently reported by the watchman as having broken away and having been salvaged by Mr. J. M. Oligny, boom man for the Victoria Lumber and Manufacturing Company at Fanny Bay.

We received an account from Mr. Oligny for $25.00 for salvaging the winch and at the same time Mr. Oligny makes us an offer of $75.00 for the equipment from which of course he will deduct his bill of $25.00, making a net offer of $50.00. We have since received an offer from the Graham & Scott Logging Company of Hornby Island for this piece of equipment of $300.00. We have made inquiries from the Fairbanks Morse people as to the value of this engine and they place a value on the engine of $100.00. In making their offer they point out that certain parts on the winch are missing.

In view of the circumstances, we feel that the offer of Messrs. Graham & Scott Logging Company should be accepted and we recommend same for your acceptance.

Yours faithfully,

P. S. Ross & Sons

17th May, 1944.

MEMORANDUM TO MR. SHEARS.

.Will you please keep the following points in mind:

McNeil Trading Company Limited.

1. Mr. Field is to let you have a draft advertisement taking intoconsideration the draft of the points we made in his office today and a copy of the draft is to be forwarded to Mr. Gates in Montreal by Mr. Field and to me in Ottawa by yourself. Mr. Field undertook that these would arrive in Montreal and Ottawa not later than the 25th May.

2. Mr. Field is to have the 1945 contract prepared immediately this contract should contain some provision to provide for the ownership of the plank road.

3. The other matters dealt with in my letter to Mr. Field, copy of which you have, should be followed up.

Deep Bay Logging Company Limited.

1. Mr. Field is to re-draft the letter he showed us tonight and you will acknowledge receipt of same and confirm the sales made by him stating definitely that you are approving of them on his recommendation. In your letter to him you should point out that he is to take immediate steps to have the balance of the equipment appraised before he sells any more of it. This appraisal may indicate that the first appraisals were away out of line, in which case his position on the total picture may be easier to justify.

2. You should keep after Mr. Field and see that the rails are being moved and if necessary go to Deep Bay and investigate the matter

yourself since I would not like to ask H.R. McMillan for any further consideration, he having been over generous already.

Mr. Field is to forward a complete statement of the standing of all files ever handled by him for the Custodian, this statement arriving in Ottawa not later than May 25th and you should be given a copy of this statement. Will you please follow this up and see that he gets it away. He is also to close out the 13 cases referred to in my letter and deal with other matters raised.

Office Organization.

1. As regards any changes in salaries you are to let me have as soon as possible a statement of the salaries and the changes which you suggest, giving reasons and justification for such changes.

2. You are going to personally keep control of the Soldier Settlement sale in accordance with my memorandum of yesterday's date.

3. I have spoken to you about Mr. Gibson and the Insurance Department and suggest that the question of his returning to his office be allowed to stand until the end of the present year in view of the situation in the company as explained to you.

I know you are keeping in mind the order of the Minister to liquidate the office, but I agree with you that you have reached the point as far as personnel is concerned where it would not be advisable to cut down on the staff although no serious steps should be taken to hold any employee who by leaving could better his position.

G. W. McPherson,
Executive Assistant.

GWMcP/PMH

ISHED 1858

CABLE ADDRESS PHILROSS

CUSTODIAN OF ENEMY PROPERTY

Rec'd MAY 18 1944
File No. 13524
Ans. PRW.
Referred Mr. SHEARS.

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING
VANCOUVER, B. C.

May 17th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

We wish to confirm to you the sale of certain portions of the equipment owned by the above mentioned company.

Parcel C

Railroad equipment other than the large speeder and the rails - sold to Vancouver Equipment Corporation Limited for $3,500.00. The rails included in Parcel C are now being removed by Evans, Coleman & Evans Limited and they are to pay the sum of $12.00 per long ton estimated to produce $8,000.00

Parcel D

3 gas logging units sold to Vancouver Equipment Corporation Limited for $9,500.00

Parcel F

Cletrac tractor sold to Tractor Parts Limited for $3,000.00

Air compressor to Vancouver Equipment Corporation Limited for $500.00.

Parcel H

Lines, new wire rope listed in appraisal book at $4,327.10 sold to Vancouver Equipment Corporation Limited for $3,500.00.

Pipe - listed in appraisal book at $380.00 sold to Vancouver Equipment Corporation Limited for $365.00.

Iron - listed in appraisal book at $126.16 sold for $110.00.

15 Blocks - listed in appraisal book at $893.25
1 Block priced at $277.50 has a badly cracked sheave and price is subject to adjustment. It is expected these blocks will realize subject to the above adjustment, $600.00.

CUSTODIAN OF ENEMY PROPERTY

Parcel H cont'd.

Lighting plant - listed in appraisal book at $279.00 sold to H. R. McMillan Export Company Limited for $275.00

Miscellaneous Items

Per appraisal book at $651.25 sold to Vancouver Equipment Corporation Limited for $550.00.

Boom Chains

Listed at $710.00 - sold for $600.00.

This leaves unsold the following items:

Parcel E

Steam donkeys valued in the appraisal book at $6,470.50

Second-hand wire rope valued at $4,677.75

Blocks - valued at $2,672.05

Straps, spreaders, clevices, etc. valued at $1,277.65.

Falling and bucking tools valued at $692.10.

Miscellaneous tools valued at $561.25

Lumber valued at $14.16

Miscellaneous items valued at $1,115.90

The sale of all the items listed above have been made on our recommendation and with your verbal approval. The purpose of this letter is to bring together all those conversations and secure from you your formal approval of our recommendations.

We wish to make certain comments with regard to the reasons for recommendation of the sale of Parcel F - Cletrac Tractor shown in the appraisal book at $7,500.00, whereas we have recommended the sale of this piece of equipment for $3,000.00.

At the time of the original offering of this plant in August of last year, the only bid received for this parcel was one of $1,500.00. Subsequent inquiries of the machinery firm that handled these tractors at that time elicited the information that they would offer approximately $2,500.00 for this tractor. This was the amount originally offered by Tractor Parts Limited and upon our telling them that we could not consider such an offer they wrote a letter, copy of which is enclosed. You will note in this letter that there is mention made of a fire and we subsequently learned that while this machine was in a fire the damage done was not very serious.

We also had Mr. Keith Shaw of H. R. McMillan Export Company Limited look over this tractor with a view to making a bid and he subsequently advised us that they were not interested. We have endeavoured to interest a number of people in the purchase of this equipment. From information received as a result of these various inquiries made by us, we felt that the appraised valuation was out of line with the actual demand price and accordingly we asked Mr. J. G. Morgan of Vancouver Equipment Corporation Limited to write us a letter stating what in his opinion would be a fair value for

CUSTODIAN OF ENEMY PROPERTY

this equipment. We enclose a copy of his letter. In view of these considerations we now formally recommend the acceptance of the offer of Tractor Parts Limited for $3,000.00.

Estimating the realization from rail at $8,000.00, the total sale of equipment made to date will amount to $33,000.00. The appraisal value of the equipment remaining on hand is $17,481.36. From information we have obtained, the realizable value of this equipment is hard to estimate. The second-hand lines valued at $4,670.75 are a very doubtful item for the following reasons: The lines have been exposed to the weather for some two years. In addition to this, little is known of their actual history. The only hope we have of getting anything for these lines is from a junk dealer or from a "Gyppo" logger as more reputable loggers will not touch these lines at any price. Those people we have contacted state that without a thorough knowledge of the work that these lines have already undertaken they are not prepared to risk the lives of their loggers by using them. The lines were lying up in the woods and are being brought down to the camp where they will be more accessible to intending purchasers. The two steam donkeys valued at $6,470.50 are a slow selling item as even the smaller logger today is anxious to buy a gas donkey if at all possible. The increased cost of a gas donkey over a steam donkey is soon compensated for in a saving of wages and with the present high wages being paid this is quite a serious factor. The remaining items valued at $6,333.11 consist of blocks, straps and clevices, falling and bucking tools and miscellaneous tools, etc.

In our opinion, to move these items speedily we cannot expect to obtain more than about $7,000.00. If we continue the watchman, with the permission of H. R. McMillan Company Limited, indefinitely it might be possible to sell various items piecemeal at prices approximating the appraisal book. We believe, however, it will be your desire to close this matter not later than the 31st July, 1944, the date at which we have to, under our contract with H. R. McMillan Export Company Limited, have our equipment removed. It might be possible in the meantime to send lists of equipment to various machinery dealers and let them pick out what items they could handle. This would mean, of course, that we would be left with any items deemed unsaleable and our proposal now is that the whole thing be offered to the various machinery dealers at a price which will be attractive enough to interest them in making a bid immediately.

The recovery of a further $7,000.00 for this equipment would mean a total realization in line with the recommendation made by Mr. Eustace Smith that we should accept a lump sum offer of $80,000.00.

Yours faithfully,

P. J. Ross Sons

Encls.

Out of F. S. Shears Matter,
File

509 Royal Bank Building,
Vancouver, B. C.
May 16th, 1944

13524
Evacuee Section

Deep Bay Logging Company Limited,
c/o Messrs. P. S. Ross & Sons,
411 Royal Bank Building,
Vancouver, B. C.

Gentlemen:

Information has been supplied to the Custodian to the effect that 5,000 shares of your Company's stock are recorded in the names of the following:

Eikichi Kagetsu	3,949 shares
Kagetsu & Company Limited	500 shares
Tsurataro Kagetsu	200 shares
Sadanori Kikuchi	200 shares
Sawaichi Irazawa	50 shares
Manji Ushizawa	100 shares
Carl M. Stewart	1 share

5000

The Custodian desires to clarify the share capital set up of this Company and to this end we enclose the following Vesting Orders:

Eikichi Kagetsu as to	3,949 shares
Tsurataro Kagetsu as to	200 shares ✓
Sadanori Kikuchi as to	200 shares ✓
Sawaichi Irazawa as to	50 shares ✓

4399

Your attention is called to the fact that all shares recorded in the above named Manji Ushizawa are automatically vested under the Regulations as he is a resident of Japan. ✓

We also enclose herewith Warrants, transferring shares as follows:

3,949 shares, now in the name of Eikichi Kagetsu to The Secretary of State of Canada, acting in his capacity as Custodian;
200 shares, now in the name of Tsurataro Kagetsu to The Secretary of State of Canada, acting in his capacity as Custodian;
200 shares, now in the name of Sadanori Kikuchi, to the Secretary of State of Canada, acting in his capacity as Custodian;
50 shares, now in the name of Sawaichi Irazawa to The Secretary of State of Canada, acting in his capacity as Custodian;
98 shares, now in the name of Manji Ushizawa to The Secretary of State of Canada, acting in his capacity as Custodian;
4,497
1 share, now in the name of Manji Ushizawa to Frank Gould Shears, 506 Royal Bank Building, Vancouver, B. C.
1 share, now in the name of Manji Ushizawa to Kenneth Wycott Wright, 509 Royal Bank Building, Vancouver, B. C.

Under separate cover we are forwarding an Order, appointing your Mr. Field Liquidator of Kagetsu and Company Limited, as well as a Warrant transferring all shares of Kagetsu and Company Limited to the Custodian or his nominees.

The 500 shares of Deep Bay Logging Company Limited, above referred to, and now recorded in the name of Kagetsu and Company Limited, will therefore come under the control of the Custodian.

The Custodian has also been advised that the following persons comprise the Directorate:

Carl M. Stewart, 736 Granville Street, Vancouver, B. C.
Eikichi Kagetsu, Minto City, B. C.

In accordance with the provisions of the Revised Regulations Respecting Trading With The Enemy(1943), you are hereby ordered to remove from your records the following Director, who shall cease to be a Director of your Company as from this date:

Eikichi Kagetsu, Minto City, B. C.

We hereby confirm the appointment of Mr. Carl M. Stewart as a Director of Deep Bay Logging Company Limited, and appoint Frank Gould Shears and Kenneth Wycott Wright, Directors of Deep Bay Logging Company Limited in accordance with the Regulations.

Will you be kind enough to make the necessary notations in your records to give effect to the above Vesting Certificates and Warrants, and forward share certificates to this Office at your early convenience.

It would be advisable for you to arrange with the new Directorate to hold an early meeting in order that the various matters in connection with this Company that you are now dealing with may be brought to their attention for such action as may be deemed desirable.

Yours truly,

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

KWW/JF
Encls.

13524

WHEREAS the Secretary of State acting in his capacity as Custodian under or by virtue of Order in Council P.C. 1665 dated the 4th day of March, 1942, as amended, 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;

AND WHEREAS Eikichi Kagetsu, Tsurataro Kagetsu, Sadanori Kikuchi and Sawaichi Irazawa are persons of the Japanese race and are registered as shareholders of Four Thousand Three Hundred Ninety-nine (4399) shares of the issued capital stock of the DEEP BAY LOGGING COMPANY LIMITED;

AND WHEREAS the DEEP BAY LOGGING COMPANY LIMITED being duly incorporated under the laws of the Province of British Columbia has assets in a protected area of the said Province of British Columbia;

AND WHEREAS it appears to the Secretary of State acting in his capacity as Custodian that the interests of the said above named persons of the Japanese race in the said DEEP BAY LOGGING COMPANY LIMITED, for the purpose of protecting the interests of such persons, or any other persons, should be vested in the Secretary of State acting in his capacity as Custodian;

NOW THEREFORE, the Secretary of State acting in his capacity as Custodian by his duly authorized and lawful Deputy, hereby orders that the interests of Eikichi Kagetsu, Tsurataro Kagetsu, Sadanori Kikuchi and Sawaichi Irazawa as the registered shareholders of Four Thousand Three Hundred Ninety-nine (4399) shares of the issued capital stock of the DEEP BAY LOGGING COMPANY LIMITED, be and the same are

13524

hereby vested, in the Custodian in accordance with the provisions of Order in Council P.C. 1665 dated the 4th day of March, 1942, as amended.

DATED at Vancouver this 9th day of May, 1944.

Authorized Deputy of the Secretary
of State and/or Custodian.

OFFICE OF THE CU[redacted]., B. C.

EVACUE[redacted] No. 9448

Requisition for Cheque on No. 4 Bank Account Date May 5/44

Issue to B. C. Telephone Co. Regn. No. $ 20.00

Particulars:

Telephone Bill for two months.

Charge to Deep Bay Logging Co. Ltd. Regn. No. File No. 13524

whose unpaid liabilities as per file amount to $

Authorized by [signature] Requisitioned by

Cash Balance at Credit lb $ 1568.05 debit

Deduct Above Cheque $ 20.00

Credit Balance Remaining lb $ 1548.05 debit

Wright

Issued Cheque No. 9755

Approved for Payment [signature]

Comptroller

Additional Particulars:

File No. 13524 (Evacuee)

3rd May, 1944.

MEMORANDUM

TO: MR. F.G. SHEARS

FROM: MR. K.W. WRIGHT

Re: Deep Bay Logging Company Limited

Attached is Order, in duplicate, vesting shares of the above noted Company.

Will you kindly forward same to Ottawa for signature of Dr. Coleman.

K.W. WRIGHT

KWW/DG
Attachs

EVACUATION SECTION
MAY 5 1944
Rec'd
File No.
Ans.
Referred

May 5th, 1944.

MEMORANDUM FOR MR. GOOD

Re: Deep Bay Logging Company Limited 13524.

We would ask you to be good enough to issue a cheque for $20.00 to cover telephone bill for two months re the above mentioned company.

Jean Kelly

B.C. Telephone Co.

Dr Bal 1568.05

"C O P Y"

COPY

VANCOUVER EQUIPMENT CORPORATION LTD.

285 East 1st Ave.,
Vancouver, B. C.
April 28th, 1944.

Frederick Field & Company,
675 West Hastings Street,
City.

Dear Sirs:

Re: Deep Bay Logging Company

In answer to your request about our thoughts in regard to the valuation that should be placed on the Cletrac Model 80 Tractor equipped with Isaacson Double Drums and Isaacson Hydraulic Roadbuilder:

We believe, that after taking all matters into consideration, this value is about $3,000.00. The Tractor, as a Tractor, is not worth very much, but the Hercules Diesel Engine is probably worth about $2,000.00 by itself. It has been the practice to remove these Engines from the Cletrac Tractors of this size and convert them into power units.

It is rather unfortunate, but nevertheless a fact, that of about twenty-five Tractors of this size and make in this territory, only three remain as Tractors, the others having been dismantled. From this you will see that the estimate we have given is about the top price that can be expected for this unit.

Yours very truly,

VANCOUVER EQUIPMENT CORPORATION LTD.

"J. G. G. Morgan"
Manager

Appearing in Vancouver Province 11th April, 1944

N O T I C E

DEEP BAY LOGGING COMPANY LTD.

Under the Consolidated Regulations Respecting Trading with the Enemy (1939), the Secretary of State of Canada, pursuant to an order dated the 28th February, 1944, has required that the business of the above company be wound up and has appointed the undersigned as Controller of the company with the powers of a Liquidator.

Every creditor of the company must file proof of debt with the Controller within thirty days of the date hereof in the form prescribed by the Court under the Winding-up Act (Dominion).

FREDERICK FIELD, C.A.,
Controller

Deep Bay Logging Company Ltd.,
c/o P.S. Ross & Sons, 675 West Hastings Street, Vancouver, B.C.

COPY

13524

WHEREAS pursuant to the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) the Secretary of State on the 20th day of March, 1942 appointed P.S. Ross and Sons, Chartered Accountants, in the City of Vancouver, in the Province of British Columbia, Inspectors under the said Regulations and authorized the said P.S. Ross and Sons to inspect all books and documents belonging to or under the control of DEEP BAY LOGGING COMPANY LIMITED;

AND WHEREAS P.S. Ross and Sons made an inspection of DEEP BAY LOGGING COMPANY LIMITED and presented a report to the Secretary of State;

AND WHEREAS pursuant to the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) the Secretary of State on the 22nd day of May, 1942 conferred upon P.S. Ross and Sons, Chartered Accountants, in the City of Vancouver, in the Province of British Columbia, the full power to supervise the business of DEEP BAY LOGGING COMPANY LIMITED;

AND WHEREAS it now appears to the Secretary of State that the business of DEEP BAY LOGGING COMPANY LIMITED should be wound up;

NOW THEREFORE the Secretary of State by his duly authorized and lawful Deputy hereby revokes the Orders above referred to and in substitution therefor 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 DEEP BAY LOGGING COMPANY;

The Secretary of State 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 DEEP BAY LOGGING COMPANY, 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 the original inspection and supervision and in the winding-up of the business to such amount as may be approved by the Secretary of State, shall be charged on such assets in priority to any other charges thereof.

DATED at OTTAWA, this day of 1944.

Under Secretary of State

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

No. 8932

Requisition for Cheque on No. 4 Bank Account

Date Apr. 8/44

Issue to Cheques as per list attached Regn. No. $ 418.13

Particulars: As requested by P. S. Ross & Sons' letter of Apr. 6/44

Charge to Deep Bay Logging Company Ltd. Regn. No. File No. 13524

whose unpaid liabilities as per file amount to $

Authorized by Requisitioned by

Cash Balance at ~~Credit~~ Debit $1149.92

Deduct Above Cheque $ 418.13

Credit Balance Remaining $ 1568.05 Debit

Approved for Payment

Issued Cheque No. Comptroller

Additional Particulars:

COPY

April 6th, 1944

Memorandum for Mr. Good

Re: Deep Bay Logging Company Limited File 13524

Would you be good enough to issue the following cheques:

King's Printer	$	5.00
Empress Garage		18.75
Imperial Oil Limited		1.84
B. C. Telephone Co.		12.05
J. W. Robertson		5.20
Royston Motor Co.		15.29
Charles Morrison		253.50
Receiver General		106.50

(signed) P. S. Ross & Sons

FORM 6124

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

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

TELEGRAPH AND CABLE — CANADIAN NATIONAL

W M. ARMSTRONG, General Manager, Toronto, Ont.

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

STANDARD TIME

MOA51 59 DLC

1944 APR 6 AM 9 28

RB MONTREAL QUE 6 1159A

APR 6 1944
Rec'd
File No.
Ans.
Referred

F G SHEARS CUSTODIANS OFFICE

ROYAL BANK BLDG VANBC

389

ADVISE FIELD TO ACCEPT BIDS PARCEL C PROVIDED OBTAINS FIRM OFFER FROM EVANS, COLEMAN FOR AT LEAST THIRTY FIVE HUNDRED DOLLARS FOR EQUIPMENT AND FURTHER PROVIDED ARRANGEMENTS MADE TO DEFER REMOVAL OF RAIL UNTIL BALANCE OF OTHER EQUIPMENT REMOVED OR SOLD STOP ARRANGE TO OBTAIN FIRM OFFERS ON UNSOLD ASSETS SO THEY CAN BE CONSIDERED ON MY ARRIVAL STOP

G W MCPHERSON.

FORM 6124

506 Royal Bank Building,
Vancouver, B.C.

13524

3rd April, 1944.

CONFIDENTIAL

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

Attention: Miss Carroll.

Dear Miss Carroll,

Re: Deep Bay Logging Company Ltd.

Expecting to hear Mr. McPherson's voice when I lifted the 'phone on Saturday I am afraid I may not have expressed my pleasure at finding it was yourself at the other end of the line. I was very pleased that you 'phoned as it just gave me the lead I required.

At the time I sent my wire I was not aware of the telegram being sent by Mr. Field, but it was because I anticipated that he would be urging for some specific action on Saturday before he left that I contacted you concerning the rental of the equipment which was a new factor being introduced into this picture.

Mr. Field has arranged with MacMillans for an extension to June 30th and he has informed Evans Coleman that it is expected that they will have the railway removed by that time.

Mr. Field has, I understand, gone to the Cariboo and will be back on Thursday, April 13th. He then intends leaving for Army camp on the 27th so that it will appear desirable for Mr. McPherson to deal with P.S. Ross matters as soon as he arrives.

With kind regards,

Yours truly,

F. G. Shears,
Director.

FGS/PMH

CLASS OF SERVICE

Full Rate	
Day Letter	
Night Message	
Night Letter	
Evening and Sunday Messages	

Please mark an X opposite class of service desired.

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

W D NEIL, General Manager of Communications, Montreal

CHECK

TIME FILED

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

COPY

Rec'd APR 1 1944
File No. 135-4
Ans.
Referred SHEARS

VANCOUVER MAR 31 1944 PHONES

G W MCPHERSON

OFFICE OF THE CUSTODIAN VICTORIA BLDG

OTTAWA ONT

~~THIRTY THOUSAND RECEIVED TRANS PACIFIC STOP~~ FIELD AWAY SUNDAY FOR TWO WEEKS WOULD YOU CONSIDER ALTERNATIVE THREE MY LETTER EIGHTEENTH RE DEEP BAY RENTING ROLLING STOCK FIVE HUNDRED DOLLARS OR MORE FOR REMOVING RAILS IF FIELD RECOMMEND STOP WIRE MK EARLY SATURDAY YOUR OPINION FOR MY GUIDANCE S TOP HAVE NOT ADVISED FIELD I AM CONTACTING YOU

F G SHEARS

DIRECTOR

NL CHG OFFICE OF THE CUSTODIAN ROYAL BANK BLDG
PT/ 824P

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. J-11

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

March 30, 1944.

Rec'd April 3
File No.
Ans.
Referred

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Ltd.

I have your letter of March 18th and wish to advise that I expect to arrive in Vancouver on April 19th and intend to give this case priority over all other work.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

File #13524

22nd March, 1944.

MEMORANDUM.

To: Mr. Good

From: Mr. F. G. Shears.

Re: Deep Bay Logging Company Limited.

Please note the attached copy of my letter to Messrs. P.S. Ross & Sons and kindly make the necessary transfer.

F. G. Shears,
Director.

FGS/PMH

attach.

13524

22nd March, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Company Limited

We have your letter of the 17th instant and note that in reply to our letter of the 29th November last you now definitely advise us that the records of the Deep Bay Logging Company show that the Pontiac sedan in question was one of the assets of the company.

We are, therefore, advising our Mr. Good to make the necessary transfer of this amount from Mr. Kagetsu's account to the credit of the Deep Bay Logging Company's account.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

21st March, 1944.

13524

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Ltd.

I am in receipt of your letter of the 16th instant returning Lease in triplicate between Flora Elizabeth Tweedie and the above company.

Yours truly,

F. G. Shears,
Director.

PMH

13524

21st March, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Co., Ltd.

We are attaching hereto Lease in triplicate between Flora Elizabeth Tweedie and the above company.

Yours truly,

F. G. Sheare,
Director.

PHH

encl.

Copy for Mr. F. G. Shears

May 18th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

The approved agreement with the H. R. McMillan Export Company Limited relative to the purchase of timber owned by E. Kagetsu and Deep Bay Logging Company Limited was amended so that the date allowed to the company for removal of the various equipment thereon including the rail, was extended to the 30th day of June, 1944. Due to the delay in making a firm deal with Messrs. Evans, Coleman & Evans and in view of the fact that they demanded three months in which to remove the steel, it was necessary to approach the H. R. McMillan Export Company Limited for a further extension to the 31st day of July, 1944.

The terms of the original agreement provided that property taxes would be adjusted as of the 1st January, 1944. In course of conversation with the H. R. McMillan Export Company's representative it was pointed out by them that while they were paying taxes for 1944 they were not getting possession and if they were to grant a further extension they felt that some consideration was due to them. After some discussion it was arranged that in consideration of their granting us a further month's extension we would agree that the date for determination and settlement of taxes should be moved forward to the 30th June, 1944. We have discussed this with you verbally and received your approval to the arrangement but are now writing to place the matter on record. We would be glad to receive your approval of our action in due course.

Yours faithfully,

Copy for Mr. F. G. Shears

May 18th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

We have discovered that there is a boom winch powered with a 6 h.p. Fairbanks Morse motor on a float and we find that this piece of equipment is not listed in the appraisal book. This engine and winch was recently reported by the watchman as having broken away and having been salvaged by Mr. J. M. Oligny, boom man for the Victoria Lumber and Manufacturing Company at Fanny Bay.

We received an account from Mr. Oligny for $25.00 for salvaging the winch and at the same time Mr. Oligny makes us an offer of $75.00 for the equipment from which of course he will deduct his bill of $25.00, making a net offer of $50.00. We have since received an offer from the Graham & Scott Logging Company of Hornby Island for this piece of equipment of $300.00. We have made inquiries from the Fairbanks Morse people as to the value of this engine and they place a value on the engine of $100.00. In making their offer they point out that certain parts on the winch are missing.

In view of the circumstances, we feel that the offer of Messrs. Graham & Scott Logging Company should be accepted and we recommend same for your acceptance.

Yours faithfully,

P. Ross Sons

506 Royal Bank Building,
Vancouver, B.C.

13524

18th March, 1944.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Limited.

I received your letter of the 13th instant in regard to Deep Bay. You mentioned that unless there is some urgency that Dr. Coleman feels that the sale of the balance of the equipment should be left until your arrival.

I was not able to contact Mr. Field yesterday but have spoken to him today. As I suggested to you would be the case when you spoke to me over the telephone yesterday in regard to the Tofino properties, Mr. Field immediately referred to the agreement with MacMillans under which we are to remove the rail by May 31st. In this connection I suggested to him that he should hold the documents which have just been signed for a few days until I hear from you and that it might be necessary for some arrangements to be made for an extension of this date.

I pointed out to Mr. Field that he originally recommended the acceptance of Evans Coleman's offer for the rails only without the rolling stock so that it appeared as if the rolling stock could be dealt with separately. In fact he originally stated that provision would be made for bringing out the rolling stock to such a location to enable it to be disposed of. This situation, however, he states has changed due to the fact that when Evans Coleman made their offer for the rails they did so without a proper survey of the situation and Mr. Field states that when he made his recent trip over to the Deep Bay property it was evident that the rolling stock was required in order to remove the rails and this is one reason why he has encouraged the Evans Coleman people to renew their offer for rolling stock.

This of course ties in with your remarks of September 20th when you stated that the matter of the removal of the rails must be dealt with before the offer for the timber could properly be accepted and that Messrs. P.S. Ross & Sons will have to see that the Custodian is protected when accepting the offer for the timber to give time for the removal of the rails.

G.W. McPherson, Esq.

To my mind three things may be considered at the moment:

1. To leave the whole matter of further sales of equipment until you arrive and endeavour to arrange with MacMillans for an extension of time for removing the rails.

2. To accept Evans Coleman's offer for the railway equipment for $3,500.00 on the grounds that P.S. Ross & Sons state they have no hesitation in recommending the acceptance of this offer.

   As previously pointed out, under this arrangement we would actually realize from parcel "C" the amount of Smith's valuation, namely $15,000.00, or rather $14,000.00, in view of the fact that one mile is to be left, made up by:

Speeder already sold	$2,500.00
Railway @ $12.00, estimated at	8,000.00
Present offer for the balance of parcel "C"	3,500.00
Making a total of	$ 14,000.00

3. Mr. Field suggests that if we are not willing to agree to the sale of the balance of parcel "C" for $3,500.00 as referred to above, that he may be given permission to endeavour to rent the rolling stock to Evans Coleman so that they can remove the rails.

In any case it is quite understood that we would not deal with any of the equipment outside of parcel "C" until you arrive.

It will be appreciated if you will indicate which of the three alternatives we should follow.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

Rec'd MAR 17 1944
File No. 13524
Ans. Pmt
Referred W. Shears.

ROYAL BANK BUILDING

VANCOUVER, B. C.

March 17th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

Some time ago you wrote us regarding the proceeds from the sale of a Pontiac sedan having been credited to Mr. E. Kagetsu.

The records of Deep Bay Logging Company Limited show this car as one of its assets and accordingly in our opinion the credit in respect of this car should be transferred from Mr. Kagetsu's account to the account of the company.

Yours faithfully,

P. S. Ross & Sons

13524

17th March, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Company Ltd.

I have just received from Ottawa documents relating to the sale of the timber signed by the Deputy Custodian. These are enclosed together with your appointment as Controller with powers of a liquidator.

In regard to the sale of the other assets of the Company Mr. McPherson writes:

> "Dr. Coleman feels that I should proceed to Vancouver as soon as possible after the first of April and, in view of the complicated picture as indicated by the correspondence, unless there is some urgency, he feels that the sale of the balance of the equipment should be left until my arrival."

It would therefore appear that those parties who have made offers should be advised that consideration of all tenders is being deferred.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

encl.

Rec'd MAR 20 1944
File No. 13524
Ans.
Referred

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No. J-11

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

March 16, 1944.

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

Dear Mr. Shears:

Re: Deep Bay Logging Co. Ltd.

I have your letter of March 10th, with enclosures. The documents are returned herewith.

Yours very truly,

for G. W. McPherson
Executive Assistant

FC.

506 Royal Bank Building,
Vancouver, B.C.

13524

13th March, 1944.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Limited

This will acknowledge receipt of your letter of March 6th in which you enclosed Order appointing Mr. Field Controller with powers of a liquidator.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH

Rec'd MAR 17 1944
File No. 13524
Ans.
Referred

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. J-11

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

March 13, 1944.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Limited

I am returning the documents relating to the sale of the timber and have discussed the sale of the balance of the assets with the Deputy Custodian.

Dr. Coleman feels that I should proceed to Vancouver as soon as possible after the first of April and, in view of the complicated picture as indicated by the correspondence, unless there is some urgency, he feels that the sale of the balance of the equipment should be left until my arrival.

I may be writing you further on this particular matter in a few days.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

13524

March 10th, 1944

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

Dear Mr. McPherson:

Re: Deep Bay Logging Co. Ltd.

Enclosed please find lease in triplicate between Flora Elizabeth Tweedie and Deep Bay Logging Company Limited, as referred to in my air mail letter of even date.

Yours very truly,

F.G. Shears,
Director.

FGS/AW

encl.

COPY

CUSTODIAN OF ENEMY PROPERTY

UNIVERSAL APPRAISAL COMPANY

March 10th, 1944.

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

Re: File 295-168

Gentlemen:

Referring to the Deep Bay Logging Company Ltd. and your letter of March 9, 1944, in regard to the general run of logging equipment such as used lines, blocks, straps, spreaders, tools, miscellaneous supplies, etc., these items most probably will have to be sold as a job lot to some operator who is just starting, or who has a large operation where these items can be taken in, reconditioned where necessary and put into operation. We depreciated these quite considerably at the time we made the appraisal. There is a decided difference in some of these items - some are very good, some are of very little value. Any person buying this equipment would not be prepared to pay a very great deal for it. The longer this is held the less will be realized on it in our opinion, especially since equipment of this sort has a habit sometimes of disappearing. We would suggest on this that if you receive any bids on a large quantity of this equipment, if you will submit this to us, so that we may see exactly what items are included in the bid, we would be very glad to give you our opinion as to the advisability of accepting them. We believe it would be best to try to sell the whole lot as a lot rather than piece meal.

As to the steam donkeys, these are worth very little more than junk. There are very few of them used now. They are not as economical as the present gas and diesel units, and the operators that would be interested in these would be decidedly limited. We believe that you might have to take a figure somewhat lower than the figure shown in the appraisal. These items will certainly not increase in value, and in buying a piece of equipment of this kind the operator must always consider the possibility of some major repairs before the equipment can be put into service.

As to the used lines on these machines, and the used lines generally, all camps have a surplus of old used lines, and unless an operator has a definite location in which he can use the particular cable, and unless that cable is in good useable condition it is not very inviting to the average logger. For these used lines you will likely have to take almost anything offered.

If there is any further information that we can give you, please do not hesitate to call us.

Yours very truly,

UNIVERSAL APPRAISAL COMPANY LIMITED

(signed) G. W. Skelding.

GWS/jl

COPY

CUSTODIAN OF ENEMY PROPERTY

UNIVERSAL APPRAISAL COMPANY

March 10, 1944.

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

File 295-168

Gentlemen:

Re Deep Bay Logging Company Limited, and referring particularly to your letter of March 9, 1944, and our appraisal of the equipment on the above location.

Parcel "C": We believe that it would be well to accept the tender of $12.00 a ton for the rail "as is where is", and we are inclined to advise the acceptance of the figure of $3,500.00 for the locomotive and cars. There is, as we understand the situation, a decidedly limited market for these items, particularly for the rolling stock, and more particularly locomotives of the capacity of this one. There has been a softening in prices on [redacted] type of equipment in the last little while, and it is our opinion that these prices will continue to soften rather than strengthen for some little time to come. We believe that the longer this item is held the less money will be realized on it. The sale of this equipment was given considerable publicity. Everyone seemed to know about it, and the few bids received would be indicative of the limited market at this time.

Parcel "D": On Parcel D we would be inclined to accept the bids as shown in your letter. Our reason for advising this is very much the same as for advising the acceptance of the bids on the rolling stock. As to the bid of $3,500.00 on the new lines, since these are new lines they have a value of $4,334.00 as shown in our appraisal. There is, however, the fact that these lines do not correspond always with the lengths that another operator [redacted]ght need, and will possibly have a small amount of waste. This is a disadvantage, and [redacted]ile we cannot see $800.00 waste, we cannot lose sight of the fact that there will be some [redacted]ste, and that these lines are not improving while they are there, and it may be more difficult to sell them later than it is now. As to the bid on the tractor of $3,000.00 "as is where is", and our valuation of $7,500.00 on this piece of equipment, as explained to you [redacted]er the telephone we were not aware that this piece of equipment had gone through a fire. [redacted]ne buying this, with any idea that it had been through a fire, would certainly not pay any $7,500.00. If it can be definitely established that this piece of equipment has gone through a fire, we would certainly recommend accepting the $3,000.00. Any piece of equipment such as this which has been seriously damaged in a fire may not show any outward indications of damage, but when put into use, breaks will continue to occur, and it has been the writer's experience, in over 20 years of buying machinery, that any piece of equipment that has gone through a serious fire, unless practically rebuilt, cannot but lead to a succession of breakdowns. As to the merit of the Isaacson Friction Drum, with which this machine is equipped, it is our understanding that some operators have had some difficulty with these drums, but there are quite a number of them in use, and they seem to be giving reasonable satisfaction.

[redacted] If there is any further information which we can give in this connection, please [redacted]not hesitate to call us.

Yours very truly,

UNIVERSAL APPRAISAL COMPANY LIMITED

(signed) G. W. Skelding

HED 1858 CABLE ADDRESS PHILROSS

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING
VANCOUVER, B. C.

CUSTODIAN OF ENEMY PROPERTY

March 10th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

As a result of our conversations of the last few days we have submitted the various offers received on the equipment owned by the above to the manager of the Universal Appraisal Company Limited and requested him to write us giving his opinion as to how these various bids should be treated. We enclose copies of two letters from the Universal Appraisal Company Limited; one dealing with the bids submitted, the other a general statement on the items upon which bids have not yet been received. We will deal with the remarks of Mr. Skelding under the heading of the various parcels.

Parcel "C" - Railroad equipment: You will recall this equipment was valued originally by Mr. Smith at $15,000.00; this as a result of a consultation held between Mr. Smith and Mr. Skelding of Universal Appraisal Company Limited. This valuation of $15,000.00 included the sum of $9,000.00 covering the steel in the railroad. Subsequent to the valuation it was found that approximately a mile of railroad was required to be left in place. We have reduced the valuation by $1,000.00, leaving an amount of $14,000.00. The following is a summary of bids and sales in respect of this parcel at this time:

Estimated amount to be recovered from sale of steel at $12.00 per ton "as is where is" to Messrs. Evans, Coleman & Evans - $8,000.00

Large speeder sold for cash - $2,500.00

Balance of railroad equipment for which Messrs. Evans, Coleman & Evans have agreed verbally to pay $3,500.00, making a total of $14,000.00.

We have no hesitation in recommending the acceptance of these offers. You have already approved the sale of the rail at the figure of $12.00 a ton and we urged upon Messrs. Evans, Coleman & Evans the desirability of their purchasing the rolling stock for the purpose of taking out the rail and a bid of $3,500.00 was received as a result of this advance. We would also point out that under the terms of the agreement with Messrs. H. R. McMillan Export Company Limited covering the sale of timber, it is provided that the steel must be removed from the property by the 31st May, 1944. There are a number of things to be done and this does not leave any too much time.

Parcel "D" - Gas Donkeys: We pointed out the discrepancy to Mr. Skelding between the total value for these three items of $14,925.00 and the bids received of $9,500.00. In view of the comments made by the Universal Appraisal Company Limited, we are recommending accept-

CUSTODIAN OF ENEMY PROPERTY

ance of this offer.

Parcel "H" - New Lines: The bid is $3,500.00 against an appraised value of $4,334.00. In view of the fact that the purchaser is required to take lines some of which are not the lenghths that he would purchase were he buying them direct from the manufacturers, we feel that this offer is quite fair and recommend its acceptance.

Parcel "F" - Tractor: We have received an offer of $3,000.00 for the tractor, the purchaser making the offer stating that this machine has been through a fire while being operated by the Ocean Timber Company. You will note the remarks made by the Universal Appraisal Company Limited in presuming that the equipment has been through a fire. We are endeavouring to verify whether this is true or not. The Lake Logging Company, who are fairly familiar with the operations of Ocean Timber Company, state that as far as they know there has been no fire at the operations. We are pursuing the matter further and before we can make any recommendation in respect of this piece of equipment, it will be necessary for us to satisfy ourselves definitely as to the statements made by this intending purchaser with regard to the tractor having suffered by reason of a fire. In the meantime we can make no recommendation on this bid.

Yours faithfully,

Encls.

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING
VANCOUVER, B. C.

March 10th, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

We hand you herewith four copies of the following documents:

1. Agreement between The Custodian, Deep Bay Logging Company, as Vendors and H. R. MacMillan Company as Purchaser.

2. Lease dated the 7th day of February, 1944 between Flora Elizabeth Tweedie.

The agreement with Messrs. H. R. MacMillan Company has been executed by them and now requires the signature of the Custodian and the Deep Bay Logging Company Limited. We understand that you are arranging for appointment of our Mr. Frederick Field as controller with the powers of a liquidator of Deep Bay Logging Company Limited so that he will be empowered to sign the document on behalf of the company.

We are enclosing a copy of a letter received from Messrs. Locke, Lane, Guild & Sheppard in order to give you information on certain matters that have arisen in connection with this sale.

Yours faithfully,

P. S. Ross & Sons

Encls.

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. J-11

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

March 10, 1944.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Limited

I have your letter of March 6th, with enclosure, and will await the report on your interview with Mr. Field.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

C

O

P

Y

506 Royal Bank Building,
Vancouver, B.C.

10th March, 1944.

13524

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Ltd.

I am enclosing copy of a letter received from Messrs. P.S. Ross & Sons, together with copy of Messrs. Locke Lane's letter to themselves.

I am also enclosing the four agreements as between the Custodian, the Deep Bay Logging Co., Ltd. and H.R. MacMillan Co., Ltd. and am forwarding the lease referred to between Mrs. Tweedie and the Deep Bay Logging Company by ordinary mail.

Documents appointing Mr. Field Controller with powers to liquidate were sent to you a short while ago and have not at present been returned.

Yours truly,

F.G. Shears,
Director.

FGS/PMH

encl.

13524

March 10th, 1944

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

Dear Mr. McPherson:

Re: Deep Bay Logging Co. Ltd.

Enclosed please find lease in triplicate between Flora Elizabeth Tweedie and Deep Bay Logging Company Limited, as referred to in my air mail letter of even date.

Yours very truly,

F.G. Shears,
Director.

FGS/AW

encl.

506 Royal Bank Building,
Vancouver, B.C.

13524

10th March, 1944.

CONFIDENTIAL

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Ltd.

In view of correspondence and discussions which have previously taken place in regard to the Deep Bay affairs I feel I can only submit the enclosed in a tentative way for advice before officially presenting and supporting the recommendation now being made by Messrs. P.S. Ross & Sons. I am, therefore, writing in a confidential manner apart from the official file.

In your letter of March 4th you stated that it would appear that Evans Coleman were only increasing their bid by $500.00, but in view of the fact that one mile of railway is to be left down estimated at $1,000.00, it does mean an increase of $1,500.00.

Skelding's original appraisal for Parcel "C" was $22,529.00 which Mr. Smith, after consultation with Skelding, reduced to $15,000.00 and which less the one mile of railway could be considered as a valuation of $14,000.00. This amount can be realized on the basis of the sale of the speeder and railway and the offer now being recommended by P.S. Ross & Sons is made up as follows:

Railway, estimated	$8,000.00
Sale of Speeder	2,500.00
Balance of Parcel "C" consisting of locomotive and cars	3,500.00
	$14,000.00

You will note what Mr. Skelding has to say in regard to Parcel "D": "our reason for advising this is very much the same as for advising the acceptance of the bids on the railway stock". That is to say he basis the considerable change in his valuation on the

13524

G.W. McPherson, Esq.

grounds of a limited market, a softening in prices and the lack of demand as evidenced by the few bids received. This means a change in his ideas from the original figure of $14,925.00 to $9,500.00 and one wonders if Skelding would have written the same and concurred in recommending an offer had it been $9,000.00 or $8,500.00 or even less.

The bid on the new lines of $3,500.00 is a part of parcel "H" and the rough chart which I sent you a few days ago will show the appraisals and offers. Here again it could look as if Skelding is making statements so as to be able to agree with the offer received.

You will note that Mr. Field now reports an offer for the tractor which is in parcel "F" and was valued at $7,500.00, the offer being $3,000.00 and the question has now been raised that this tractor has been through a fire. At present there is nothing to definitely establish this, nor the severity of the fire but Skelding is prepared to recommend $3,000.00 if it has gone through a fire, presumably on the assumption that it might have been seriously damaged although it would not show any outward indications of same.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH

Rec'd MAR 11 1944
File No. 13524
Ans.
Referred SHEARS.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. J-11

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

March 6, 1944.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Limited

I have your letter of February 16th, enclosing Order appointing Mr. Field Controller with powers of a liquidator. This document has been executed by the Deputy Custodian and is returned herewith.

Yours very truly,

for G. W. McPherson
Executive Assistant

FC.

Rec'd MAR 6 1944
File No. 13524
Ans.
Referred SHEARS.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE NO. J-11

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

March 4, 1944.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Ltd.

I have your letters of February 25th and March 2nd and wish to advise that the reason for the delay has been due to the manner in which the new offers have been presented.

It is impossible for me to take P. S. Ross & Sons' latest statement and identify the articles bid on with the articles contained in the parcels advertised. For example, is the Evans Coleman bid, as referred to in your letter of March 2nd, for Parcel C and for C only, and if it is it appears it is an increase of only $500.00 over their original bid and that you are now including the speeder at a value of $2500.00 when their originally bid was rejected principally because P. S. Ross & Sons said the speeder was worth $4000.00.

No information is given as to who is making the bids and no explanation is given as to why we should retain an appraiser like Universal Appraiser Company to value assets, pay them for this service under the assumption that they are qualified and then have their valuations cut by Mr. Smith, and then have our agents recommend the acceptance of bids considerably below the appraisal of either of the agents who were hired to do this work. On this basis it would appear that we should have sold the donkey engine to the Vancouver Equipment Corporation for $3000.00, and if the lines referred to are of ~~no~~ no value I assume they will not be handed to the purchaser but will be sold as scrap or otherwise.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE No.....

The entire picture is becoming more confused as the correspondence increases and I think the only way the Custodian can properly consider any bids (keeping in mind that he must protect himself against criticism by the unsuccessful tenderers) is by having before him a chart which will give details of the property being sold, the values placed on each individual piece of property by the Universal Appraiser Company and by Mr. Eustace Smite, the original bids for such property and their disposition and the new bids for the property with not only the recommendation of P. S. Ross & Sons but a recommendation from yourself, which is not contained in either of your letters.

Would you please take this matter in hand and see what can be done immediately.

Yours very truly,

G. W. McPherson
Executive Assistant

GWMcP/FC.

13524

2nd March, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Co., Ltd.

We attach hereto a letter just received from Mr. W.H. Kierstead and a copy of our reply.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

encl.

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

No. 8090

Requisition for Cheque on No. 4 Bank Account

Date March 2/44

Issue to Imperial Oil Ltd. Regn. No. $ 10.35

Particulars:

Oil supplied to watchman at Fanny Bay, B. C.

Charge to Deep Bay Logging Company Limited Regn. No. File No. 13524

whose unpaid liabilities as per file amount to $ Not known

Authorized by A McArthur Requisitioned by C. H. Keep

Cash Balance at ~~Credit~~ debit $ 2,137.59

Deduct Above Cheque $ 10.35

Debit
~~Credit~~ Balance Remaining $ 2,147.94

Issued Cheque No. 8464

Approved for Payment

Comptroller

Additional Particulars:

13524

2nd March, 1944.

W.H. Kierstead Esq.,
Fanny Bay P. O.,
Fanny Bay, V.I.

Dear Sir:

Re: Deep Bay Logging Company Limited.

Your letter of the 29th has been received.

The affairs of the Deep Bay Logging Company Ltd., are being handled on our behalf by Messrs. P.S. Ross & Sons. Your letter is being forwarded to them and you may expect a reply to your enquiry in due course.

Yours truly,

P. G. Shears,
Director.

pGS/PMH

506 Royal Bank Building,
Vancouver, B.C.

13524

2nd March, 1944.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Limited.

Mr. Sheppard advises me that he now has the timber documents signed by MacMillan and these can be completed when the Order appointing Mr. Field liquidator is returned from Ottawa.

Mr. Field has just informed me that Evans Coleman who made the bid on the railway have offered to take the balance of the railroad equipment for the sum of $3,500.00. This was the figure shown on Mr. Field's summary enclosed in my letter of February 25th under the column "Estimated Recovery on Balance". Acceptance of this would mean that as far as the railroad and equipment is concerned the amount of Mr. Smith's appraisal would be reached:

Sale of Speeder	$2,500.00
Railway @ $12.00 per ton	8,000.00
The above offer	3,500.00
	14,000.00
Estimated value of railway to be left down	1,000.00
Smith's valuation	$ 15,000.00

Mr. Field has made several enquiries as to whether I have had a reply to my letter to you of the 25th and claims that he is now being contacted daily by those who have put in the recent bids.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH

COPY

LOCKE, LANE, GUILD & SHEPPARD

Vancouver, B. C.
March 2nd, 1944.

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

Dear Sirs:

Re: Deep Bay Logging Co. Limited
Your File 295-168

We are enclosing herewith four copies of the following documents:

1. Agreement between The Custodian, Deep Bay Logging Company, as Vendors and H. R. MacMillan Company as Purchaser.

2. Lease dated the 7th day of February, 1944 between Flora Elizabeth Tweedie.

You will observe that these agreements have been respectively executed by H. R. MacMillan Export Company Limited and Mrs. Tweedie and we now enclose them for execution by the remaining parties, that is, the agreement with the MacMillan Company will be executed by or for the Custodian and for the Deep Bay Logging Company and the lease from Mrs. Tweedie by the Deep Bay Logging Company.

The completion of this matter has taken a period of time far beyond that which could be reasonably expected but unfortunately that delay could not under the circumstances be avoided. It is quite true that your advertisements offered only the interests of the Deep Bay Logging Company and that was accepted by the H. R. MacMillan Company but before formal agreement was entered into that Company insisted that the titles of the Deep Bay Company be shown; that involved endeavoring to find out the right of way which this Company owned over lands of third persons to ascertain that there were no other right-of-way. This involved a particular search of the operations of this Company through the records of the Forestry Department. From the location of those operations we had to search the intervening owners what rights, if any, either Deep Bay Logging Company or Kagetsu had acquired; this in turn led to discovery of the fact that under Agreements of August 16th, 1938 Deep Bay Logging Company had given rights-of-way to the Victoria Lumber and Manufacturing Company and the rights given to this latter Company exceeded the rights which Deep Bay Logging had acquired from Mrs. Tweedie in two ways:

(a) Granting of the right-of-way to the V.L. and M. was in breach of covenant and

(b) The right-of-way to the V. L. and M. included lands in respect of which Deep Bay Logging had acquired no rights from Mrs. Tweedie whatsoever.

To ascertain the latter fact was in itself difficult, as we could obtain no assistance from 666 Kagetsu nor could we obtain any assistance from the Solicitors who appear to have acted for or against Deep Bay Logging; that led to negotiations with Mrs. Tweedie which eventually resulted in the lease enclosed. In addition the railroad of the Deep Bay Logging after proceeding southerly through Lots 88 and 198 swings westerly across Lot 88, west of which lie the respective lands which remain to be logged; Lot 88 at one time was owned by the Vancouver Island Fruit Lands who had entered into the various agreements with Deep Bay Logging permitting the latter Company to log and providing for collateral rights, but

eventually that portion of Lot 88 lying to the west of Lot 48, which is the major portion of it, was allowed to go for taxes. Title is now in the King in the right of the Province; H. R. MacMillan Company will have to carry on their own negotiations with the Provincial Department with reference to running a right-of-way over that property.

These agreements now appear to be in proper form for execution. Various conveyances have been delivered to the Company or to Kagetsu md are lost or at least are not available and it now appears these will not later be made available, therefore we are having them replaced by the Grantor. When returning the agreements will you bear in mind that one of the copies with the H. R. MacMillan Company is marked on the back "Davis & Company" in red pencil and that agreement is to be returned to the firm of Davis & Company.

Yours truly,

LOCKE, LANE, GUILD & SHEPPARD,

Per: "F. A. S."

FAS/EB.
Encls.

Rec'd MAR 1 1944
File No.
Ans.
Referred Mr Good

March 1st, 1944.

M E M O R A N D U M

To: Mr. B. Good,
Office of the Custodian,
Royal Bank Building,
Vancouver, B. C.

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

Re: Deep Bay Logging Company Limited

We would appreciate your issuing a cheque in the sum of $10.35 in favour of Imperial Oil Limited. This covers oil supplied to our watchman at Fanny Bay, B. C.

Inv 13524
A 2137.59

2 Mch '44
Key 8090
#49c day #8464.

C

O

P

Y

Fanny Bay

February 29th, 1944.

Custodian of Alien Property.

Dear Sir:

I am a resident of Fanny Bay and would like to put in a bid for 1" black pipe for domestic use. The said pipe is in the woods of the Deep Bay logging Co. I would get it out myself. Amount to be 600 ft. Bid 4¢ per foot.

Would you advise me also if tools such as mattocks, peavys, pipe wrenches, small logging blocks can be purchased individually. Also a party asked me to enquire into the price of the Acytaline outfit. Hoping to hear from you in the near future.

I remain,

Yours sincerely,

(signed) W.H. KIERSTEAD.

Fanny Bay, P.O.
Van. Is. B.C.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

Office of the Custodian

Address All
Communications
To The
Custodian's Office

34037

Please Refer
File No. 13524

WHEREAS pursuant to the provisions of the Consolidated Regluations Respecting Trading with the Enemy (1939) the Secretary of State on the 20th day of March, 1942 appointed P.S. Ross and Sons, Chartered Accountants, in the City of Vancouver, in the Province of British Columbia, Inspectors under the said Regulations and authorized the said P.S. Ross and Sons to inspect all books and documents belonging to or under the control of DEEP BAY LOGGING COMPANY LIMITED;

AND WHEREAS P.S. Ross and Sons made an inspection of DEEP BAY LOGGING COMPANY LIMITED and presented a report to the Secretary of State;

AND WHEREAS pursuant to the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) the Secretary of State on the 22nd day of May, 1942 conferred upon P.S. Ross and Sons, Chartered Accountants, in the City of Vancouver, in the Province of British Columbia, the full power to supervise the business of DEEP BAY LOGGING COMPANY LIMITED;

AND WHEREAS it now appears to the Secretary of State that the business of DEEP BAY LOGGING COMPANY LIMITED should be wound up;

NOW THEREFORE the Secretary of State by his duly authorized and lawful Deputy hereby revokes the Orders above referred to and in substitution therefor 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 DEEP BAY LOGGING COMPANY;

The Secretary of State 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 DEEP BAY LOGGING COMPANY, 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

COPY

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

Office of the Custodian.

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To The
Custodian's Office

Please Refer
to File No. 13524

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 the original inspection and supervision and in the winding-up of the business to such amount as may be approved by the Secretary of State, shall be charged on such assets in priority to any other charges thereof.

DATED at OTTAWA, this 28th day of February 1944.

"E.H. Coleman"

Under Secretary of State

C
O
P
Y

"C O P Y"

TRACTOR PARTS LIMITED

Telephone PAcific 4181-4182

Vancouver, B.C.

February 28, 1944

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

Attention Mr. Field

Dear Sirs:

With reference to our telephone conversation of the 25th inst. re the Deep Bay Logging Company's Cleveland Tractor; the writer originally sold this equipment to the Deep Bay Logging Company and is, therefore, very familiar with it.

This machine is not a very popular make. The dealer in this city does not carry a full line of parts and for this reason this machine will never bring as much money as a competetive tractor.

We have given this deal a lot of thought over the weekend and have come to the conclusion that three Thousand Dollars ($3,000.00) where and as is, is the very last dollar we will agree to pay for this equipment. As explained to you, this machine was through a fire at the Ocean Timber Companys show at Cowichan Lake. It is also equipped with an Isaacson Friction Double Drum which, from the start, was never satisfactory. The repairs on the tractor itself we estimate about $3,000. for reconditioning; also, there will have to be considerable money spent on the hydraulic bulldozer. The double drum winch is practically a dead line. As mentioned before it never was satisfactory; therefore the writer would not care to load it on to a customer without him knowing exactly what he is getting.

We estimate the total cost of reconditioning this equipment at about $4,700.00. This figure, of course, includes the bulldozer, tractor itself and some money spent on the double drum to see if we couldn't make it serviceable.

We know positively that there will be a lot of tractors released off different Government projects within the next ninety days. If we were to do business on this machine we would want to do it and have it overhauled and ready for resale before the other machines come on the market as we definitely would not be interested in it at this price after sixty days.

Trusting we may have the pleasure of hearing from you.

Yours sincerely,

TRACTOR PART LIMITED.

"W. A. Long"

506 Royal Bank Building,
Vancouver, B.C.

13524

25th February, 1944.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Limited.

I received the enclosed letter from Messrs. P.S. Ross & Sons yesterday but did not immediately forward it as Mr. Field had 'phoned that he had just heard that there was a possibility of McMillan offering $40,000.00 for the balance of the assets which, with the $40,000.00 for the timber, would make a total of $80,000.00. However, Mr. Field now informs me that McMillans are not interested, I am therefore sending this letter to you and in view of your discussion with me when I was in Ottawa and your memorandum at that time, I am asking you to kindly consider the present recommendations and advise me in respect to same.

I informed Mr. Field on my return, and have mentioned it on different occasions since, that before approval would be given to any sale of individual items that a basis satisfactory to Ottawa would have to be established.

You will note that the figures used by Messrs. P.S. Ross & Sons on page 3 refer to Eustace Smith's appraisal which as you are aware, in the case of the railroad equipment was considerably less than the valuation made by the Universal Appraisal Co., Ltd.

The bids received and recommended by P.S. Ross are less than Eustace Smith's values. I asked Mr. Field on what grounds he was recommending the acceptance of an offer of $9,500.00 for the gas logging units as against an offer of $14,925.00. He mentioned the question of the lines being of no value due to exposure. This he refers to in his letter. The appraisal value of these lines being $1,125.00. Apart from this it would appear to me that because of the actual offers received being so much lower than the appraisal that Mr. Field is inclined to challenge the appraised values.

G.W. McPherson, Esq.

I have asked Mr. Field on what basis he estimates the recovery on the balance and he informs me that this is purely an estimate based on the lack of demand . You will notice his estimated recovery is approximately 1/3rd less than the appraised values. Even on the basis of an estimated recovery on the balance of $20,210.00 it would mean a realization, apart from the timber, of $45,385.00 as compared with Eustace Smith's valuation of $61,748.00, or a reduction of over 25%.

P.S. Ross & Sons refer to Eustace Smith's recommendation in regard to any bulk sale which might produce $80,000.00. This figure was mentioned by Eustace Smith when he was basing the value of the timber at $32,500.00, whereas the timber will produce $40,000.00.

I spoke to Mr. Sheppard again a couple of weeks ago in regard to the completion of the lumber deal and he informed me that numerous delays had occurred in bringing to a head the necessary negotiations with Mrs. Tweedie in regard to her claim in connection with certain rights of way.

I was hoping to have been able to send you the agreement relating to the timber sale but it is not to hand but you will notice that P.S. Ross & Sons state that it is now in the process of being signed.

Mr. Field mentioned to me that he is expected to give some answer by Tuesday next in regard to the definite offers received, but in any case we will need to wait until you give us your advice in regard to this whole matter.

Yours very truly, .

F. G. Shears,
Director.

FGS/PMH

ESTABLISHED 1858

CUSTODIAN OF ENEMY PROPERTY
Rec'd FEB 23 1944
File No. 12524
Ans.
Referred SHEARS.

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING
VANCOUVER, B. C.

February 23rd, 1944.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited

With regard to the sale of timber limits owned by the above, we are glad to report that we are advised by Mr. Sheppard of Locke, Lane, Guild & Sheppard that all matters have now been determined between him and the solicitors for H. R. McMillan Company Limited and that the preliminary agreement is now in their hands for signature.

Our Mr. Field visited the property last week, taking with him Mr. J. R. Morgan of the Vancouver Equipment Co. The purpose of this visit was to attempt to interest Mr. Morgan in some of the equipment and also to secure his opinion as to possible sale prices obtainable for the balance of the equipment. It should be pointed out that the demand for logging equipment has slackened considerably since August, 1943, the date when the appraisal of the equipment was made.

We attach hereto a schedule showing the gross figures per the appraisal, the sales arranged of the speeder and rail, and the bids now submitted, and in the third column the estimated recovery of the remaining items. The fourth column gives the appraisal value of the remaining equipment after sales and bids are allowed for. If these figures are realized, the result will be as follows:

Timber sale	$40,000.00
Sales and bids on equipment	25,175.00
Estimated recovery on balance	20,210.00
	$85,385.00

Mr. Smith in his report recommends acceptance of a bulk sale price of $80,000.00.

In making our list of sales and bids, we have estimated a recovery value of $8,000.00 for the rail based on a price "where is and as is" of $12.00 per ton. We have approached the firm bidding for the rail and asked them to make a bid for the locomotive and cars and they have promised to consider this.

The bids we are submitting and recommending at this time are as follows:

CUSTODIAN OF ENEMY PROPERTY

Gas Logging Units		Appraised Value
No. 1	6,000.00	8,525.00
No. 2	2,500.00	3,700.00
No. 3	1,000.00	2,700.00
	9,500.00	14,925.00
New wire lines	3,500.00	4,334.60
20 Blocks	1,000.00	1,000.00
Pipe	365.00	380.06
Iron	110.00	126.16
Lighting plant	200.00	225.00
	14,675.00	20,990.82

The lines on the gas logging units are valued in the appraisal at $1,125.00 and [redacted] firm bidding say that owing to these wires having been exposed to the weather they cannot consider them of any value. We have received two bids for the No. 1 gas logging unit both for $6,000.00 and we have advised the parties making the offers that should the price be approved it will be necessary for them to decide between themselves as to who shall become the purchaser.

In making our estimate of the value of the used wire lines (which are located in the woods some five miles from the camp) we have taken this into account and drastically reduced the appraised value. We feel that with the schedule attached a fair picture is given of the possible realization of the equipment.

The bids submitted ask that we endeavour to expedite a decision so that other arrangements can be made should the offer not be accepted.

We have received a request for a list of the miscellaneous tools and believe we may receive further offers covering this part of the equipment.

Yours faithfully,

Att.

CUSTODIAN OF ENEMY PROPERTY

DEEP BAY LOGGING COMPANY LIMITED

Summary of Equipment

	Gross figures per appraisal	Sales & Bids	Estimated recovery on balance	Appraised value of balance
Railroad Equipment	15,000.00			
Less estimated value of rail to be left down.	1,000.00	2,500.00		
	14,000.00	8,000.00	3,500.00	3,500.00
Gas Logging Units	14,925.00	9,500.00	-	-
Steam Donkeys	6,470.50	-	3,500.00	6,470.50
Electric Tractor	7,500.00	-	4,000.00	7,500.00
[illegible]mpressor	500.00	-	500.00	500.00
Lines Used	4,670.25	-	2,000.00	4,670.25
Lines new	4,334.60	3,500.00	-	-
Blocks	3,565.30	1,000.00	2,500.00	2,565.30
Straps, spreaders & Clevices	1,336.15	-	1,000.00	1,336.15
Falling & bucking tools	692.10	-	500.00	692.10
Miscellaneous tools	993.40	-	1,000.00	993.40
Pipe	380.06	365.00	-	-
[illegible]	126.16	110.00	-	-
Miscellaneous	1,530.50	200.00	1,000.00	1,330.50
Boom chains	710.00	-	710.00	710.00
Lumber	14.16	-	-	-
	61,748.18	25,175.00	20,210.00	30,268.20
		20,210.00		
		$ 45,385.00		

Timber -	$ 40,000.00
Above	45,385.00
	$ 85,385.00

Rec'd FEB 16 1944
File No. 13527
Ans.
Referred MR GOOD

February 16th, 1944.

M E M O R A N D U M

To: Mr. B. Good,
Office of the Custodian,
Royal Bank Building,
Vancouver, B. C.

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

Re: Deep Bay Logging Co. Limited

Would you be good enough to issue a cheque in favour of Mr. George Mark Swan in the sum of $250.00.

P. S. Ross & Sons
per [illegible]

Lease Rental
Right of way
due Sept 1/43.

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

E[redacted]EE TRUST SECTION

No. 7818

Requisition for Cheque on No. 4 Bank Account

Date Feb. 16/44

Issue to George Mark Swan Regn. No. $250.00

Particulars:

Lease rental right of way due September, 1943

Charge to Deep Bay Logging Co. Ltd. Regn. No. File No. 13524

whose unpaid liabilities as per file amount to $Not known

Authorized by E. G. Rhodes Requisitioned by

Cash Balance at ~~Debit~~ Credit $2,387.59

Deduct Above Cheque $250.00

~~Debit~~ Credit Balance Remaining $2,137.59

Issued Cheque No. 8208

Approved for Payment

Comptroller

Additional Particulars: Cheque handed to P. S. Ross & Sons - Feb. 18/44

File No. 13524 February 16th, 1944.

MEMORANDUM

TO: MR. F.G. SHEARS

FROM: MR. K.W. WRIGHT

Re: Deep Bay Logging Company Limited

Attached hereto is Order, in Duplicate, appointing Mr. Frederick Field Controller, with the power of a Liquidator, of the affairs of the above noted Company. Will you kindly forward this Order to Dr. Coleman for signature.

K.W. WRIGHT

KWW/DG
Attach

506 Royal Bank Building,
Vancouver, B.C.

13524

16th February, 1944.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Limited.

Mr. Sheppard was in our office yesterday submitting to Mr. Wright the draft of some documents in connection with the timber deal with MacMillan. We hope this will be ready to forward to you for your approval very shortly.

Mr. Field advised me that he may be in a position to recommend some definite offers on the other assets of this company in the near future. I have informed him that these will need to be forwarded to you with full information so that you can review same before approval is given.

Mr. Wright has prepared an Order appointing Mr. Field Controller with powers of a Liquidator for the signature of the Deputy Custodian. You may require to re-draw this in line with the new form you are preparing for future use. The Order in duplicate is enclosed herein.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

encl.

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

No. 7685

Requisition for Cheque on No. 4 Bank Account

Date Feb. 10/44

Issue to Receiver General of Canada Regn. No. $ 521.87

Particulars:

Tax deductions from payrolls to 31st January, 1944

Charge to Deep Bay Logging Company Regn. No. File No. 13524

whose unpaid liabilities as per file amount to $ Not known

Authorized by D.G. Shears Requisitioned by

Cash Balance at ~~Credit~~ debit $ 1114.08

Deduct Above Cheque $ 521.87

Debit
~~Credit~~ Balance Remaining $ 1635.95 DR

Approved for Payment

Issued Cheque No. 8081

Comptroller

Additional Particulars:

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

No. 7686

Requisition for Cheque on No. 4 Bank Account

Date Feb. 10/44

Issue to Charles Morrison Regn. No. $ 251.64

Particulars:

Wages - December 1943 and January 1944

Charge to Deep Bay Logging Company Ltd. Regn. No. File No. 13524

whose unpaid liabilities as per file amount to $ Not known

Authorized by J.G. Shears Requisitioned by

Cash Balance at ~~Credit~~ debit $ 1635.94

Deduct Above Cheque $ 251.64

Debit
~~Credit~~ Balance Remaining $ 1887.58

Approved for Payment

Issued Cheque No. 8082

Comptroller

Additional Particulars:

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

CUSTODIAN OF ENEMY PROPERTY

Rec'd FEB 9 1944
File No. 12787
Ans.
Referred IAN MACPHERSON

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING
VANCOUVER, B. C.

Our file 295-168

February 8th, 1944

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

Attention Mr. Ian McPherson

Dear Sirs:

Re: Ekichi Kagetsu and Deep Bay Logging Company Limited

With reference to our conversation of even date we would advise you that Blocks 267, 504 and 566 are an integral part of the above company's logging operations and have been sold by us by a tender for all the company's timber.

While these blocks are in the name of Ekichi Kagetsu they were included in an inventory of the company's assets presented to us by him. He is the principal shareholder of the company.

Yours faithfully,

P. S. Ross & Sons.

THIS AGREEMENT made in duplicate this _____day of February, A. D. 1944.

BETWEEN:

THE HONOURABLE THE SECRETARY OF STATE OF CANADA, acting in his capacity as Custodian under the Revised Regulations Respecting Trading with the Enemy (1943)

Hereinafter referred to as THE CUSTODIAN OF THE FIRST PART.

AND:

DEEP BAY LOGGING COMPANY LIMITED, a body corporate having its head office at the City of Vancouver, in the Province of British Columbia,

Hereinafter referred to as THE VENDOR OF THE SECOND PART.

H. R. MacMILLAN EXPORT COMPANY LIMITED, a Company duly incorporated under the laws of the Dominion of Canada, and having its Head Office at 837 West Hastings Street, City of Vancouver, in the Province of British Columbia,

Hereinafter referred to as THE PURCHASER OF THE THIRD PART.

WHEREAS Eikichi Kagetsu is the registered owner of an Estate in fee simple in certain of the lands and premises hereinafter described ;

AND WHEREAS such lands are situated in a protected area in the Province of British Columbia;

AND WHEREAS it appears that the said Eikichi Kagetsu

Police Registration Number 00014, is a person of the Japanese race and was required to leave a protected area in the Province of British Columbia under and by virtue of an Order issued by the Minister of Justice pursuant to the provisions of the Defence of Canada Regulations (Consolidation) 1941 ;

AND WHEREAS it appears that the interest of the said EIKICHI KAGETSU in the property hereinbefore mentioned has become vested in and subject to the control and management of The Custodian herein under the Revised Regulations Respecting Trading with the Enemy (1943) ;

AND WHEREAS the Vendor is the owner of an Estate in fee simple and of leasehold interests in certain properties hereinafter described ;

AND WHEREAS the Custodian and the Vendor have agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Custodian and Vendor all the property hereinafter more particularly described on the terms and conditions hereinafter contained ;

WITNESSETH in consideration of the mutual covenants and agreements herein contained , the Parties hereto agree each with the other as follows :-

1. The Vendor and the Custodian agree to sell to the Purchaser and the Purchaser agrees to purchase from the Custodian and Vendor :-

(a) All the estate and interest of The Custodian in those lands described in Schedule "A" as the property of the Custodian , hereto annexed and identified by the signatures of the attesting persons.

(b) All the estate of the Vendor in those lands described in the said Schedule "A" as the property of the Vendor, and all the interest of the Vendor in those leasehold interests described in the said Schedule "A" as the property of the Vendor.

AT AND FOR THE purchase price of Forty Thousand ($40,000.00) Dollars, of lawful money of Canada, to be paid to the Custodian and the Vendor at the office of Frederick Field c/o P.S. Ross & Sons, Royal Bank Building, 675 West Hastings Street, in the City of Vancouver, in the Province of British Columbia ; payable against the conveyance and assignment of the said lands and interest in the manner hereinafter provided.

2. The Purchaser covenants with the Custodian and the Vendor to pay and to cause to be paid the said purchase monies at the time and in the manner above mentioned.

3. The Custodian agrees with the Purchaser on payment of the purchase monies to convey and assure or cause to be conveyed and assured to the Purchaser, by registerable conveyance, the freeholds designated as the property of the Custodian in the said Schedule "A" , clear of encumbrance , but subject to the exceptions and reservations in the Custodian's title and to the encumbrances referred to in said Schedule "A" .

4. The Vendor agrees with the Purchaser upon payment of the purchase monies :-

(a) To convey and assure or cause to be conveyed and assured to the Purchaser by registerable conveyance the freeholds designated as the property of the Vendor in the said Schedule

"A" hereto annexed, clear of encumbrance but subject to the exceptions and reservations in the Vendor's title and to the encumbrances referred to in said Schedule "A" .

(b) To assign to the Purchaser the leasehold interests referred to in the said Schedule "A" as the property of the Vendor but subject to the stipulations and conditions in the said leases referred to in the said Schedule "A" ; PROVIDED ALSO that the rights of the Purchaser herein in the said leasehold interests, including the Indenture bearing date the 7th day of February, A.D. 1944 between Flora Elizabeth Tweedie as Lessor and the Vendor herein as the Lessee therein, shall be subject to the rights of The Victoria Lumber and Manufacturing Company Limited under an Agreement dated the 16th day of August 1938 between the Vendor herein as the Logging Company of the First Part therein and The Victoria Lumber and Manufacturing Company Limited as the Lumber Company of the Second Part therein, providing for right of user to the Victoria Lumber and Manufacturing Company Limited of that portion of the Vendor's railway situate upon Lot Forty-eight (48) Newcastle District , and under an Agreement bearing date the 16th of August, 1938 between the Vendor herein as the Lessor of the First Part therein and The Victoria Lumber and Manufacturing Company Limited as the Lessee of the Second Part therein providing for the Right-of-Way to The Victoria Lumber and Manufacturing Company Limited across a certain foreshore lease .

5. The Purchaser shall have the right to possession upon completion of the purchase in the manner hereinbefore provided and not previously.

6. The Parties do mutually agree :

(a) That the conveyance of the freehold interests and the assignment of the leasehold interests shall not contain and shall not be deemed to contain any warranty by the Custodian or the Vendor.

(b) In the event of the Custodian or Vendor being unable to produce a good title to all or any of the said property at or before the time for completion of the purchase, or to procure the freeholds in the property to be registered in the name of the Purchaser in the manner hereinbefore provided the Purchaser shall have the option (to be declared in writing addressed to Frederick Field c/o P.S. Ross & Sons, Royal Bank Building, 675 West Hastings Street, Vancouver, B.C.) of rescinding this agreement, but prior to the completion of the purchase the Custodian and Vendor shall not be liable other than for the return of the purchase monies actually received upon such rescission being effected by the Purchaser.

(c) Upon completion of the purchase the liability of the Custodian and of the Vendor under any warranty of title to the freeholds and leasehold interests , included in the property referred to in Schedule "A" , shall cease and the Custodian and Vendor shall not be liable under any warranty whatsoever.

(d) An account shall be taken between the parties hereto providing for a proper adjustment of all taxes and rentals under the leasehold interests on the basis of the title to the said assets having passed to the Purchaser as of the

31st day of December 1943, but the Vendor shall be charged with the rentals accruing due in the years 1944 to 1946 inclusive under the Indenture of February 7th,1944 between Flora Elizabeth Tweedie as Lessor and the Vendor herein as the Lessee therein , and shall be indemnified by the Purchaser herein against claims by the Lessor therein .

7. The Purchaser covenants with each of the other parties hereto that :-

The Purchaser shall immediately upon the completion of the purchase install and maintain upon the said land sufficient machinery and equipment and provide the services of an adequate number of men to permit the carrying on of logging operations and the production of timber in an amount permitted by good logging practice, and thereafter the Purchaser shall carry on such logging operations continuously and shall with all reasonable despatch effect delivery and sale of the timber produced or the lumber derived therefrom; provided that the Company shall be excused from carrying on such logging operations during such time as such logging operations shall be prevented by any cause beyond the control of the Purchaser , viz., Acts of God, or of the King's enemies, strikes, walk-outs, sit-down, slow-down, lock-out,stoppage of labour, restriction of output by labour, weather conditions, fire, accidents not directly due to the negligence of the Company, breakdown or repair of machinery or equipment, delays due to maintenance, shortage of labour, equipment, parts, materials or supplies, the operation or effect of any law, rule, order or regulation issued by or under the authority of the Government of the Dominion of Canada or of the Province of British Columbia or of any department of official, board or body deriving authority from either of the said governments under the terms of or in consequence of which the said operations may be

suspended or shut down, the failure of markets or the existence of market conditions under which, in the opinion of the Company based on reasonable grounds , does not warrant the continuation of the operations.

8. IT IS FURTHER UNDERSTOOD AND AGREED that notwithstanding anything to the contrary herein contained the sale to the Purchaser herein does not include the rails, including bars, bolts, spikes and switches of that portion of any railway south or west of the southerly or westerly boundaries of Lot 48 Newcastle District, or any logging equipment or railway equipment, and that the Custodian and the Vendor, or either of them, and others on the invitation or permission of either of them, shall be entitled on or before the 31st day of May, A. D. 1944 from time to time to enter upon that portion of the lands referred to in said Schedule "A" hereto , lying west or south of Lot 48 Newcastle District, and to remove and take away therefrom any such rails , including bars, bolts, spikes and switches in which either the Vendor or the Custodian may have an interest , and to enter upon the lands referred to in Schedule "A" and to remove and take away therefrom any logging equipment or railway equipment of the Custodian or of the Vendor.

IN WITNESS WHEREOF the Custodian has hereunto set his hand and seal and the Vendor and Purchaser have hereunto affixed their corporate seals duly attested by the hands of their proper officers in that behalf the day and year first above written.

SIGNED, SEALED AND DELIVERED
by the Custodian, in the presence
of :

The corporate seal of DEEP BY LOGGING COMPANY LIMITED was hereunto affixed in the presence of

The corporate seal of H.R. MacMILLAN EXPORT COMPANY LIMITED was hereunto affixed in the presence of :

VICE-PRESIDENT

SECRETARY

CUSTODIAN OF ENEMY PROPERTY

THIS INDENTURE made in duplicate this 7th day of February, A.D. 1944.

BETWEEN:

FLORA ELIZABETH TWEEDIE,
of Fanny Bay, in Newcastle District,
in the Province of British Columbia,

Hereinafter called the Lessor
OF THE FIRST PART.

AND:

DEEP BAY LOGGING COMPANY LIMITED, a body corporate having its head office at the City of Vancouver, in the Province of British Columbia,

Hereinafter called the Lessee
OF THE SECOND PART.

WHEREAS the Lessor is registered in the Land Registry Office at the City of Victoria under Number 17408-N as the owner in fee simple of Lot Forty-eight (48) Newcastle District except the Esquimalt & Nanaimo Railway Company right-of-way;

AND WHEREAS Charles J. Tweedie the predecessor in title of the Lessor or the Lessor has granted certain rights of user of parts of said Lot 48, Newcastle District under the following respective agreements :

(a) Agreement bearing date the 11th day of January 1924 between Charles J.Tweedie as Vendor of the One Part and the Lessee herein as the Purchaser of the Other Part.

(b) Indenture bearing date the 11th day of January, 1932 between Charles J. Tweedie as the Lessor of the First Part and the Lessee herein as the Lessee therein of the Second Part.

(c) Agreement bearing date the blank day of August, 1937 between the Lessor herein as the Lessor therein of the First Part, and the Lessee herein as the Lessee therein of the Second Part.

AND WHEREAS the Lessee has constructed and operated railway between points "C" and "D" on said Lot 48, more particularly described hereinafter ;

AND WHEREAS under an agreement bearing date the 16th day of August, A. D. 1938 between the Lessee herein as the Lessor therein of the First Part and The Victoria Lumber and Manufacturing Company Limited as the Lumber Company and Lessee of the Second Part therein the Lessee herein did grant to the said Lumber Company certain rights theretofore acquired by the Lessee, including the right of user with the Lessee herein of the logging railway constructed by the Lessee herein pursuant to the said three agreements first hereinbefore mentioned and also the right to use the railway constructed by the Lessee herein between the said points "C" and "D" ;

AND WHEREAS the Lessor has contended that the Lessee has committed a breach of the said three agreements first hereinbefore mentioned in entering into the said Agreement of August 16th,1938, and has represented that the Lessee has acquired no right-of-way or user over the said lands between points "C" and"D " ;

AND WHEREAS the Parties have agreed on settlement

of the difficulties in the manner hereinafter contained ;

WITNESSETH that in consideration of the premises and the mutual stipulations the Parties hereto have agreed as follows :-

1. The Lessor doth demise unto the Lessee, its successors and assigns, all that portion of Lot Forty-eight (48) Newcastle District, British Columbia, now occupied for the purpose of a railway or branch therefrom, or purposes incidental thereto, between point shown "E" in red (lying southwest of the point marked "C") and the point marked "D" as appears on the map hereto annexed as Schedule "A" and identified by the signatures of the attesting persons hereto;

TO HAVE AND TO HOLD the said demised lands for the term of Three (3) years commencing on the 1st day of February, A. D. 1944;

YIELDING AND PAYING therefor unto the Lessor the clear annual rental of Two Hundred ($200.00) Dollars payable in advance, the first of the said annual payments to be made on the execution of this lease, and thereafter on the 1st day of February in each of the succeeding years of the term.

2. The Lessee covenants with the Lessor:

(a) To pay the said rent as and when due.

(b) Prior to, or at the end of the term, or, in the event of renewal thereof, prior to or at the end of such extended term, to remove the steel, ties, coal dump and any other movable things or erections placed thereon by the Lessee from the demised premises, but without obligation to restore the contour of the land. The Lessee shall have sixty (60)

days after any such termination of its rights hereunder to complete such removal,and unless the same is completed within that period, the Lessor shall have the right, without notice to the Lessee, to take up and remove the said steel, ties, coal dump etc., and to charge the cost of doing so to the Lessee, the Lessor to have a lien on all such things for such cost, with the right to sell same to re-imburse her for such cost of taking up and removal. The Lessee shall not remove the steel from the said demised premises until it shall have taken up and removed therefrom the ties and other things hereinbefore mentioned.

3. THE LESSOR COVENANTS AND AGREES WITH THE LESSEE AS FOLLOWS :-

(a) That portion of the demised premises occupied for right-of-way shall be deemed to include portions of the said Lot 48 to the extent of fifteen (15) feet on each side of the centre line of the right-of-way and additional lands reasonable required for cuts and fills.

(b) Upon the written request of the Lessee thirty (30) days previous to the expiration of the term to grant a renewal lease for a further term of two (2) years at the same rent and containing the like covenants and provisoes as are herein contained excepting this covenant for renewal. The request for such renewal may be given by The Victoria Lumber and Manufacturing Company Limited or such other Company to whom the Lessee may have assigned this Indenture, and in such event the renewal lease shall be granted to such assignee, its successors and assigns. The Lessee may plank the whole or any part of the said demised

lands for the purpose of using the same as a logging truck road.

(c) That the Lessee may at any time and from time to time during the said term, or renewal as the case may be, and within one (1) month after the termination thereof, whether by lapse of time or sooner determination , disannex, remove, repossess and convert to its own use any erections, fixtures or additions heretofore erected or hereafter to be erected, or fixed or made by the Lessee for the purpose of the Lessee.

(d) To accept the said rental in satisfaction of any claim for the user of the demised premises by the Lessee or The Victoria Lumber and Manufacturing Company Limited prior to the date of this Indenture.

(e) The Lessor consents to and ratifies the said Agreement of August 16th,1938 between the Lessee herein and The Victoria Lumber and Manufacturing Company Limited, PROVIDED and it is hereby agreed that the Lessor shall not be deemed to have approved of the user by the Company last named byond the said term, and any renewal thereof.

(f) The Lessee shall have the right to assign all its rights under this Indenture without obtaining the consent of the Lessor. The Lessor shall, in the event of the Lessee making any default in the performance of its covenants herein, have the right to re-enter, and, upon thirty (30) days' notice in writing of its intention so to do, addressed to the Lessee, at its last known address, or to any assignee of the Lessee of whose rights as assignee the Lessor shall theretofore have been notified in writing to terminate this lease, and prevent the Lessee or such assignee from further use of the demised premises.

THESE PRESENTS and everything herein contained shall enure to the benefit of and be binding upon the Parties hereto, their heirs, executors, administrators and assigns, or successors and assigns respectively.

IN WITNESS WHEREOF the Lessor has hereunto set her hand and seal and the Lessee has hereunto affixed its corporate seal duly attested by the hands of its proper officers in that behalf the day and year first above written.

SIGNED,SEALED AND DELIVERED by the said FLORA ELIZABETH TWEEDIE, in the presence of :

Flora E. Tweedie

The Corporate seal of DEEP BAY LOGGING COMPANY LIMITED was hereunto affixed in the presence of :

DEPARTMENT OF THE SECRETARY OF STATE OF CANADA

THE CUSTODIAN OF JAPANESE EVACUEE PROPERTY

VANCOUVER OFFICE

Receipt No. 7710

File 13524

Date Feb 2nd 1944

RECEIVED from R. H. Ross & Sons Vancouver

the sum of Two thousand five hundred 00/100 Dollars Cash / Cheque / Money Order

re: Deep Bay Logging Co. Ltd.

Regn. No. File No. 13524

Cheque of Lake Logging Co. Ltd.

in Payment of Speeder

$ 2500 00/100

R. H. Reed Cashier

For The Custodian of Japanese Evacuee Property.

EVACUATION SECTION
Rec'd JAN 31 1944
File No.
Ans.
Referred

January 31st, ~~1944~~.

M E M O R A N D U M

To: Mr. B. Good,
Office of the Custodian,
506 Royal Bank Building,
Vancouver, B. C.

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

Re: Deep Bay Logging Company Ltd. 13524

We enclose herewith cheque in the amount of $2,500.00 which we would ask you to kindly credit to the account of the above mentioned company.

J.J.

Encl.

Proceeds of Sale of Bleeder.

Copy for Mr. F. G. Shears

F. E. H. Gates, Montreal

January 31st, 1944.

Frederick Field, Vancouver.

Re: Deep Bay Logging Company Limited

In connection with the proposed sale of the timber holdings and buildings for the sum of $40,000.00 to the H. R. McMillan Export Company Limited, we wish to point out certain facts.

This was the only offer received for the timber. The value of the timber as appraised by Mr. Eustace Smith was $32,500.00. The buildings were not considered to be of any value so that the offer of $40,000.00 should be compared to the valuation of $32,500.00. When this offer was received we realized that it was not in accordance with the terms of the advertisement offering the property for sale. In view of the fact that it was the only offer received and that it seemed to be an extremely good offer, it was felt that it should be accepted, subject to working out the details as to right-of-way. We should mention that previous proposals by Mr. Korner and by a Mr. Robson to take over this property contained prices for the timber so much below this offer that we felt that every effort should be made to complete the sale at the price of $40,000.00.

It should be borne in mind that this timber is a residue and the quantity involved is not sufficient to appeal to any logger anxious to take on a property where he can be assured of some years of operation. We should also point out that until the Custodian approved the price of $40,000.00, we were unable to approach the McMillan interests with a view to having the offer changed to comply with the terms of the advertisement. Upon receiving the approval of the Custodian, we arranged with Mr. Sheppard of Locke, Lane, Guild & Sheppard, to work with Mr. Hossie, representing the McMillan interests, to check all titles.

The reason for the delay is the fact that a Mrs. Tweedie, who had granted certain right-of-way, claimed that certain portions of the right-of-way crossing her land were not covered by any agreement; in other words, the Deep Bay Logging Company Limited were trespassing. Negotiations have been proceeding for the past six weeks with Mrs. Tweedie and we have had several interviews with the solicitor and also with representatives of the Victoria Lumber and Manufacturing Company Limited who are the beneficiaries in part of this right-of-way. There was a small portion of the right-of-way for which we were unable to discover any specific agreement and while it would appear possible that Mr. Kagetsu had received some permission from Mrs. Tweedie to use this ground, there is no legal document supporting it. The solicitor wrote to Mr. Kagetsu asking him to advise regarding this but failed to receive a reply.

We now wish to advise that after consulting Mr. Shears, we have authorized the solicitor to agree to pay Mrs. Tweedie $200.00 a year for three years for this piece of right-of-way. We are informed by Mr. Sheppard that he has communicated this to Mrs. Tweedie's solicitor, who is recommending it to Mrs. Tweedie for her acceptance. Mrs. Tweedie's solicitor promises to have a reply which he hopes will be favourable by Wednesday of this week. This is the only matter outstanding, so that it would seem reasonable to expect that by Wednesday of this week Mr. Sheppard, on our behalf, will be able to draft an agreement between the Deep Bay Logging Company, the Custodian, and the H. R. McMillan Export Company Limited wherein it will be recited that an offer is made for the timber and right-of-way and buildings without warranty of any kind and agreeing to accept such title as we have to deliver.

We note that the Custodian seems to be of the opinion that the deal should be cancelled and that new requests for offers be made. We are not in a position to state what the result of this would be but in view of the fact that the offer of $40,000.00 has been agreed to by Mr. Kagetsu and also in view of the fact that in the opinion of Mr. Eustace Smith it is an exceedingly good offer, we would be quite disturbed if such a procedure were carried out.

The long time it has taken to straighten these various matters out is, we understand, one of those things that occur when dealing with rights-of-way, and you will realize from our previous remarks that a great deal of the delay has centered around one very minor matter. We asked Mr. Sheppard to communicate with Mr. Hossie, representing the McMillan Company, and ascertain from him if there was anything else he was not satisfied with and we have just received a telephone call from Mr. Sheppard saying that provided this agreement with Mrs. Tweedie is completed, there is nothing else to stop the transaction being completed. Mr. Sheppard feels that, provided this is done, a preliminary agreement should be drawn between the Deep Bay Logging Company Limited, the Custodian on behalf of Kagetsu, and the H. R. McMillan Export Company Limited wherein they agree to pay $40,000.00 for such titles as are able to be delivered without warranty or guarantee of any kind. We include the Custodian on behalf of Kagetsu in this agreement as certain of the timber limits are registered in the name of Kagetsu.

We also asked, in discussion with Mr. Wright and Mr. Shears, that it will be necessary to appoint a controller with the powers of a liquidator in respect of Deep Bay Logging Company Limited so that documents may be signed on behalf of the Deep Bay Logging Company Limited without having to go through the procedure of having formal meetings of the shareholders.

We would point out that this transaction has been in the hands of the solicitors since October and we have to accept their advice that the delay has been unavoidable.

ATTACHED IS OUR CHEQUE IN PAYMENT OF YOUR ACCOUNT AS ITEMIZED:
LAKE LOGGING CO. LIMITED

No. 2486

DATE	REFERENCE	GROSS INVOICE	DISC.	NET INVOICE	CREDITS
	Payment in full on Speeder purchased December 23rd, 1943 - subject to Bill of Sale from the Custodian's Office.			2,500.00	

13th January, 1944.

MEMORANDUM.

To: Messrs. P.S. Ross & Sons,

From: Mr. F. G. Shears.

: Deep Bay

Re: Deep Cove Logging Co., Ltd.

We are attaching hereto letter we have recently received from the Inspector of Income Tax, for your attention.

F. G. Shears,
Director.

" "Re: Deep Cove Logging Co. Ltd.,
1941 Assessment - $1,954.93

I shall be pleased if you will advise me when payment of the above income tax may be expected.

Thanking you in anticipation of an early reply.

Yours faithfully,

(signed) Norman Lee

Inspector of Income Tax

PMH

attach.

File No. J-11
December 31, 1943
GWM/L

MEMORANDUM for MR. SHEARS

re Deep Bay Logging Company Ltd.

We have discussed this file at some length and the present picture is not satisfactory because it indicates that there has been considerable delay, due primarily to the manner in which the tenders were recommended in spite of the fact that none of them appeared to be in strict accordance with the terms of the advertisement.

I understand that you have now approved of the disposal of a speeder, the bid of Evans, Coleman & Evans having been rejected. I do not see how P.S. Ross & Sons can justify their original recommendation for the logging railroad and equipment on the basis of a value of $10,500., if they now contend that they can collect far more than this by selling individual items, nor do I think that you can take a valuation of $80,000. on a total liquidation as being the amount that you should aim for in a sale by individual items, since this valuation was one placed on the assets by Mr. Smith on the theory that it would be a bulk sale for cash. If you are going to sell piecemeal, then it would appear that you will have to take a much higher valuation as the sale value of the individual articles.

When you return to Vancouver you should impress on Mr. Field that the Deputy Custodian has taken a personal interest in this file and cannot understand why, before P.S. Ross & Sons made their recommendation, all of the difficulties that would arise as a result of the acceptance of the offer they recommended had not been surveyed before they made such recommendation, which was subsequently accepted and which has not, even at this late date, been given effect to. I feel that this is a good example of "more haste, less speed", and the habit of our Agent to refer things to you ~~on~~ for a snap decision, because a great emergency appears to have arisen and it must be decided within a matter of hours, usually results in your subsequently finding that there was no real urgency and that if the decision had been delayed to give you time to look into all of the facts, you might have found many complications which might have affected your decision and, in fact, the decision in this case of the Deputy Custodian. It is my intention to bring this case to the attention of Mr. Gates next week and find out just why the deal has not been completed and the reasons for the long delay.

As regards future policy, I am uncertain as to the basis upon which the items should be valued when comparing offers, since Mr. Smith's valuations are considerably below valuations of the company that was hired to make valuations, and if Mr. Field hired an expert to value the equipment and, I assume, paid a fee for such opinions, I do not understand why he has another expert re-value the equipment and why he immediately accepts the second valuator's opinion.

I do not know what qualifications Mr. Smith has for valuing logging equipment of this kind, although I do know he has excellent qualifications as a timber valuator, but you might discuss this problem with Mr. Field and point out the misgivings I have as to the manner in which he has handled this whole transaction.

It seems to me that if you are going to start a sale of individual items you will have to take a value of the/

the machine company as a value that you must get on each item before you can accept an offer. In cases where you do not get this amount, I think the matter should be referred to Ottawa and Mr. Field should be told that, if the delay results in the withdrawal of the offer, it is unfortunate, but in view of the past history of this file the Deputy Custodian feels that any offer should be carefully reviewed.

G. W. McPherson
Executive Assistant

Thomas Thomson

506 Royal Bank Building,
Vancouver, B.C.

13524

22nd December, 1943.

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

Dear Sirs;

Re: Deep Bay Logging Company Limited.

Referring to your letter of the 16th instant.

Your recommendation in regard to the sale of the speeder has since been discussed between ourselves together with Mr. Wright.

It is noted that Mr. Smith's valuation covering the items in parcel "C" in the original call for tenders, after allowing for the valuation of the rails would be $5,975.90. Acceptance of the present offer of $2,500.00 for the purchase of the speeder would leave a valuation of $3,475.90 as the amount which would need to be secured from the balance of the items which include a locomotive, a number of logging cars, tank car and a small speeder.

We understand that in your opinion if these items can be sold they can very well exceed the amount above referred to

It is also noted that the cost of the speeder was $2,750.00 and that it has been in use for about six months and in view of your recommendation we are prepared to confirm the acceptance of the Lake Logging Company's offer for this speeder for $2,500.00 cash.

Yours truly,

F. G. Shears,
Director.

33

FGS/PMH

13524

22nd December, 1943.

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

Dear Sirs:

Re: Deep Bay Logging Company Ltd.

In accordance with your letter of the 17th instant we enclose herein cheque for $250.77 in favour of Mr. Charles Morrison covering wages for October/November.

We also enclose our cheque for $51.40 in favour of Mr. Matt Brown.

Yours truly,

F. G. Shears,
Director.

33

FGS/PMH

encl.

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

No. 6504

Requisition for Cheque on No. 4 Bank Account

Date Dec. 20/43

Issue to Matt Brown Regn. No. $ 51.40

Particulars: Fees and expenses in looking after company's property at the time Mr. Murray was ill and arranging for Mr. Morrison to take over

Charge to Deep Bay Logging Co. Regn. No. 13524 File No.

whose unpaid liabilities as per file amount to $ Not known

Authorized by Requisitioned by

Cash Balance at ~~Credit~~ debit $ 3,562.68

Deduct Above Cheque $ 51.40

Credit Balance Remaining Debit $ 3,614.08

Approved for Payment

Issued Cheque No. 6960

Comptroller

Additional Particulars:

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

No. 6563

Requisition for Cheque on No. 4 Bank Account

Date Dec. 20/43

Issue to Charles Morrison Regn. No. $ 250.77

Particulars:

Wages for October and November

Charge to Deep Bay Logging Company Ltd. Regn. No. File No. 13524

whose unpaid liabilities as per file amount to $ Not known

Authorized by Requisitioned by

Cash Balance at ~~Credit~~ debit $ 3,311.91

Deduct Above Cheque $ 250.77

Credit Balance Remaining Debit $ 3,562.68

Issued Cheque No. 6959

Approved for Payment

Comptroller

Additional Particulars:

For Details see P.S. Ross & Sons Letter of 17 Dec. on File 13524

33

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

Rec'd DEC 18 1943
File No.
Ans.
Referred HARROP

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING
VANCOUVER, B. C.

Our file 295-168

December 17th, 1943

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

Attention Mr. F.G. Shears

Dear Sirs:

Re: Deep Bay Logging Company Limited 13524

Will you kindly let us have a cheque in favour of Charles Morrison in the sum of $250.77 to cover his wages for October and November as follows:

October wages			$ 150.00	
October board allowance			31.00	
			181.00	
Less: Income tax		53.25		
Unemployment insurance 4 2/6 @ 36		1.56		
Workmen's Compensation Board		.31	55.12	$ 125.88
November wages			150.00	
November board allowance			30.00	
			180.00	
Less: Income tax		53.25		
Unemployment insurance 4 2/6 @ 36		1.56		
Workmen's Compensation Board		.30	55.11	124.89
				$ 250.77

3 31.91

Will you also let us have a cheque in the amount of $51.40 in favour of Matt Brown, your agent at Cumberland, B. C., being his fees and expenses in looking after the above company's property at the time Mr. Murray was taken ill and arranging for Mr. Morrison to take over, etc.

Yours faithfully,

P. S. Ross & Sons

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

Rec'd DEC 17 1943
File No.
Ans. 13524
Referred

December 16th, 1943.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs: Re: Deep Bay Logging Company Limited

We have been constantly in touch with Mr. Sheppard of Locke, Lane, Guild & Sheppard during the past several weeks with a view to completing the proposed sale of timber and buildings owned by the above company and Kagetsu to H. R. McMillan Export Company. We have had a number of inquiries regarding the equipment owned by this company but have delayed bringing this to your attention pending completion of the timber deal.

We are now advised by Mr. Sheppard that there is only one small matter outstanding which delays the purchasing company from making an offer for the property "as is." In view of this, we wish to advise you of offers we have received for the speeder contained in Parcel C. This speeder was valued by the appraisal company at $4,000.00 and on investigating the books of the company we find that it was purchased in October, 1941 for $2,750.00, so it was in use for about six months. The valuation placed on this parcel by the appraisal company was $22,549.10 and in the report by Mr. Smith he reduced this valuation down to $15,000.00. The valuation of the steel rail was $9024.10 and there was no reduction contemplated as far as the rail was concerned. If we allow the valuation on the rail to stand, it means that a valuation of $5975.90 was placed on the equipment valued by the appraisal company at $13,525.00.

We have two offers for the speeder as follows:

Lake Logging Company Limited	$ 2,500.00 - cash
Bloedel, Stewart & Welch	$ 2,000.00

In view of the foregoing remarks made by us, we recommend that the offer made by the Lake Logging Company be accepted. This will leave still to be sold of this parcel, the locomotive, logging cars, tank car and small speeder.

We would appreciate hearing from you in this connection as soon as possible as we have delayed submitting this offer to you pending the completion of the timber deal.

33

Yours faithfully,

P. S. Ross & Sons

13524

14th December, 1943.

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

Dear Sirs:

Re: Deep Bay Logging Company Ltd.

We are enclosing herein cheque in favour of Mr. W.S. Murray in the sum of $455.49 which is made up as follows:

Wages, August to October, 3 months @ $150.00		$450.00
Board allowance, August 1 to October 5, 66 days @ $1.00		66.00
		516.00
Less: W. C. Board	.66	
Income Tax	59.85	60.51
		$ 455.49

Yours truly,

F. G. Shears,
Director.

PMH

encl.

OFFICE OF THE CUSTODIAN, VANCOUVER, B. C.

EVACUEE TRUST SECTION

Requisition for Cheque on No. 4 Bank Account

No. 6346

Date DEC 11 1943

Issue to W. S. Murray. Reqn. No. $ 455.49

Particulars: Wages Board Allowance 1 Aug. to 31 Oct. Less Deductions.

Charge to Deep Bay Logging Co. Ltd. Regn. No. File No. 13524.

whose unpaid liabilities as per file amount to $ Not considered.

Authorized by ~~X~~ Gbrears ~~X~~ Requisitioned by

~~Cash~~ Balance at ~~Credit~~ Debit $ 2856.42

Deduct Above Cheque $ 455.49

~~Credit~~ Debit Balance Remaining $ 3311.91

Approved for Payment

Comptroller

Issued Cheque No. 6808.

Additional Particulars: For Details See P.S. Ross & Sons letter on File 13524.

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS
CHARTERED ACCOUNTANTS
MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

Rec'd DEC 9 1943
File No. 13524
Refrred SHEARS.

ROYAL BANK BUILDING
VANCOUVER, B. C.

Our file 295-168 (13524) 9th December, 1943

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

Attention: Mr. F. G. Shears.

Dear Sir:

Re: Deep Bay Logging Company Ltd.

As we have previously advised you verbally, Mr. W. S. Murray, who was in charge of the above company's property at Fanny Bay, B. C., was taken suddenly ill early in October. He was immediately replaced by a Mr. Charles Morrison, who formerly worked for us at the Royston Lumber Company Ltd., and in whom we have every confidence.

It is now apparent Mr. Murray will not be able to return and he has asked for the balance of his wages. In view of the fact that Mr. Murray stayed on the property for a year and a half without relief, we are of the opinion he should be paid to the end of October. This amounts to as follows:

Wages August to October, 3 months at $150.00		$450.00
Board allowance, August 1 to October 5, 66 days at $1.00		66.00
		516.00
Less: W. C. Board	.66	
Income Tax	59.85	60.51
		$ 455.49

If you concur in paying Mr. Murray in full for October, please let us have your cheque for the above amount made out in his favour.

Yours faithfully,

P. S. Ross & Sons

506 Royal Bank Building,
Vancouver, B.C.

3rd December, 1943.

13524

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

Dear Sirs:

Re: Deep Bay Logging Company Ltd.

The attached invoice from the Universal Appraisal Company has been received at this office. This is in connection with the Deep Bay Logging Company and is sent to you for attention.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

encl.

13524

November 29th, 1943

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

Dear Sirs:

Re: Deep Bay Logging Company Limited
Your file No. 295-168

Replying to your letter of 26th November our records show that automobile, Custodian Number 118 was a Pontiac, model 2219 Sedan, serial number 22219-00899, motor number 41205, originally purchased on 22nd January, 1942 and registered in the name of Eikichi KAGETSU (our file number 12787), 1941 licence number B 1469.

This car was taken in by the Mounted Police on the 12th of March, 1942 with a 1942 licence number 65445, sold by us on August 31, 1942 for $1,025.00 less $26.98 accrued charges making a net amount of $998.02 credited to the account of E. Kagetsu, file number 12787. This amount still remains in the credit of Kagetsu's account.

Yours truly,

B. Good
Comptroller

BG:BR

13524

29th November, 1943.

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

Dear Sirs:

Re: Deep Bay Logging Company Limited.

We have your letter of the 26th instant and we enclose herein a letter from our Mr. Good setting out the particulars of the Pontiac sedan, the proceeds of the sale of which have been credited to E. Kagetsu.

If your records show that this was the car purchased out of funds of the above company, we will authorise the transfer of this credit to the Deep Bay Logging Company Limited.

Yours truly,

F. G. Shears,
Director.

FGS/PH

34

506 Royal Bank Building,
Vancouver, B.C.

13524

27th November, 1943.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Limited.

I am enclosing further correspondence just received from Messrs. P.S. Ross & Sons and a copy of a letter they have received from Mr. Sheppard dated November 24th, 1943.

Yours very truly,

F.G. Shears,
Director.

FGS/PMH

encl.

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

November 26th, 1943.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Co. Ltd.,
Your File 13524

The books of the Deep Bay Logging Company Limited show that there was purchased in January, 1942, a 1942 Pontiac sedan and the indications are that it may have been registered in the name of Kagetsu.

We understand from your Mr. Good that a 1942 Pontiac sedan registered in the name of E. Kagetsu was disposed of by your office and it would seem that this is the property of the Deep Bay Logging Company Limited.

We should be glad to receive your advices in this matter.

Yours faithfully,

P. S. Ross & Sons

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

November 25th, 1943.

Our File 295-168

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company,
Your File 13524

We enclose for your information copy of a letter received from Messrs. Locke, Lane, Guild & Sheppard which outlines the points remaining to be settled with regard to the proposed sale of the timber to H. R. McMillan Export Company Limited.

In connection with the points raised regarding the Tweedie right-of-way, we have written to Mr. Matt Brown at Cumberland, B. C., and asked him to take immediate action to endeavour to settle this matter.

Yours faithfully,

P. S. Ross & Sons

Encl.

C
O
P
Y

506 Royal Bank Building,
Vancouver, B.C.

13524

25th November, 1943.

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

Dear Mr. McPherson:

Re: Deep Bay Logging Company Limited.

Referring to your letter of the 15th instant re the position in regard to negotiations for the sale of the assets of the above company.

No change has been made in regard to the recommendation for the acceptance of the offer of $40,000.00 provided that assurance could be given that the necessary conditions of the offer could be complied with. The only thing that has transpired since in regard to the MacMillan offer was that apparently they indicated to Messrs. P. S. Ross & Sons that they would be prepared to offer $75,000.00 for the total assets.

A wire was sent to Kagetsu stating that a tentative offer of $75,000.00 had been received and as this was supposed to be in line with an option previously given by Kagetsu, he was asked whether he would wish to accept same. No satisfactory reply was received.

I have asked Mr. Field on several occasions how the matter was progressing as to the closing of the timber deal and on receipt of your recent letter I asked him for a written report on the present position. I am enclosing copy of his letter dated November 24th.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH

encl.

LISHED 1858

CABLE ADDRESS PHILROSS

NOV 24 1943
Rec'd
File No. 13524
A.F.S.
Referred SHEARS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

Our File 295-168

November 24th, 1943.

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

Attention: Mr. F. G. Shears

Dear Sirs:

Re: Deep Bay Logging Company

In our letter to you recommending acceptance of the bid of H. R. McMillan Export Company Ltd. for timber holdings and buildings for the sum of $40,000.00, we mentioned that although the McMillan people had included in their offer rights-of-way, etc. and had made their offer in terms not in accordance with the offering, at the same time we did not anticipate any difficulty in arranging matters so that we could satisfy them and yet avoid giving any warranties of title. Since we were informed by you that the Custodian had approved this offer, subject to the details being worked out, we placed the matter in the hands of Mr. Sheppard of Locke, Lane, Guild and Sheppard, and asked him to arrange with the solicitor for McMillan Company to make such inquiries as he wished so he would be able to have the McMillan Company revise their offer, so that it would be practically "where as and where is".

We were informed by Mr. Sheppard today that there are only two minor matters still outstanding, both of which he does not anticipate any difficulty in having straightened out. It is then Mr. Sheppard's intention to draft a new offer by the McMillan Company along the lines of the manner in which the offering was made and in such form that he will be able to, on behalf of the Custodian, give an acceptance and convert the offering into a firm deal. When this is done, the deals between the lawyers can be worked out at their leisure.

In order to illustrate to you the difficulties that do arise, we might mention the fact that it was found, subsequent to the advertisement being inserted in the paper, that there were in existence between the Deep Bay Logging Company and the Victoria Lumber and Manufacturing Company Limited, agreements whereby the Victoria Lumber and Manufacturing Company Limited were permitted running rights over a portion of the Deep Bay right-of-way. These running rights are to continue for several years and it was necessary as one of the details surrounding this transaction to make arrangements whereby these rails might remain down and at the same time be possible for the right-of-way to be used by the trucks of the new owners.

It has been tentatively agreed that the McMillan Company will arrange to plank in between the railway lines and thus enable both the railway lines to be used for their regular purpose and the McMillan trucks to travel over the same route. Such a condition, of necessity, would have to be approved by the Department of Railways and the solicitor for the McMillan Company has, we understand, made arrangements to do this. We have agreed that as compensation for the McMillan Company having to plank this right-of-way, we will consider that the rails which have to be left down shall become their property.

As we have mentioned before, there are two minor points Mr. Hossie mentions, upon which Mr. Hossie is satisfying himself, and Mr. Sheppard tells us that they will be in a position by Thursday of this week to bring the matter to a termination.

We are expecting to receive certain firm offers for portions of the equipment and as soon as these come to hand we will forward them to you with our recommendations. Now it is apparent that the equipment will have to be sold piece-meal, we would appreciate your making arrangements with the Custodian as to the manner in which we should proceed. For instance, we expect that we may receive offers in some cases which will be practically in line with the appraised values, whereas in other cases we may receive offers either above or below, and we should like to feel that it is possible to view these various offers in a light of an endeavour to realize a total from the sales of around $80,000.00.

As soon as we have completed matters with the McMillan Company regarding the timber, it is our intention to come to a definite arrangement with the Evans-Coleman-Evans Company in respect to the rail. The McMillan Company have already agreed to give adequate time for the removal of the equipment and the rail.

Yours faithfully,

P. Ross Sons

COPY

CABLE ADDRESS: "MAYERS"
TELEPHONE: PACIFIC 7137

LOCKE, LANE, GUILD & SHEPPARD
Barristers and Solicitors

C. H. LOCKE, K.C.
W. S. LANE — C. K. GUILD, K.C. (MAN.)
F. A. SHEPPARD, K.C. (SASK.) — K. L. YULE
J. R. YOUNG — S. C. LANE
C. C. LOCKE

703 Rogers Building
Vancouver, B.C.

November 24th, 1943.

Messrs. P. S. Ross & Sons,
675 West Hastings Street,
VANCOUVER, B.C.

Dear Sirs:-

Re: Deep Bay Logging Company Limited,
Your File 295-168

So far as the titles are concerned Mr. Hossie raises three points:-

1. That the Conveyances by the E. & N. Railway Company to Kagetsu, which are not available, be replaced by duplicates.

2. Mrs. Flora Elizabeth Tweedie, of Fanny Bay, has objected to the right-of-way given by the Deep Bay Logging Company Limited to the Victoria Lumber & Manufacturing Company Limited, on the ground that this is a breach of the conditions in the Lease from Mrs. Tweedie to the Deep Bay Company, that is, the Lease to the Deep Bay Company of the 11th of January, 1932, provides for the right to assign, sell or dispose of its rights, but the company shall not permit any other logging company to use the right-of-way without the consent in writing of the Lessor, Mrs. Tweedie. (This covenant appears at the top of page 3 of the Lease of January 11th, 1932).

3. That there is no available evidence of a right-of-way from Vancouver Island Fruit Lands Limited to the Deep Bay Company over the southerly portion of Lot 88.

As to item 1, we are asking the E. & N. Railway Company to issue duplicate Conveyances and do not expect any trouble,

and that should not delay the Agreement being entered into. As to items 2 and 3, as we are asking the Purchaser to take whatever title the Deep Bay Company or Kagetsu may have, it is reasonable that they ask that these points be cleared up so that we may indicate the actual title. As to item 3, Mr. Ross, the Director of this Company, will return to Vancouver on Thursday, the 25th, and we hope to have that matter cleared up then. As to item 2, we have telephoned to Mr. Matt Brown of Cumberland, the local agent of the Custodian, and he states that he knows Mrs. Tweedie and that she lives 16 miles away, and that he could get in touch with her at any time and would do so if you so request. We would therefore be obliged if you would get in touch with Mr. Brown asking him to interview Mrs. Tweedie to endeavour to have her consent to the rights-of-way given by the Deep Bay Company to the Victoria Lumber Company, without consideration, or alternatively, arrange for whatever consideration is necessary. Mr. Brown has available the arguments:-

(a) That the rights given to the Victoria Lumber & Manufacturing Company Limited, which we understand have resulted in their constructing a railroad alongside the Deep Bay Railroad on Mrs. Tweedie's land, but still within the area demised to the Deep Bay Company for a right-of-way, and therefore this does not result in Mrs. Tweedie losing the use of any additional parcel of land.

(b) The Deep Bay Company entered into their Agreement with the Victoria Company on the 16th of August, 1938, and it may be that Mrs. Tweedie has waived her right to object. If she has accepted rent after knowledge of this Agreement in favour of the Victoria Company then she has waived any right to object.

However the latter argument should be used only in the last resort, in that it is advisable to endeavour to arrange an amicable settlement. The original Agreement from Mrs. Tweedie to the Deep Bay Company provided for an annual payment of $500.00 per year, so that it is improbable that she could demand any substantial sum for approving of the right given by the Deep Bay Company to the Victoria Company. In any event we think it would be advisable to have Mr. Brown inter-

Messrs. P. S. Ross & Sons, November 24th, 1943.

view Mrs. Tweedie personally and see what are the best terms he can make and report to you. That would be preferable to a lengthy correspondence.

Yours truly,

LOCKE LANE GUILD & SHEPPARD

per

FAS/ART

VIA AIR MAIL

Rec'd NOV 16 1943
File No.
Ans.
Referred

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO

FILE NO. J-11

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

November 15, 1943.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Ltd.

I have a copy of P. S. Ross & Sons' report summarizing the position of enemy properties being administered by their Vancouver office as at October 31, 1943. I believe that you have a copy of this report or that you can see a copy of same in Mr. Field's office.

You will note that the first item dealt with is the above company. Mr. Gates, who I understand prepared the report, in dealing with the present position talks about an offer of $75,000.00 for all of the assets having been submitted to E. Kagetsu and having been rejected by him. He further goes on to state that negotiations are under way for the sale of the timber.

You will recall that this is the company that there has been considerable correspondence about with particular reference to the bids received by P.S. Ross & Sons. The Custodian's file here indicates that on the recommendation of P. S. Ross & Sons the offer of $40,000.00 for Parcels A, B and G, which includes the timber, was recommended for acceptance and was accepted by the Custodian as stated in my letter of September 24th, pargraph three. I pointed out in that letter that P. S. Ross & Sons should be careful to see that they could comply with the conditions of the offer and I was under the definite impression that Mr. Field had not anticipated any difficulty whatsoever in closing the deal with the H. R. MacMillan Company. Mr. Gates' recent summary indicates that the matter is still in abeyance and I would appreciate a statement as to the exact position at the present time.

Yours very truly,

G. W. McPherson
Executive Assistant.

GWMcP/FC.

13524

22nd November, 1943.

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

Dear Mr. Field,

Re: Deep Bay Logging Co., Ltd.

I have received a further letter from Mr. McPherson re the above and I think it might be desirable if you write me a brief letter setting out the up to date position in regard to this matter.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

COPY

12787/2

November 11, 1943.

Mr. Eikichi KAGETSU,
Registration No. 00014,
Bridge River, B.C.

Dear Sir:

Re: Catalogue No. 148
5286 McKenzie Street
47 & 48/29/2027

Please be informed that 5286 McKenzie Street has been sold as of August 18, 1943 for the sum of $4,300.00 which is equal to or in excess of the value attached to these premises by an independent appraiser.

Rents less expenses up to the mentioned date have been credited to your account and adjustments of unearned taxes and any insurance premiums have also been credited to you.

The net result of the sale is as follows:

Sale Price		$4300.00
Less due on R.P. North West Mortgage Corp.	$2,222.45	
" Commission	215.00	
		2437.45
Net credit to your account.		$1862.55

These funds are available to you in the usual way.

Yours truly,

P.H. Russell,
Administration Department.

PHR:MA
CC B.C. Security Commission

C O P Y

12787

November 5th,1943

R.H.Rayner, Esq.,
724 Granville Street,
Vancouver, B. C.

Dear Sir:

Re: Catalogue No. 396
2867. West 37th Avenue

Your letter of the 2nd instant enclosing offer to purchase 2867 West 27th Avenue for the sum of $2500 has been received and considered.

We are not able to accept this tender. No acceptable tender has been received on this property and we are now prepared to consider revised offers.

This property has been independently appraised and the Custodian will not be interested in any sum less than $4200.00.

If you should wish to submit another offer, subject to prior sale and other bids which may be received, we will be pleased to consider same.

Yours truly,

F.G. Shears
Director.

FGS/AW

Copy

D.S. ROSS & SONS
EXAMINED
Chartered Accountants

Our file 295-168

1st November, 1943

Carl H. Stewart, Esq.,
Barrister and Solicitor,
736 Granville Street,
Vancouver, B. C.

Dear Sir:

Re: Deep Bay Logging Co. Ltd.

As requested, we attach hereto a copy of a wire to Mr. Kagetsu from Mr. F. G. Sheard of the Custodian's office, dated October 28th, 1943, together with Mr. Kagetsu's reply received this morning.

As we advised you by telephone, the offer of $40,000 for the timber and right of way, etc., should be accepted. However, we have a tentative offer from the same party which we consider could be closed for the sum of $75,000 for all the assets of the company at Penny Bay, B. C. In view of the fact that we are aware Mr. Kagetsu gave an option to purchase the assets of the Deep Bay Logging Company some time ago, for $75,000, we consider he should have an opportunity to accept or refuse this proposal. If, however, he will not accept same, we are of the opinion that the additional $35,000 offered for the machinery and equipment is not acceptable by us in view of the valuation thereon we have received. In other words, if Mr. Kagetsu does not wish to accept the offer of $75,000 it is the intention of the Custodian to accept the offer of $40,000 for the timber and right of way, etc., and to pursue the sale of the equipment separately.

Yours faithfully,

Enclosures.

CUSTODIAN OF ENEMY PROPERTY

FORM 6122

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

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 TELEGRAPH

W. M. ARMSTRONG, GENERAL MANAGER

Exclusive Connection with WESTERN UNION TELEGRAPH CO. for Service to the World Transferred Telegraph

CNT 6296
5-36

CONFIRMATION OF TELEGRAM
Telephoned

TO BE Vera

PRINTED IN CANADA

STANDARD TIME

[redacted]A Q 50 RUSH 1 EXTRA VIA ASH

MINTO MINE BC 1020A NOV 1 1943

MR F G SHEARS 344

DEPUTY OF CUSTODIAN 506 ROYAL BANK BUILDING VANCR

IN REPLY TO YOUR WIRE OF TWENTY EIGHTH HAVE ACCEPTED YOUR OFFER AS UNDER OF CONDITIONS STOP NINETY FIVE THOUSAND DOLLARS FOR ASSETS [redacted]EEPBAY LOGGING CO AND FORTY THOUSAND DOLLARS FOR TIMBER BUILDING RIGHT AWAY LEASES LOADING DUMP ETC TOTAL AMQUNT FOR ONE HUNDRED AND [redacted]HIRTY FIVE THOUSAND DOLLARS

EIKICHI KAGETSU

1050A

Form 6102

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

30th October, 1943

Eikichi Kagetsu, Esq.,
Minto City, B. C.

PLEASE REPLY MY WIRE 28TH.

F. G. Shears,
Authorized Deputy Custodian.

COPY FOR Mr. Shears.

Form 6102

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

CANADIAN NATIONAL TELEGRAPHS

CUSTODIAN OF ENEMY PROPERTY

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

The following message, subject to the terms on back hereof, which are hereby agreed to

October 28th, 1943.

Eiki Kagetsu, Esq.,
Minto City, B. C.

HAVE A TENTATIVE OFFER SEVENTY FIVE THOUSAND DOLLARS FOR ASSETS DEEP BAY LOGGING COMPANY STOP HAVE ALSO OFFER FORTY THOUSAND SUBJECT CERTAIN CONDITIONS FOR TIMBER BUILDINGS RIGHT OF WAY LEASES LOGGING DUMP ETC STOP UNDERSTAND SEVENTY FIVE THOUSAND DOLLARS OFFER COMPARABLE TO PREVIOUS OPTION GIVEN BY YOU THEREFORE YOU MAY WISH SAME ACCEPTED STOP AS OFFER CONDITIONAL UPON IMMEDIATE RESPONSE PLEASE WIRE BY RETURN

F. G. Shears,
Authorized Deputy of Custodian.

CUSTODIAN OF ENEMY PROPERTY

COPY

Established 1887

PEMBERTON REALTY CORPORATION LIMITED

Telephone PAcific 8241

418 Howe Street
Vancouver, Canada

October 26, 1943.

Catalogue #396.

2867 West 37th, 46/29/2027.

This is a 9-room frame and stucco house. One of the older houses and has been remodelled and stuccoed, 12 feet added to full east side which has made a mess of the whole house except the living room. For instance, the dining room is 22x11' with only one small window at the narrow end and a bedroom off the dining room. I understand there is a lease for the duration at $30.00 per month.

Value for sale with six months possession . . . . . .$4200.

PEMBERTON REALTY CORPORATION LIMITED.

"W. G. Moore"

W. G. Moore.

WGM-JM

file

HYMAN-MICHAELS COMPANY

RAILROAD EQUIPMENT

STEEL RAILS
NEW AND RELAYING
—
SWITCH MATERIAL
—
DUMP CARS
CONTRACTORS EQUIPMENT
STEEL PILING

STEEL RAIL - TRACK ACCESSORIES
MACHINERY
2200 JERROLD AVENUE
SAN FRANCISCO

TELEPHONE MISSION 3631
CABLE ADDRESS: HYMANMIKEL
ALL CODES USED
—
LOS ANGELES OFFICE:
837-841 EAST GAGE AVENUE

Rec'd OCT 21 1943
File No. 13524
Ans. ~~that~~
Referred Shears.

October 18, 1943.

Department of the Secretary of State
Office of the Custodian
506 Royal Bank Bldg.
Hastings & Granville
Vancouver, B.C., Canada

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

Gentlemen:

We wish to acknowledge and thank you for your letter of October 14th, File No. 13524, regarding the Deep Bay Logging Company, Ltd.

We shall await hearing from Messrs. P.S. Ross & Sons.

Very truly yours,

HYMAN-MICHAELS COMPANY

By H. L. Purdy.

HLP:V

3-1

13524

14th October, 1943.

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

Dear Sirs:

Re: Deep Bay Logging Company Limited.

Enclosed are letters received from Mr. A. Stanley Bishopric and the Hyman-Michaels Company, both of San Francisco, together with a copy of our replies.

You may wish to communicate direct with these parties in regard to some items on which we have not received satisfactory tenders.

Yours truly,

F. G. Shears,
Director.

FGS/PMH

encl.

13524

14th October, 1943.

A. Stanely Bishopric,
P. O. Box 3180,
San Francisco (19),
U.S.A.

Dear Sir:

Your letter of October 5th in which you ask for information regarding the Deep Bay Logging Company Limited at Fanny Bay has been received.

Tenders were called for the sale of this property and closed on August 30th.

This particular property is being handled on our behalf by Messrs. P.S. Ross & Sons, 411 Royal Bank Building, Vancouver, B.C. and we have handed your letter to them for their attention.

Yours truly,

F. G. Shears,
Director.

See enclosed correspondence Oct 14, Oct 5, & Oct 2/43.

FGS/PMH

Files No. 13524 - 12787 October 8th, 1943.

MEMORANDUM - FILES

Referring to the letter of Esquimalt and Nanaimo Railway Company, September 23rd, Mr. McBAIN informed me over the phone that it was probable that Mr. S.A. MOORE, who was formerly acting for Mr. Eikichi KAGETSU, might have possession of the deeds of Blocks 267 and 504. I have inquired of Mr. MOORE who states that he closed his practice as a solicitor in 1936 and that he has neither of these documents. If he had deed of Block 267, which was issued on September 18th, 1933, he would have handed it over to Mr. KAGETSU, and in respect to deed for Block 504, he has no knowledge whatsoever, as this was subsequent to his retirement from business.

The situation therefore, is that at present we are unable to register the Vesting against Blocks 267, 504 and 566, as plans of these have not been registered in the Land Registry Office. Plans are attached to the conveyances of Blocks 267 and 504 and a plan has been completed for the conveyance of Block 566, but the conveyance has not yet been issued. The interests of the Deep Bay Logging Company in Block 617 have been vested.

Mr. WRAY is procuring through Mr. SHEPPARD, surveyor's plans of Blocks 267, 504 and 566, and will advise us when these are received. Until then no further action need be taken of this file.

acting for Director of Soldiers' Settlement

IM:ML

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O
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Y

Oct.5/43

Alien Property Csutodian
Vancouver, B.C.

My dear Sir

Please mail me a full inventory or desc. of the property known as the Deep Bay Logging Co. at Fanny Bay, Vancouver Island and date with terms of sale. Thanking you

Yours very truly,

A. Stanley Bishopric

P.O. Box 3180

San Francisco (19)

C
O
P
Y

October 2,1943

Alien Property Custodian
Vancouver, B.C. Canada

Dear Sir:

We understand the entire assets of the Deep Bay Logging Company will be sold through you, and we would very much appreciate an opportunity to make an offer for this material.

If you are putting out bids on this material we shall be glad to have same, or if you have an inventory on this material we would like to have one.

Thanking you for your kind attention and awaiting to hear from you, we are

Very truly yours,

Hyman - Michaels Company

By

H.L. Purdy

HLP:V

ABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER
SAINT JOHN, N.B.

COPY

5th October, 1943

Our file 295 - 168

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

Attention: Mr. F. A. Sheppard

Dear Sir:

re: Deep Bay Logging Co. Ltd.

The assets of the above company, situated at Fanny Bay, B.C., on Vancouver Island, have been offered for sale by tender, and we have a satisfactory offer for the company's timber, subject to being able to transfer proper right of way to the foreshore.

The timber areas and the logged-off areas upon which the company's railroad is situated are on crown land, that have been or are being purchased from the Esquimalt Nanaimo Railway Company. This covers contiguous blocks up to the North East of boundaries of Lot 88. From there the railroad proceeds in a North Easterly direction through Lot 48, then through Lot 6A. Lot 6A joins a foreshore lease the company has from the Esquimalt Nanaimo Railway Company.

A number of the lots upon which the Company was logging are in the name of the principal shareholder of the company, Ekichi Kagetsu, and we attach hereto a list of all the lots it is proposed to transfer to the purchaser, together with a legal description of the areas upon which the railway is situated and the company has a right of way.

We would ask you to be kind enough to have your agents in Victoria search these properties, and give us a report as to the possession of the titles.

We would also advise you that the Victoria Lumber and Manufacturing Company were, in August, 1938, given an agreement whereby their railroad could cross Lot 88, and for the distance of approximately one mile the two companies would run on the same road.

Yours faithfully,

"P.S. ROSS & SONS"

Enclosure

DEEP BAY LOGGING CO. LTD.

Crown Lands Logging Areas

Lot 88	Newcastle District
Blk 263	" "
Blk 256	" "
Blk 234	" "
Blk 267	" "
Blk 198	" "
Blk 276	" "
Blk 617	" "
Blk 504	" "
Blk 274	" "
Blk 566	" "

Rights of Way and Foreshore Leases, etc.

Lease of Foreshore adjoining Section 6A. Newcastle District - From Esquimalt and Nanaimo Railway Company - copy of lease on file. (17 acres).

Right of Way through Lot 48 (Mrs. Tweedie).

Right of Way through Lot 6A (W. G. Swan)

Foreshore adjoining Section 2 and Lot 26. (Taken from Tax Notice - not aware of importance in company's operations).

C.D. 1R

CANADIAN PACIFIC TELEGRAPHS

World Wide Communications

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

TRAB53 24

SCHREIBER ONT 2 1235P

Deep Bay

1943 OCT 2 AM 10 05

F G SHEARS 350

CUSTODIANS OFFICE ROYAL BANK BLDG VANCOUVER BC

REJECT OFFER ON PARCEL C STOP OPEN PRIVATE NEGOTIATIONS AND IF OFFERS EQUAL APPRAISED VALUE YOUR DISCRETION WHETHER ACCEPT STOP STORE RADIOS AND CAMERAS

G W MCPHERSON

Rec'd .....
File No. .....
Ans. .....
Referred Shears

Copy given to Mr Field

ED 1858

CUSTODIAN OF ENEMY PROPERTY

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

SEP 29 ANS'D

CUSTODIAN OF ENEMY PROPERTY

File 13524

ROYAL BANK BUILDING

VANCOUVER, B. C.

Our File No. 295-168

29th September, 1943.

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

Attention Mr. F. G. Shears
Director

Dear Sirs:

Re: Deep Bay Logging Company Limited

You have advised us of the various points raised in a letter to you by Mr. McPherson regarding a tender received in respect of Parcel C, and our comments thereon. We regret that in the haste attendant upon getting figures and statements away, in response to telegrams, our information has not been quite as explicit as it might have been.

We called upon Mr. Eustace Smith to give us a valuation on both the timber and equipment owned by this company. Mr. Smith, not feeling himself fully informed as regards the equipment, made use of the Universal Appraisal Company to assist him in arriving at a valuation of the equipment. The following is a list of the values placed on Parcel C as originally compiled by the Universal Appraisal Company:

Locomotive	$ 5,000.00
Tank Car	300.00
Logging Cars	3,375.00
Speeders	4,650.00
Push Cars	200.00
Rails	9,024.10
	$22,549.10

In surveying this valuation we questioned the value placed on the locomotive. Our reason for questioning this value was not that the locomotive did not have an intrinsic value of $5,000.00 but our information was to the effect that logging railroad locomotives of this type were somewhat of a drug on the market at the present time, this in view of the great number of operations that have changed from railroad logging to truck logging.

In discussing the valuation we found that the rails were valued by the appraisal company as representing approximately 900 tons, at a value,

94

after allowing for dismantling, of $10.00 a ton. Mr. Smith expressed the opinion that this was a little low. We also advised Mr. Smith that since the original offering was made the amount of rail available had been reduced by approximately one-eighth. On this basis the value of the rail would be reduced according to the foregoing list to $7,896.10.

It should also be pointed out that in making up the list of values sent to Mr. McPherson, in order to show a total agreeing with Mr. Smith's total, his estimate of ten percent for selling costs was deducted from each item. In other words, the revised valuation placed on Parcel C by Mr. Smith was $15,000.00 and this was shown in the schedule attached to our letter as less ten percent, or $13,500.00. In considering the values in respect of tenders received we feel the figure of $15,000.00 should be taken, and if we deduct from the $15,000.00 the sum of $7,896.10 referred to above in respect of rail, it leaves a figure of $7,103.90 for the balance of the equipment in this parcel. In view of the fact that the offer by Messrs. Evans, Coleman & Evans appeared to be $4,500.00, it seemed to us that it was too low and should be refused.

With the consent and approval of Mr. Shears we asked Messrs. Evans, Coleman & Evans to clarify their tender on Parcel C. Mr. Foster, the General Manager of Evans, Coleman & Evans, called at our office and interviewed Mr. Shears and our Mr. Field and Mr. Wray. Our reason for so doing is that their original tender was ambiguous for the following reasons: They started off by making an offer for a certain figure for steel rail and gave an approximate figure in respect thereof, and then said that they would offer $13,500.00 as is where is, for the parcel but afterwards qualified this by stating that such an offer was based on an approximate eight miles of railway. It made no definite statement that they were bidding $4,500.00 for the miscellaneous railroad equipment except by inference. They did not make it clear that in the event that the weight of rail was sufficient at $12.00 a ton to amount to $10,000.00 that their offer would then be increased accordingly, although we felt that in the event that it was short they would undoubtedly wish to fall back on some reduction in respect of the rail. This is where, to our minds, the ambiguity occurred. In any event, as since the issuing of the advertisement it had come to our attention that we were not in a position to deliver all the rail, it seemed incumbent upon us to tell Messrs. Evans, Coleman & Evans this before considering their offer, in view of the fact that there was a substantial reduction in the amount of rail available.

We are attaching a copy of a letter received today from Messrs. Evans, Coleman & Evans. In our opinion their tender for Parcel C should be refused. At the same time we would ask for permission to negotiate with them for the sale of such rail as is available. Presuming that this has your approval and that Messrs. Evans, Coleman & Evans are agreeable to buy the rail that is available, we should then be in a position to discuss with Messrs. MacMillan & Company the details of their tender which, of course, in part, will have to be worked out.

Yours faithfully,

Enclosure

506 Royal Bank Building,
Vancouver, B. C.

29th September, 1943.

13524

G. W. McPherson, Esq.,
227 Oxford Street,
Winnipeg, Manitoba.

Dear Mr. McPherson:

Re: Deep Bay Logging Company Ltd.

Thank you for yours of September 24th.

Undoubtedly this matter has become somewhat more involved than was necessary. The crux of the whole matter, however, lies in the manner of dealing with Parcel C. In case you do not have the file in Winnipeg the wording of the advertisement is:

"Parcel "C" Railroad and railroad equipment, including approximately eight miles of railroad, locomotive, logging cars, speeders, etc."

and the wxact wording to the tender is as follows:

"Parcel C. Railroad Equipment, etc.

Rails and Fittings only $12.00 per ton of 2240#. This amounts to approximately $9,000.00. Adding the trucks, yarding engine, &c. our tender would be $13,500.00 as is and where is. Our price is based on approximately eight (8) miles."

In my letter of the 22nd instant it was mentioned that the tender might suggest a primary interest in the rails and also that it was couched in such a manner as not to be considered a firm offer and I note that you do not agree with these conclusions.

In regard to the first contention it must be admitted that this is very slight and this opinion was verbally expressed to me by P. S. Ross & Sons. Their idea being that $12.00 per ton was a fairly good offer, which would indicate a fair interest in the rails but correspondingly the amount offered for the balance was in their opinion somewhat low.

G.W. McPherson, Esq.

I do feel, however, that the wording of the tender does create some uncertainty as to its meaning. Our advertisement calls for tenders on approximately 8 miles of railroad. Evans Coleman's tender introduces a long tonnage basis of $12.00 which, on some figuring which is not indicated, is said to approximate $9,000.00. This might indicate that if the actual weight of the approximate 8 miles of rail at $12.00 per ton when delivered came to more or less than $9,000.00, the tender would vary accordingly, on the other hand Mr. Field indicated to me that it might be purposely evasive and that if the tonnage at $12.00 per ton came to more than $9,000.00 (which I think is quite possible) he suggests that Evans, Coleman & Evans Ltd. would want to claim that their total offer was $13,500.00, but that if the tonnage of $12.00 per ton came to less than $9,000.00 Evans, Coleman & Evans Ltd. might say that their offer should be reduced by the difference.

Assuming, however, that on the basis of 8 miles their offer is definitely $13,500.00 you are at a loss to understand why, in view of this being equal to Eustace Smith's valuation, P.S. Ross & Sons should suggest that the offer should only be accepted as far as the rails are concerned, but rejected for the equipment. You of course got this from their note 2 at the foot of the summary of tenders. My letter of the 22nd September, page 2, paragraph 5 does, however, state that P.S. Ross & Sons suggest that the offer be first officially rejected.

At the risk of adding another confusing factor into the picture I think I should mention that I now find that Mr. Skelding of the Universal Appraisal Company valued Parcel C at $22,549.00. Mr. Eustace Smith used Mr. Skelding's appraisal on this and other items as a basis for making his own report and in regard to Parcel C made a considerable reduction.

I have asked Mr. Field to let me have a memorandum in regard to this matter and a copy of same is enclosed herein.

An appointment was made by Mr. Field for Mr. Foster of Evans, Coleman & Evans to attend at P.S. Ross & Sons' office yesterday at which time Mr. Wray and myself were also present.

G.W. McPherson, Esq.

Mr. Field pointed out the fact that since the advertisement was published it had been discovered that on account of an arrangement with the Victoria Lumber & Manufacturing Company Ltd., that approximately one mile of rail would have to be left on the premises. He also asked Mr. Foster if he would interpret the exact meaning of his offer as Mr. Field stated that there was some doubt in his mind as to its exact meaning.

No discussion took place in regard to the acceptance or rejection but Mr. Foster stated that his bid could be interpreted on the basis of $12.00 per ton for the actual tonnage which he would receive. This could be arrived at by scale weights when loaded. He stated that the fact that one mile was being left would not be material to his bid as it was on a tonnage basis. He also stated that $4,500.00 would represent his bid for the balance of the items in Parcel C.

Mr. Foster did state that his primary interest was only in the rails but that he would clarify his offer in writing. This has not been received, copy of which is attached and I am also sending you a copy of P.S. Ross & Sons' recommendation with regard to this whole matter.

Now that the facts are more fully before you it will be appreciated if you can let me have a reply from Winnipeg. Copy of this correspondence is also being sent to Ottawa in case it should miss you at Winnipeg.

In your letter of September 24th you mention that any future bids received should be submitted to the Custodian for approval before being accepted. I assume that in this case you wish further offers to be referred to Ottawa irrespective of whether the offers received can be justified as being in line with valuations.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH
encl.

C
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P
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EVANS, COLEMAN & EVANS, LIMITED

Vancouver, B. C.

September 28, 1943.

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

Dear Sirs:

We refer to our letter of August 30th, tendering on a quantity of Rails and Logging equipment operated by the Deep Bay Logging Co., Fanny Bay, B. C.

Our tender for Rails of $12.00 per ton of 2240# as given in our tender was based on 8 miles of track, which on the theoretical weight of 56 lbs. per yard would amount to $8448.00: but, as there were some 60# rail included, we understand, (and there will be a quantity of Angle Bars and Spikes) we made an approximate bid of $9,000.00. You would therefore get more than this amount when actual weights are made.

With regard to the approximate mile of track, which is under lease with the Victoria Lumber Company, we do not think that we should wait three years for delivery, and therefore this mile should be eliminated from a deal, although we would agree to take this material, if and when available, at the same price.

Regarding the cars, yarding engine and other equipment under Parcel "C" heading, we would be agreeable to pay $4,500.00 for this portion of the logging assets, together with the rails: or, alternatively, we would accept the rails on the above basis without the rest of the equipment.

We trust this letter will clarify our tender, and we shall be pleased to discuss the matter with you further if you so wish.

Thanking you, we are,

Yours faithfully,

EVANS, COLEMAN & EVANS, LIMITED.

"F. W. Foster"

General Manager.

FWF:KE

Memorandum

27th September, 1943.

Re: Parcel C - Deep Bay Logging Co. Ltd.

This parcel, consisting of steel rail and rolling stock such as locomotive, speeders and logging cars, was originally valued by Mr. Skelding of the Universal Appraisal Company at $22,549.10. The item of $22,549.10 is made up as follows:

Locomotive	5,000.00
Tank car	300.00
Logging cars	3,375.00
Speeders	4,650.00
Push cars	200.00
Rails	9,024.10
	$22,549.10

In view of the fact that locomotives are quite difficult to sell at present the writer suggested to Mr. Smith that possibly Mr. Skelding had been too optimistic in his valuation. It was left to Mr. Smith to interview Mr. Skelding, who had been employed by Mr. Smith for this purpose, and discuss with him as to what amendment, if any, should be made to the valuation of Parcel C. It now appears that this parcel was reduced to $15,000.00, with a further proviso that it would cost possibly 10% to 15% for selling expenses. This meant that the net amount that Messrs. Smith and Skelding estimated would be received for this parcel would be $13,500.00.

We would also like to point out certain factors in connection with the offer for this parcel made by Messrs. Evans, Coleman & Evans. In the valuation of this equipment by Skelding he mentions that there is estimated to be 900 tons of rail which he values at $10.00 a ton, or $9,000.00. In the offer by Messrs. Evans, Coleman & Evans mention is made of a price per ton of $12.00. Based upon an estimated eight miles of rail an approximation is given of $9,000.00. The bid goes on to say that based on $9,000.00 for the rail they make a bid of $13,500.00. It does not say what their attitude would be in the event that there is not sufficient tonnage of rail at $12.00 a ton to make $9,000.00, it doesn't say whether they actually are offering $4,500.00 for the equipment other than the rail and it doesn't say that

their offer will be $13,500.00 in any case, whatever amount of rail is available.

As a result of our offering of the assets of Deep Bay Logging Company we received a letter from Messrs. Lawson, Clark & Lundell asking if the Custodian intended to honour the commitments made by the Deep Bay Logging Company, having special reference to their clients, the Victoria Lumber & Manufacturing Co. Ltd. We replied to this letter stating it had always been the practice of the Custodian to honour any commitments made by companies under his supervision and that we would appreciate receiving from them copies of the agreements referred to. These agreements, when received, obligated the Deep Bay Logging Company to provide a right-of-way over a certain part of their railway lines to the Victoria Lumber & Manufacturing Co. Ltd. for a period of years. The result of this, of course, is that certain of the rail included in the original offering to the public is not now available. Further than this, arrangements will have to be made with the purchaser of the timber lands to allow this rail to remain in place. We believe that satisfactory arrangements can be made with any purchasers of the timber to carry this out. It does, however, reduce the amount of steel available for Parcel C. The amount of rail to be left down approximates one mile so that if originally there were approximately eight miles, there are now approximately seven miles of rail available for sale. This constitutes a change in the offering and will undoubtedly have some bearing upon the amount the tenderers for Parcel C will be agreeable to pay, and it was for this reason that we felt it desirable to suggest interviewing the tenderer and ascertaining what he was prepared to do. There is only one tender made on this parcel so that it should be quite in order to discuss it with him and clarify the terms of the offer. In our opinion the offer does not constitute a firm offer as it does not state a separate figure for the rolling stock, except by inference, as distinct from the rail. If it is a firm offer then we feel that in view of the fact that one mile of rail has to be left on the ground, it is necessary for us to go back to the tenderer and acquaint him of the new facts before we can be sure that he will proceed with his offer.

ESTABLISHED 1858

CABLE ADDRESS PHILROSS

P. S. ROSS & SONS

CHARTERED ACCOUNTANTS

MONTREAL TORONTO WINNIPEG
CALGARY VANCOUVER

ROYAL BANK BUILDING

VANCOUVER, B. C.

Our file 295-168

24th September, 1943.

EVACUATION SECTION
Rec'd SEP 29 1943
File No.
Ans.
Referred McPHERSON

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

Attention: Mr. Ian McPherson

Dear Sir:

Re: Deep Bay Logging Company

We attach hereto a copy of a letter received from the Esquimalt & Nanaimo Railway Company that we consider perhaps should have been addressed to you.

Yours faithfully,

P. S. Ross & Sons.

Enclosure.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. J-11

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

CONFIDENTIAL

September 24, 1943.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Ltd.

I have your letter of September 22nd and wish to thank you for the information you have been able to obtain in explanation of P. S. Ross & Sons' recommendations.

I would suggest that where the carrying out of an accepted tender involves the making of arrangements with third parties, those arrangements should be definitely negotiated with the third parties before the tender itself is recommended to the Custodian so that he knows that at the time he accepts the tender it is possible for him to complete the transaction.

This file has been discussed with Dr. Coleman this morning and he has accepted the offer of the H. R. MacMillan Export Co. Ltd. for parcels A, B and G; the offer being $40,000. This acceptance is conditional upon P. S. Ross & Sons being able to make satisfactory arrangements to carry out the terms of the offer. It appears to me that one of the conditions being the removal of the rails, there may be some objections to the leaving of a mile of steel as set out in the 4th paragraph on page 2 of your letter of September 22nd.

The Custodian has decided that the following tenders should be rejected -

1.	Evans, Coleman & Evans Ltd.	tender of $1500. on Parcel F.
2.	Evans, Coleman & Evans Ltd.	tender of $4800. on Parcel H.
3.	S. Barrett	tender of $2450. on Parcel H.
4.	E. R. Glover	tender of $ 500. on Parcel B.
5.	Vancouver Equipment Corp.	tender of $3000. on 1 Donkey engine in Parcel D.

All of these bids having been rejected P. S. Ross & Sons are authorized to open negotiations with unsuccessful bidders and any other persons. Any future bids received should be submitted to the Custodian for approval before being accepted.

Insofar as Evans, Coleman & Evans Ltd. bid for Parcel C is concerned, this offer still requires some clarification by P. S. Ross & Sons.

On reviewing the file I find that P. S. Ross & Sons are basing their recommendations on all these parcels on the survey of the assets and the valuations placed on same by Eustace Smith. Mr. Smith, in his letter of September 9th, addressed to P. S. Ross & Sons, places a value of not more than

$15,000. on Parcel C and P. S. Ross & Sons in their summary place a value of $13,500. on Parcel C indicating they are deducting the 10% referred to in the last paragraph on page 2 of Mr. Smith's letter. It is to be noted that Mr. Smith while valuing the locomotive at $5000. states "it is very uncertain whether we could make a sale of this part of the equipment at any price".

It appears that when the public notice was published Parcel C was described as including certain speeders and 8 miles of railroad among other assets and it is assumed that Mr. Smith valued this parcel on the basis that the parcel included the speeder, now specifically referred to by P. S. Ross & Sons as possibly worth $4000.

In P. S. Ross & Sons' letter of September 9th, they point out in the 2nd last paragraph that after the tenders closed, they received certain suggestions from a logging company, that apparently had not tendered, that they would be interested in certain of the company's assets with the exception of the railroad and railroad equipment "but including the speeder".

In the 4th paragraph of your letter of September 22nd, page 2, you state "the manner in which Evans, Coleman & Evans Ltd. tender reads might suggest that their primary interest was for the rails". I have a copy of their tender and do not see how you can so interpret their offer. Their offer is definitely for Parcel C and it follows fairly closely the wording of the advertisement even to the extent of referring to approximately 8 miles of railroad. I do not think it can be said that they are only interested in the rails when they offer $9000. for the rails but increase their offer by $4500. for the railroad equipment.

In paragraph 5 of the same page of your letter you refer to the opinion of P. S. Ross & Sons that the tender of Evans, Coleman & Evans Ltd. is couched in such language that it may not be considered a firm offer and that their suggestion is that the offer be officially rejected. This also disturbs me since I can find nothing wrong with Evans, Coleman & Evans Ltd. offer which at least is for a definite parcel and they do not add properties such as the logging dump, booming ground, etc. as are added in the MacMillan offer which P. S. Ross & Sons recommend be accepted. If it can be said that the Evans offer is not a firm offer then I think it can more logically be said that the MacMillan offer does not conform with the advertisement and I am afraid that the Custodian would be in an embarrassing position to try to justify the acceptance of the MacMillan offer and reject the offer of Evans, Coleman & Evans Ltd., particularly when their offer equals the value placed on the assets by Mr. Smith as set out in the statement submitted by P. S. Ross & Sons.

I have arrived at the position where I do not know what offer should be accepted and what should be rejected since the tenders seem to have been confused with a number of side issues and P. S. Ross & Sons appear to have been influenced by the suggestions made to them by some other British Columbia logging company that among other assets they wish to purchase the speeder. It appears that ~~when~~ anyone tendering for parcel C and particularly for the equipment, has done exactly what Mr. Smith did, *namely* discount the locomotive, etc. as of little value and merely bid for the speeder. I cannot understand the

first recommendation of P. S. Ross & Sons that the bid of Evans, Coleman & Evans Ltd. be accepted as far as the rails are concerned but rejected for the equipment since if it is not a firm offer the whole thing should be rejected.

I appreciate that this is a complicated picture but I think it has been further complicated by recent correspondence and I suggest that you should discuss the matter in detail with Mr. Field. When Dr. Coleman and I discussed the situation today I found I could make no recommendation as to whether or not the offer for Parcel C should be accepted or rejected while I could appreciate that the rails must be removed if the offer for parcels A, B and G are accepted.

Dr. Coleman and I are leaving for Winnipeg tonight. Will you kindly obtain a definite recommendation from P. S. Ross & Sons as to whether or not the Custodian should accept the offer for Parcel C and if not, the reasons for rejecting same and forward it to me in Winnipeg.

Dr. Coleman fully appreciates that you yourself have had little to do with the Deep Bay Logging Company and he is relying upon P. S. Ross & Sons to advise him.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

COPY

Tender submitted by

Geo. E. Davidson

R.E. 2996 W 37th Ave. City.

Catalogue Civic Address

No. 148. 5286 McKenzie St.

Lot 47 Ex E 49.4 & 48.

Block 29.

D.L. 2027

Tender being $3,600.00

Yours truly,

"Geo. E. Davidson"

COPY

DEPARTMENT OF THE SECRETARY OF STATE
OFFICE OF THE CUSTODIAN

JAPANESE EVACUATION SECTION

12787

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

Mr. Eikichi KAGETSU,
Reg. No. 00014,
Minto, B.C.

Dear Sir: Our No. C117

Re: Motor Vehicles

Your Dodge Sedan which was surrendered to the Authorities has been sold for $580.00

Charges against your car were as follows:

Liens

Administrative Expenses 27.23

The balance thereafter remaining of $552.77

has been placed to your credit in our trust account.

Yours truly,

Specified Articles Department.

RPA:MA

JH

Deep Bay Logging Company Limited

Summary of Tenders and Valuations.

	Parcel	Valuation	H.R. MacMillan Export Co. Ltd. (1)	Evans Coleman & Evans Ltd. (2)	S. Barrett (3)	E. R. Glover (4)	Vancouver Equipment Corporation (5)
A	Timber (except 276)	32,500.00	40,000.00				
B	Timber on Lot 276					500.00	
C	Railroad (approximately 8 miles of rails) and Locomotive Logging Cars, etc.	13,500.00		Rails $12.00 per ton Equipment ~~3,500.00~~ 4,500.00			
D	3 Gasoline Donkeys, two with lines attached	13,432.50					1 Donkey only 3,000.00
E	3 Steam Donkeys with lines attached	5,823.00					
F	Road Building Equipment including Cletrac Tractor, etc. and Gas Air Compressor	7,200.00		1,500.00			
G	Buildings, Beds, Bedding, etc.	Nil	including this parcel				
H	Logging supplies, tools, sundry equipment (including 18,000 ' new wire rope) rigging, etc.	16,517.41		4,800.00	2,450.00		
		$ 88,972.91					

Note: Above valuations shown at less 10% as shown page 3 Eustace Smith Valuation Report

1. For all of Parcels A, B. & G and condition that they have right of way to water and Booming Ground. Should be accepted.
2. Offer of $12.00 per long ton for rails is as in valuation. Offer for rolling stock would seem low. Rail offer should be accepted and revised offer on rolling stock either with or without speeder be solicited.
3. To be refused.
4. To be refused. If tender (1) is accepted may wish to sell parcel F to Glover.
5. While not for whole parcel would seem good offer. Donkey valued at $3,330.00. Should be accepted.

O
P
Y

ESQUIMALT AND NANAIMO RAILWAY COMPANY

Land Department

CUSTODIAN OF ENEMY PROPERTY

Vancouver, B. C.
September 23rd, 1943.

Rec'd SEP 29 1943
File No.
Ans.
Referred

Messrs. P. S. Ross & Sons,
Chartered Accountants,
Royal Bank Building,
V a n c o u v e r , B.C.

Dear Sirs: Attention, Mr. McPherson

Referring to your telephone enquiries regarding the status of Blocks 267, 504 and 566, purchased from the E. & N. Railway by the Deep Bay Logging Company or Kagetsu, in the Newcastle District, your enquiries being made for the purpose of arranging to file an Order investing in the Custodian of Alien Property any interest which the Deep Bay Logging Company may have.

Block 267 was purchased by Eikichi Kagetsu and Conveyance was issued in his name September 18th, 1933.

Block 504 was purchased in the name of the Deep Bay Logging Company and Conveyance was issued to them May 12th, 1941.

Block 566 was purchased in the name of the Deep Bay Logging Company. It has been paid for in full and survey plans have been completed for the purpose of issuing Conveyance but Conveyance has not been issued.

Although you did not enquire about Block 617, I might mention that this Block was sold to the Deep Bay Logging Company in November 1941 for $8,000. One-third cash was paid, $2,667. The outstanding balance is as follows:-

Balance of Principal - - - - - -	$5,333.00
Interest to Sept. 30th - - - - -	598.90
Conveyance fee - - - - - - - - -	10.00
	$5,941.90

Yours truly,

"C. W. McBain"

Land Agent

COPY

506 Royal Bank Building,
Vancouver, B.C.

13524

22nd September, 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: Deep Bay Logging Company Limited.

I am in receipt of your letter of the 20th instant and have discussed the points raised with Messrs. P.S. Ross & Sons.

In regard to Parcels A, B and G, P.S. Ross & Sons are of the opinion that the offer of $40,000.00 constitutes an excellent offer. In making this recommendation they realize it would be necessary to make certain arrangements with the parties making the tender for permission for the removal of the equipment and rails. This they state has been indicated to the tenderers and they have no doubt that it can be arranged.

The foot-note in regard to the possible sale of parcel B to Glover on P.S. Ross & Sons' statement was misleading. It was not their intention that we should be interested directly as far as Glover was concerned, and it was intended that Glover's bid would be refused.

Parcel B is a very small parcel and is completely isolated from the rest of the timber and the idea was to advise the tenderers on Parcels A and B that Glover wished to acquire parcel B so that they might be in a position to dispose of this parcel to Glover if they so wished.

Their recommendation would be to accept the offer on parcels A, B and G with a proviso that we are allowed to remove the rail and other equipment on the ground. P.S. Ross & Sons feel that this is reasonable in view of the fact that the tenderers were aware that other parcels had been offered for sale and that we would expect to remove such equipment.

G.W. McPherson, Esq.

While it is true that the MacMillan offer embraced more than was included in the advertised offering, P.S. Ross & Sons suggested that they should be authorized to accept the price provided the conditions attached to the offer can be satisfactorily worked out. That is to say, in their opinion the price of $40,000.00 is satisfactory with the inclusion of the log dump, booming ground and foreshore leases and the right-of-way, and they do not anticipate any difficulty in dealing with these conditions and the contract between the Deep Bay Logging Co., Ltd., and the Victoria Lumber & Manufacturing Co., Ltd.

They are of course not in a position to be definite in regard to this matter as so far they have not been authorized to deal with the tenderers, but they suggest that we should approve of the offer attaching such conditions as are deemed necessary.

In regard to paragraph 2 of your letter. The amount of $3,500.00 for equipment mentioned on P.S. Ross' Summary of Tenders was an error and should have been $4,500.00.

The manner in which Evans, Colemans & Evans' tender reads might suggest that their primary interest was for the rail. Their offer is based on approximately 8 miles of rail and in view of the fact that the contract between the Deep Bay Logging Co., Ltd. and the Victoria Lumber & Manufacturing Co., Lt. requires that approximately one mile of rail has to be left on the premises, P.S. Ross & Sons agree that before the bid could be accepted some discussion would have to be entered into with Evans, Coleman & Evans regarding this matter.

It is the opinion of P.S. Ross & Sons that the tender on the rails and rolling stock is couched in such language that it may not be considered a firm offer and their suggestion is that the offer be officially rejected, but that at the same time open discussion with the tenderers in regard to the matter of the amount of rail which has to be left on the premises. During such a discussion it could be ascertain whether or not their primary interest was in the rail and whether they had any definite interest in the rolling stock.

P.S. Ross's feel that while the rolling stock, such as locomotives and logging cars, is not particularly saleable, that there is included in this parcel a speeder which is practically new

G.W. McPherson, Esq.

and valued at $4,000.00 and for which there is usually a fair demand.

Mr. Eustace Smith's valuation for parcel C was for $15,000.00 and if a commission of 10% would be considered as he suggests the net result would be $13,500.00.

P.S. Ross & Sons feel that if the rail can be sold on the basis of $12.00 per ton, that the balance of this parcel, in view of the fact of the value of the speeder just referred to, might quite fairly be expected to be sold for more than $4,500.00.

Provision of course would have to be made for bringing out the rolling stock to such a location as would enable it to be disposed of. P.S. Ross & Sons are of the opinion that there should be no difficulty in disposing of the rolling stock on at least as favourable a basis as the suggested offer of Evans, Colemans & Evans.

It is understood of course that these necessary arrangements in regard to parcel C would form a condition for the acceptance of parcels A and B.

In regard to your paragraph 3, Tender No.5, covering the Clyde Gasolene donkey for $3,000.00. P.S. Ross & Sons agree with your comments that as this only forms a part of parcel D their tender should be rejected so as to place us in a position to invite further offers.

Until such time as we have either accepted or rejected such offers as have been received as a result of the public offering, we realize that P.S. Ross & Sons are not in a position to discuss the remaining assets with any other parties desirous of purchasing parcels in whole or in part. As previously pointed out P.S. Ross & Sons have informed all such people that they are unable to discuss the matter with them pending formal consideration of the bids received as a result of the public advertisement.

In reviewing this matter and advising in regard to the manner of dealing with the tender for Parcels A, B and G and the tender for parcel C, you might also indicate whether if these parcels are disposed of you would agree that provided a sale of the other parcels can be negotiated at a price which would bring the full total up to at least

G.W. McPherson, Esq.

$80,000.00, the amount of Mr. Eustace Smith's valuation, you would direct me to approve of a recommendation along these lines should it be made by P.S. Ross & Sons.

In view of the fact that the offer for parcels A, B, & G is in excess of the valuation and the possibility of disposition of Parcel C at an amount in excess of the valuation, there should be a possibility of a final total exceeding $80,000.00, but I would like your guidance in regard to the acceptance of any offers on the balance supposing some of them fell short of the individual valuations but which in the aggregate were sufficient to bring the total up to the appraised value.

I trust that the information now given to you will be sufficient for yourrequirements.

Yours very truly,

F. G. Shears,
Director.

FGS/PMH

Memorandum

TO Mr. Shears

FROM Mr. Field

22nd September, 1943.

Re: Deep Bay Logging Company

You have asked us to answer the various queries raised in Mr. McPherson's letter of the 20th inst., and we will deal with the various paragraphs as they arise.

Paragraph 1

It is our opinion that the offer of $40,000.00 for Parcels A, B and G constitute an excellent offer. In making recommendation of this offer we realize that it will be necessary to make certain arrangements with the parties making the tender as to permission to arrange for removal of the equipment. This was indicated to the tenderers at the time they made their bid and we have no doubt that it can be arranged. The footnote regarding the possible sale of Parcel B to one named Glover possibly was rather misleading in that it was our idea that possibly the purchaser of Parcels A and B might wish to dispose of this parcel to Glover themselves. It should be pointed out that Parcel B is a very small parcel and is completely isolated from the rest of the timber and might not be very convenient to deal with ~~without~~ dealing with Parcel A, and the tenderers for the whole stand of timber might feel it more economical to sell this to Glover. It was our intention that we would advise the tenderers that Glover wished to acquire this timber and they could please themselves as to whether they disposed of it to Glover. It was not our intention that we would be interested in the picture as far as Glover is concerned and, as stated, we naturally would have to refuse Glover's bid.

We recommend that the offer of Parcels A, B and G be accepted with the proviso that we are to be allowed to remove the rail and any other equipment on the ground. This recommendation to us is perfectly reasonable in view of the fact that the parcels were offered and the tenderers were aware that we would expect to remove the equipment offered for sale in the other parcels. In view of the fact that the MacMillan offer embraces more (rights-of-way, etc.) than was included in our advertised offering, we suggest that we be authorized to accept the price provided the conditions surrounding the price can be satisfactorily worked out. In our opinion the price is favourable, and provided the additional items asked for by MacMillan can be arranged, we do not anticipate any difficulty in dealing with the conditions surrounding the contract between the Deep Bay Logging Company and the Victoria Lumber & Manufacturing Co. Ltd. We would point out that we are not in a position to be definite in this regard as so far we are not authorized to deal with tenders. It appears to us that the first step is for our recommendations to be approved by your office, attaching such conditions as you deem necessary to the acceptance. It is obvious we cannot be definite until we have had an opportunity to discuss the matter with the tenderers.

Paragraph 2

The manner in which Tender No. 2 came into our hands suggested that the primary interest of the tenderer was for the rail. The tender reads offering a price of $12.00 per ton for the rail and says that if the rolling stock is included they will make a flat offer of $13,500.00 for the whole thing. It is not entirely clear whether they will pay $13,500.00 or whether they intend to pay $13,500.00 provided the rail at $12.00 a ton is sufficient to come to $9,000.00. In attaching our bids we regret that we mentioned $3,500.00 rather than $4,500.00. This was an error.

If you will read the tender you will note that they say rail and fittings only, $12.00 per ton. Their offer would be based on the fact of obtaining all the rail on the premises. In view of the fact that the contract between the Deep Bay Logging Company and the Victoria Lumber & Manu-

facturing Company requires that approximately one mile of rail has to be left on the premises it would seem to us that discussion has to be entered into with Evans, Coleman before this bid can be dealt with. During such a discussion it should be possible to ascertain whether or not their primary interest is in the rail or whether they have any definite interest in the rolling stock. We should point out that while the rolling stock, such as locomotive and logging cars, is not particularly saleable, there is included a speeder which is practically new and for which there is usually a fair demand. It may be that the correct way to handle this tender is to officially reject it and at the time of rejection to discuss with the tenderers the various matters such as the rail that has to be left on the premises, etc. If it be handled in this way it should be possible to indicate to the tenderers that while oficially we have refused their bid, we are willing to discuss the matter and we see no reason why a satisfactory solution should not be reached and possibly a more favourable price received than indicated by the tenderer, this in view of the fact that they were the only tenderers on this parcel.

In our opinion the tender on the rails and rolling stock is couched in such language as not to be a firm offer and it is for this reason that we recommend negotiating with Messrs. Evans, Coleman with a view to accepting their tender on the rail and possibly taking other steps to dispose of the rolling stock. Naturally we would have to make provision for bringing out the rolling stock to such a location as would enable it to be disposed of. We are of the opinion that there should be no difficulty in disposing of the rolling stock on at least as favourable a basis as the suggested offer of Messrs. Evans, Coleman. The amount of rail that has to be left down to comply with the Victoria Lumber & Manufacturing Company contract would not amount to more than one mile distance.

With regard to Tender No. 5 covering one gas donkey, we are inclined to agree that the procedure suggested by Mr. McPherson is correct and that the tender should be officially refused, with an intimation that we are in a position to accept a further offer for this piece of equipment.

If Mr. McPherson so feels disposed, it might facilitate the cleaning up of this estate if Mr. Shears be given certain directions in your behalf.

CANADA

DEPARTMENT OF THE SECRETARY OF STATE

OFFICE OF THE CUSTODIAN

ADDRESS ALL COMMUNICATIONS TO THE CUSTODIAN'S OFFICE

PLEASE REFER TO FILE No. J-11

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

PERSONAL

September 20, 1943.

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

Dear Mr. Shears:

Re: Deep Bay Logging Company Limited

I have been trying to prepare a memorandum for the Deputy Custodian as to whether or not any of the offers received should be accepted but unfortunately I cannot make a recommendation until I have all of the essential facts and I am in a position to answer the questions which may be asked. That was the reason for wiring you on September 17th in which wire you will note I asked for the individual bids on each property whether the bids were recommended or not.

I received a letter from P. S. Ross & Sons this morning which encloses a statement on one sheet showing a summary of the situation and also enclosing a copy of the notice calling for tenders. I do not know whether you have a copy of this summary or not but you might ask Mr. Wray for one and then read my letter at the same time you examine the statement. The points I wish to make are as follows:

1. On the statement Parcels A & B are valued at $32,500. This valuation is contained in Mr. Smith's letter of September 9th and the offer of $40,000. on the face of it seems quite reasonable, and under the notes at the bottom it is suggested that the tenders for Parcels A, B & G be accepted on certain conditions and I feel that the Custodian will likely approve of this but one of the conditions is about a right of way which indicates that the rails must be removed. Therefore, in order to accept tender #1 something will have to be done about tender #2 which I deal with later.

I cannot understand the note about tender #4 which is, apparently, to be refused, since the note states that "if tender #1 is accepted may wish to sell Parcel B to Glover". If tender #1 is accepted, how can the Custodian sell Parcel B to Glover when Parcel B is included in tender #1. $500. seems a small bid for the timber on Lot 276.

2. Tender #2 on the statement is apparently $12. per ton for the rails and, as I read it, $3500. for the equipment. The note suggests that the offer for the rails is reasonable but the offer for the rolling stock is low and that the rail offer should be accepted and a revised offer on the rolling stock, whether with or without the speeder, be solicited.

In the first place it seems to me that the offer for the rails must be accepted if tender #1 is to be accepted and P. S. Ross & Sons will have to see that the Custodian is protected in accepting offer #1 to give time to remove the rails.

I have a copy of the offer of Evans, Coleman & Evans Ltd. and it does not seem to me that you can split their tender for Parcel C and accept part of it and reject the rest. In any event, according to their statement, at $12. per ton this will amount to $9,000. for the rails. When you add the tender for the equipment of $3,500., I arrive at the figure of $12,500. Their letter states that their tender is for $13,500. based on eight miles of rail and that, according to the statement, is the valuation placed upon Parcel C. I do not know how P. S. Ross & Sons arrive at $3500. for the equipment when the tender advises that their bid is for $13,500. but it may be something to do with the statement in P. S. Ross & Sons' letter of September 9th to the effect that their offer of $9000. will have to be reduced because some of the rails may have to be left on the property. This, in my opinion, does not in any way effect their bid for the rails since they are bidding for the rails they get and the valuation of the rails is apparently on all of the rails there are.

In the ~~summary~~ letter of September 9th P. S. Ross & Sons go on to say that their offer for the remainder of Parcel C " we understand would be $4,500." This may be quite correct but why put it as $3500. for the equipment if their offer is $4500. and it is this latter figure that I think is correct since Evans, Coleman & Evans Ltd. refer to their bid as $13,500.

I can only take the figures given to me and on the basis of these figures and the valuation shown in the statement they seem to be offering exactly the amount at which the equipment is valued by Mr. Smith. I, therefore, think the Custodian should have an explanation as to why P. S. Ross & Sons recommend the acceptance for the rails but not for the rolling stock and how they expect to accept half the bid and not all on this parcel. It seems to me that you either accept a tender or you reject it and you cannot accept half and turn down the other half without causing criticism as to the way in which the Custodian handles tenders. At the same time we are considering tenders for Parcel C we have to keep in mind that the tenders on A and B are dependent upon the rails being removed and it seems to me that the locomotive, etc. should logically be moved from the grounds before the tracks upon which they travel are removed.

3. Insofar as tender #5 in the statement is concerned, if one considers the advertisement you will note that while the tenders may be for more than one parcel it does not appear that a person can tender for one article in a parcel and I would think the only logical thing to do in this case would be to reject tender #5 and then ask for a private bid.

<u>To be considered with point #1</u>

As regards the tender of H. R. MacMillan Export Company Ltd., in P. S. Ross & Sons' letter of September 9th, the second paragraph, they refer to the reservation in the bid as to a right of way, the purchase of the log dump, the booming ground and foreshore leases. I do not think the Custodian can authorize the acceptance of this tender until he is definitely advised there will be no difficulty in completing the transfer of the right of way and making an arrangement with the Victoria Lumber & Manufacturing Company. P. S. Ross & Sons are not definite that this arrangement has been or can be made.

I am anxious that these tenders should be considered by the Custodian as quickly as possible and particularly in view of the fact that Dr. Coleman will be leaving Ottawa on Friday of this week and will not return until the 5th of October. I do not feel, however, that I can recommend the acceptance of any of the tenders until the points raised above are clarified. I have no doubt that P. S. Ross & Sons understand the situation thoroughly but I do not think it has been conveyed to me in such form that it can be presented to the Custodian for consideration and the questions raised by him answered. One of the first questions that came to my mind was that if you accepted the bid for the rails and they were removed immediately so that the conditions in the MacMillan tender could be complied with, how are you going to get the locomotive and the rolling stock out of the bush. I assume that the answer is they will take them out first. The second question in regards to this tender was how much of the rail has to be left intact because of the agreement with the Victoria Lumber & Manufacturing Company.

Would you please obtain the answers to these questions and send them to me by airmail as soon as possible.

Yours very truly,

(G. W. McPherson)
Executive Assistant.

GWMcP/FC.

Office of the Custodian,

File 13524

Our file 295-168

18th September, 1943.

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

Dear Sir:

Re: Deep Bay Logging Company Limited

In response to your wire of 17th September to Mr. F. G. Shears of your Vancouver office we attach hereto the following:

1. Summary of tenders received and Eustace Smith's valuation.

2. Copy of our advertisement calling for tenders.

We believe this will give the information you require.

Mr. Smith's valuation of the equipment, or parcels "C" to "H" were based on an appraisal made by the Universal Appraisal Company. The Universal Appraisal Company's valuations were based on the estimated present selling value, and they did not make any deductions for any sales costs or handling charges. In view of this Mr. Smith has deducted 10 % for the equipment items.

While Mr. Smith's valuation letter of the 9th September states he is prepared to recommend the sale of the entire property at a price of $80,000.00, if sold enbloc, it is not his opinion that the property is an attractive proposition as such.

Before the tenders were advertised for we reviewed the whole matter with Mr. Smith and in his opinion it was not likely that the quantity of timber remaining warranted any one making an offer for all the assets of the company. In view of this the assets were offered in parcels, and, of course, any tenderer could have made an offer for all the parcels.

With kindest regards

Yours faithfully,

R. L. Ross Lens.

FORM 6124

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

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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F G SHEARS DIR OFFICE OF THE CUSTODIAN 932

506 ROYAL BANK BLDG VANBC

DEEP BAY HAVE NO COPY OF ADVERTISEMENT OR STATEMENT CONTENTS OF PARCELS PLEASE HAVE FIELD AIR MAIL STATEMENT SHOWING DESCRIPTION PARCELS INDIVIDUAL BIDS ON EACH WHETHER RECOMMENDING OR NOT AND SMITH VALUES INDIVIDUAL PARCELS STOP SMITHS LETTER NINTH RECOMMENDS BLOC SALE HAS THIS BEEN CONSIDERED

G W MCPHERSON EXECUTIVE ASST.

FORM 6124

ADDRESS ALL COMMUNICATIONS TO
THE REGISTRAR

THE GOVERNMENT OF
THE PROVINCE OF BRITISH COLUMBIA

LAND REGISTRY OFFICE
VICTORIA

EVACUATION SECTIO
Rec'd SEP 14 1943
File No.
Ans.
Referred McPherson

13th September, 1943

The Custodian,
Japanese Evacuation Section,
506 Royal Bank Building,
Vancouver, B. C.

attention of Title Examiner.

Dear Sir,

Your File no. 13524. Re Blocks 267,617,
504 and 566, Newcastle District.

In reply to your letter of the 9th instant, I forward herewith a Certificate of Encumbrance over Block 617.

The lands forming Blocks 267, 504 and 566 are doubtless in the belt of the Esquimalt and Nanaimo Railway Company's land grant and would be included in the Absolute Title (7434A) of that Company to the still unconveyed lands in such belt, but I am unable to issue a Certificate of Encumbrance over those Blocks for the reason that the plans of same have not been deposited with me by the E. and N. Railway Company, and consequently I have no record of the existence of the Blocks as such. The practice is for the Railway Company to deposit a plan in this office whereupon an appropriate entry is made in the records and the Block is plotted on the index map of the land district. When such plans have been deposited I shall be in a position to issue a Certificate of Encumbrance with respect to these three Blocks.

Yours truly,

H. J. CRANE,

Registrar

per

Rec'd

RNCH/MB

FORM 31—10M-1142-2699

No. —

CERTIFICATE OF ENCUMBRANCE

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

LAND REGISTRY OFFICE

Your File No.13524.

Deep Bay Logging Co. Victoria, B.C.

10 a.m. ~~xxminutesxxxxxx~~ o'clock 11th day of September, 19 43.

I HEREBY CERTIFY that the following is the state of the title to

Block 617, Newcastle District.

viz.:

Registered Owner: THE ESQUIMALT AND NANAIMO RAILWAY COMPANY
Absolute Fees Book 9, Folio 693, 7434-A.

Vested in the Custodian of Enemy Property as to the interest of Deep Bay Logging Co. together with the interest of any other person of the Japanese Race. See D.F. 51129 filed 20th July 1943.

Registered Charges: None

Applications for Registration: None

Receiving Order or authorized Assignment under the "Bankruptcy Act": None

Assignment for benefit of Creditors: None

Judgments: None

Mechanics' Liens: None

R. N. C. Henderson.
Deputy *Registrar.*

To The Custodian,
Japanese Evacuation Section,
Vancouver, B.C.

AD.

107