

Department of Indian Affairs



Canada

Lands and Timber Branch

Ottawa, March 6th. 1935. 193

Memo. Dr. McGill.

Tender for Katit Timber.

Only one tender has been received, i.e. from Pacific Mills Ltd. of Ocean Falls, B.C. who tender the following prices for the various species and grades of timber:-

SPRUCE...	No.1	\$3.00	No.2	\$2.60,	No.3	\$1.60
HEMLOCK..	All grades	\$1.35				
Balsam...	All grades	\$1.35				
Cedar	All grades	\$1.40.				

Asst. Commr. Perry reports that the timber on the reserve is of low grade and will probably cut out a large percentage of No. 3, possibly 10 million ft. out of the total spruce estimate of 13 million ft. The price of \$1.60 per M.f.b.m. compares similarly with the price of No. 3 spruce as recently sold by the province in that vicinity.

The all round price of \$1.40 per M.f.b.m. for Cedar appears somewhat small, as No. 1 grade is worth \$2.35, No. 2 grade, the same price whilst No. 3 grade is valued at \$1.10.

However as the estimated quantity of this species is only 250,000 f.b.m. the average of \$1.40 is probably a fair offer.

I would therefore recommend acceptance of tender, as it complies with the terms of the advt. in that an accepted cheque for \$4,375.60 was attached to the tender, which covers—Deposit \$4,000, Rental \$325.60 and license fee—\$50.00.

H. J. Perry
Supervisor Indian Timber Lands.