

W.S. Arneil

File 159/20-7-16-4

It appears now that Mr. Walters when discussing the logging operation with the Band that he had informed the Band that they would be shipping No. 1 and No. 2 Spruce and Cedar to Vancouver. This would mean that of the two offers Mr. Walters would bring the greater amount of funds to the Band unless the percentage of No. 3 timber was considerably greater than all other grades.

The situation at present is that Mr. Riddell has installed a camp on the Reserve and is operating there having moved in shortly after December 27 after his agreement had been signed by the Band and approved by myself.

Mr. Walters and Dickinson have complained to you that they have been squeezed out of deal without full consideration and that the Band were loosing heavily by contract being signed and approved on December 26 out of office hours.

On your instruction and to clarify the situation a Band meeting was held with this Band on January 17 where both deals were explained to the Band including the fact that I had received instructions from the Chief to draw up the Agreement with the Tidewater contracting Company in October, that this had been done and was in the Chief's possession when I received the offer as made by Walters and Dickinson. I stressed the point where no mention had been made in Mr. Walters and Dickinson's offer regarding the Grade 1 and 2 Spruce and cedar being shipped to Vancouver.

I also advised them that where a flat price was received by the Contractor that there was no incentive for them to keep up their grades and where this was not done a considerable amount of money could be lost to the Band and that with the flat price nothing would be gained by the contractor by shipping his higher grades spruce and cedar to Vancouver. I informed them that the Tidewater Contracting Company were a large and responsible firm whereas Walters and Dickinson had nothing to commence operation with.

The Band were given to understand by Mr. Walters and Dickinson that all Grades 1 and 2 Spruce and Cedar would be shipped to Vancouver. This would mean that their offer working on an average grade of 10% No. 1, 40% No. 2 50% No. 3 would give the Band an amount of approximately \$13,000.00 more than would be received from the Tidewater Contracting Co.

At the Band meeting held on the 17 January a secret vote was taken on who the Contract was to go to the results of which was unanimously in favour of Mr. Walters and Dickinson.

On enquiry it is found that Walters has as assets a boat valued at about \$6,000.00 a house at Uclulet which he has been endeavouring to sell for two years valued at approximately \$4500.00 and no other assets. Mr. Dickinson has no assets as far as could be ascertained.

The Alberni Pacific Lumber Co. has advised that if Walters and Dickinson obtained the Timber they would be prepared to assist but would prefer to deal with the Tidewater Contracting Company.

N.W. Garrard

N.W. Garrard,
Superintendent
Indian Agency.

NWG/yv
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