

History of Nolan Contract.

Purchase of timber on Tobacco Plains Reserve. B.C.

In the year 1922 caused a cruise to be made by Ryan, McIntosh Co. at a cost of \$2,590 of the timber on the Tobacco Plains Reserve, such cruise and valuation being as follows:-

Pine.....	8,348,000	f.b.m.	@ \$3.....	\$25,044.00
Fir	3,528,000	" "	@ \$3.....	10,584.00
Tamarac...	554,000	" "	@ \$2.50....	1,385.00
				\$37,013.00

This timber was offered for sale by public tender and the offer of J.R. Nolan was accepted on Feb. 10th. 1923. In his signed tender, Mr. Nolan agreed to fulfil the following conditions:-

1. Pay royalty for the timber at the rate of \$2.50 per M.
2. Pay an annual rental of \$1000 during a term of six years.
3. Pay a license fee of \$50
4. Deposit with the Department the sum of \$1160.40, (being 10% of the value of his tender) which in the event of failure to carry out the undertaking, would be forfeited to the Department.

The deposit and license fee were paid at the time his tender was submitted, but he postponed paying the rental until July 9th. 1923, when he only paid \$500 on account.

His license was however issued, and operations were conducted by him during the period May- August 1923, during which he cut 1,117,760 f.b.m. of timber. On Aug. 12th. 1923 Mr. Nolan suffered the loss of his mill by fire, and in order to protect the Indian interest, the logs which had been cut were placed under seizure, pending payment of royalties and other outstanding charges.

Protracted negotiations were then opened by Mr. Nolan tending toward settlement, and the Department therefore hesitated to sell the logs, which were then valued at \$4,500, but on May 16th. 1924 Mr. Nolan wrote, (copy of letter attached) asking that he be given until June 15th. 1924 to settle up, but that if by that time he did not do so, he would not complain if the Department "closed him out".

Accordingly on June 24th. (no settlement having been received, and the logs rapidly deteriorating) he was advised that his contract was cancelled and his deposit forfeited. The Department then made several efforts to dispose of the logs, but without success, and they became a total loss.

Nearly two years later, (Dec. 1926) Mr. Nolan submitted a proposition to the Department by which the Baker Lumber Co. undertook to purchase the cut of logs, provided he was allowed to resume operations, and they also agreed to become responsible for the payment of all royalties, rentals etc. As the method of collection of royalties was sufficiently rigid to fully protect the Indian interest, it was not considered necessary to impose another deposit payment, and since that time the Baker Lumber Co. have paid all royalties and also the sum of \$1500 for rental for the period of 1 1/2 years.