

W.S. Arneil Esq.,

File 20-7-16-4

On December 14, when returning from Kyuquot, I stopped at Stuart Bay Reserve and advised the Chief there that Mr. Dickinson had called at the office and offered \$5.50 per thousand for the timber on the No. 2 Reserve also advised him of the terms of the Contract with Mr. Ridell and that Mr. Ridell had taken the contract to his other partners. I expected it would be in the office when I returned. The Chief mentioned here that Mr. Walters and Mr. Dickinson has been talking to some of the members of the Band but did not say that any terms had been arranged. On this same day, December 14, about three hours after my return to Port Alberni (8:00 PM) Mr. Ridell called at my residence bringing an altered Agreement with him, the alteration being that they, the Tidewater Contracting Company, be allowed to assign or sub-contract the logging provided that they, the Contractor, the Tidewater Contracting Co. be responsible for the performance of the Contract. This appeared satisfactory to me and Mr. Ridell sealed and signed the Agreement. On December 16 three copies of this Agreement were forwarded to Chief Cecil Mack of the Toquaht Band to study and if found satisfactory have it signed and returned. He was instructed in the letter that accompanied the Agreement to advise immediately by wire if he decided not to let Mr. Ridell have the Contract. This Agreement would have been received by the Chief on the 18 of December. On December 18 Mr. Walters and Mr. Dickinson came to the office and gave me a letter drafted out and signed by themselves giving the following terms for the logging off of the No. 2 Reserve (Copy enclosed) The drawing up of this Contract was held in abeyance as Chief Cecil Mack would have received the Tidewater Agreement on the same day as Mr. Walters' offer was received by me and I awaited a reply from the Chief to my letter which advised him to wire me if the Tidewater Contract was not agreeable.

On December 27 Mr. Ridell brought his Agreement to the office signed by the Chief and 8 members of the Band. An alteration had been made on this agreement increasing the amount by \$2.50 per thousand FBM for all timber removed from the Reserve. This offer was considered the best that had been received and I approved the Agreement. Mr. Walters and Mr. Dickinson appeared at the office at a later date and I told them that Mr. Ridell had come in with his Agreement signed by the same members as had signed his document with only one alteration also that Mr. Ridell's offer appeared to be the better one and I had approved his contract.

At this time it was understood that Mr. Walters and Mr. Dickinson intended to sell all their timber at the Alberni Pacific Lumber Co. at Port Alberni where the prices of Spruce was \$30.00 less on Grade 1 and \$20.00 less on Grade 2 than on the Vancouver market. On cedar the difference being even greater, the price in Vancouver being \$100.00 on No. 1 and \$87.50 on No. 2 as compared with \$45.00 on No. 1 and \$40.00 on No. 2 at Port Alberni. This difference on the prices on the No. 1 and 2 Spruce and Cedar which was shipped to Vancouver by Mr. Ridell would off set the larger amount received from Mr. Walters and Mr. Dickinson.

The Cruise on this timber as received from Mr. Ridell is as follows:-

Hemlock	4,431,000 FBM	Balsam	2,405,000 FBM
Spruce	1,440,000 FBM	Cedar	578,000 FBM

Prices at A.P.L. Hemlock)
Spruce) No. 1 \$45.00 per M No. 2 \$40.00 per M
Cedar) and No. 3 \$35.00 per M.

Balsam All grades \$35.00 per M.

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