

3-4-2

Dec. 20th, 1946.

R. H. Moore, Esq., Indian Agent, Duncan, B.C.

I have your letters of December 6th in connection with the logging operations of the Standard Logging Company on Chemainus I.R. 13 and note that there is a stand of virgin timber on the south end of the reserve estimated at one million feet, mostly cedar. It would appear that there is, in addition to this stand, an unknown quantity of timber scattered throughout the reserve. The further we go into the matter of this operation the more convinced I am that facts with respect to the quantity and quality of the timber were misrepresented at the time the sale was arranged and it is now obvious that the sale should have been advertised and disposed of to the highest bidder and that ground rent should have been charged since November, 1941, as the quantity logged and remaining certainly remove the sale from the salvage class.

The Company's application for permission to operate a portable sawmill on the reserve is apparently contingent upon receipt of assurance that renewals would be forthcoming for a period of from five to ten years. I am not prepared to recommend that the Department give such assurance and further feel that the Company's licence should not be renewed at the end of the current timber year without a revision in the rates of dues to bring them into line with prevailing rates in the vicinity of the reserve. I may say I have been in communication with the B.C. Forest Service with respect to stumpage and royalty rates and have ascertained that the following prices might be considered as minimum rates acceptable for timber remaining on the Chemainus I.R. 13 when the Standard Logging Company's licence expires:

Fir	-	\$4.50	per M	1.55	2.50
Cedar	-	\$4.50	"		
Hemlock	-	\$3.25	"	1.00	
Balsam	-	\$3.25	"	1.00	
Alder	-	\$3.50	"		

RG 10, C-11-2, vol. 11066
File/dossier 152/20-7-2-13

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