

*Richardson draft 5/11/45*

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DEPARTMENT OF INDIAN AFFAIRS  
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| Enclosures Files          |              |
| 90-2-20                   |              |
| DEFENDANT'S EXHIBIT NO.   | <u>H-157</u> |
| Court of Claims           |              |
| Docket No.                |              |

Taholah Indian Agency  
Hoquiam, Washington

May 19, 1945

Commissioner of Indian Affairs  
Chicago 54, Illinois

Sir:

Authority is requested to make an official visit to the Chicago Office so as to discuss the following matters which are of vital importance in the carrying out of the program for the Indians' Economic Welfare under this jurisdiction; also to avoid delay, un-necessary correspondence and eliminate any misunderstanding which now exists.

During the past year considerable correspondence has been had with the Office regarding a right-of-way across allotments on the Makah Reservation. This right-of-way is needed and was requested by the Crown Zellerbach Corporation for the transportation of forest products; the allotments being crossed by the right-of-way to be purchased by the tribe and returned to a tribal status. This matter needs to be discussed with both the Forestry and Land Divisions; also with the Forestry Division the necessity of establishing a timber sale unit within the Cape Flattery Area (Makah Reservation).

The Department's policy of cutting timber on the Quinalt Reservation such as; size of units, procedure to be used, whether same should be in connection with sustained yield or not, reforestation of burned-over areas, (allotments), funds for fire control, equipment, and maintenance of roads and truck trails thru the timber.

The Indians living in the village of Taholah, (Quinalt Reservation) are in need of electric power from a sanitary, health and economic standpoint, and the PUD is willing to construct a power-line from Moclips to Taholah, a distance of approximately nine miles across the Reservation. Granting of a right-of-way to the PUD across these allotments needs to be worked out. Some correspondence has already been had with the Office relative to this matter. Funds for this project need to be discussed and acquired.

The Makah Housing Project needs to be discussed and a full explanation given as to progress made and what is anticipated in connection with the housing program at Wah Bay.

The health program of the Taholah jurisdiction needs to be discussed with the Health Division such as; facilities for the holding of clinics, sanitation, water supply, garbage and sewage disposal and health nursing contracts.

Welfare problems such as; Law and Order codes for the various reservations,

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-2-

relief such as; old-age pensions, grants, aid for dependent children and individual accounts.

Then there are such matters as: conservation of fish and wild-life, credit loans, educational matters, community activities, tribal organizations, accounts and personell matter.

It is requested that the Office advise by wire or air-mail in order that transportation reservation can be made. In granting authority the Office is requested to make an additional allotment of \$330.00 in our fund "Indian Moneys, Proceeds of Labor, Taholah Agency, 1945" to cover expenses of this trip. We have a sufficient balance in this fund for this purpose.

Yours very truly,

George P. LaVatta  
Superintendent

CPL/pk

# Official File Copy

*Rebinder draft 1a*

Indian Affairs Files

90-2-20

DEFENDANT'S EXHIBIT NO. H-10

Court of Claims

Docket No.

*DF*

Tabolah Indian Agency  
Hoquiam, Washington  
May 28, 1945

AIR MAIL

Commissioner of Indian Affairs  
Merchandise Mart  
Chicago 54, Illinois

Sir:

In two tribal meetings held recently to discuss sale of timber of allottees for the remaining virgin timber north of the Quinalt River, Quinalt Reservation, the question was repeatedly raised as to the annual cut that would be approved under existing regulations and laws recently enacted by Congress governing the cutting of Indian timber. At both meetings it was requested that this information be obtained and available for the annual general council meeting of the Quinalt Indian tribe to be held at Tabolah, Washington, after June 15th.

In cutting the timber on the Quinalt Indian Reservation the matter of the establishment of a sustained annual cut has been given much consideration during the past years, but no information has been received from the Office as to an approved annual cutting quota.

In reference to the views expressed by the allottees, they are very much concerned in that the timber is a mature virgin stand and should be cut so as to prevent further losses from deterioration, windthrow, diseases, insect infestation, or other causes, and to make possible the realization of some income and benefits, especially to the many elderly and indigent Indians represented in the ownership. These views were strongly expressed by the individual owners attending the meetings.

In considering the establishment of a cutting quota, the following brief summary is presented regarding the remaining timber resources of the Quinalt Indian Reservation:

| <u>Species</u> | <u>Per Cent</u> | <u>Feet B. M.</u>    |
|----------------|-----------------|----------------------|
| Cedar          | 48              | 1,068,250,328        |
| Spruce         | 10              | 222,554,235          |
| Douglas fir    | 8               | 178,043,388          |
| Hemlock        | 26              | 578,541,011          |
| Amabilis fir   | 7               | 155,787,964          |
| White pine     | 1               | 22,255,424           |
|                | <u>100%</u>     | <u>2,225,542,350</u> |

There are approximately 1400 allotments in this remaining virgin timber area.

Very truly yours,

George P. LaVatta  
Superintendent

agh/vm

# Official File Copy

Enclosures 4/10

90 2310

DEFENDANT'S NAME NO. 14-101

Court of Claims

Docket No.

Building 54, Swan Island  
Portland 16, Oregon

*Embark draft 2*

Forestry & Grazing

November 18, 1946.

Commissioner of Indian Affairs

Chicago 54, Illinois.

RECEIVED  
NOV 26 1946  
TAHOLAH INDIAN AGENCY  
FOCALIA, WASH.  
Attention: Mr. L. D. Arnold.

Dear Mr. Commissioner:

During the course of a long distance telephone communication from this office to the forestry division of the Indian Office, an inquiry was made by Mr. L. D. Arnold, Director of Forestry, in connection with the proposed sale of the Taholah Logging Unit, Quinalt Indian Reservation. He asked as to whether there was any possibility that the Quinalt Indian allottees involved with the sale of this unit could be interested in transferring title in their allotments to the tribe subsequent to cutting. It was Mr. Arnold's feeling that some effort along this line might be profitably undertaken at this time since all of the Indian owners having allotments within the sale area would have to be approached in any event and powers of attorney secured for the sale. Much laborious effort in locating the many allottee owners or their heirs could be saved by utilizing the contacts afforded in securing powers of attorney to also discuss the transfer of allotments to tribal ownership.

One of and probably the greatest obstacle to the development of a sound long range program for the Quinalt Indians has been the extremely diversified ownership of their lands, and the nonresident status of most of the allotment owners. Having practically no tribal property and the allotments being very largely in the hands of absentee owners, there is very little community interest and the principal concern is in an immediate cash return from their timber. Consequently, there has been a consistently heavy pressure exerted to dispose of the reservation stands, irrespective of either forestry, community, or industrial considerations, and development of the forest resource on a basis that would set up a prosperous Indian wood industry and community on a permanent basis has received very little sympathetic consideration by the Indians. What is more, by reason of the legal restrictions imposed on the use of federal funds for projects on privately-owned lands, a large part of the reservation cut-over forestry lands are now in an idle and unproductive condition because federal funds (such as E.C.W., CCC-ID,



etc.) could not and cannot now be used for tree planting or seeding projects. There is no question but that progress in social planning and also in realizing the full productive possibilities of the Quinaieit Indian forest will be seriously impeded until one-half or more of the reservation lands are restored to tribal ownership and unified control.

Early in the course of the B.C.W. program at the Taholah jurisdiction steps were taken under the leadership of Superintendent Nicholson to secure the transfer of cut-over allotments on the south side of the Quinaieit River. Unfortunately, personnel was not available to devote time exclusively to this task or to approach it in an aggressive systematic manner, and such work as was done was usually incidental to and sandwiched in with more urgent other administrative duties. Since many of the allotments were in heirship status and frequently the ownership was divided among a number of heirs, and these owners or heirs were more often than not widely scattered, the task had to be approached piecemeal and contacts with owners made as opportunity arose. Despite these handicaps Superintendent Nicholson with the help of his Land Clerk, but chiefly through his own personal efforts, succeeded in securing the transfer of seven separate allotments, aggregating 520 acres, to tribal ownership within the space of a year or so. All of these allotments were originally timbered but had been cut-over completely and all payments for stumpage made prior to acquisition, so that no assets were attached to the allotments other than the land itself. Of the 520 acres so acquired, 480 acres were planted in 1940 under the local CCC-ID program, but all of this plantation was burned in the large 1941 forest fire. In addition to the seven allotments actually transferred to tribal ownership, consents were secured from the owners to the transfer of nine other allotments, totalling 750 acres, but for some reason, the transactions were never completed.

In discussing this matter with Mr. W. O. Nicholson, who is now employed by the O. & C. Administration, with offices in this city, he advises that he had no particular trouble in securing these consents and was confident he could have secured a great many more had it been possible to devote more time to the project. His principal difficulty was that some rumors of oil possibilities had been spread by reason of drilling ventures in the locality, and these rumors had dissuaded some of the Indian allotment owners from relinquishing all of the rights attaching to the land. While they were perfectly willing to release their rights to any future timber crops if the Government saw fit to plant the area, these owners wished to retain their rights to any oil or mineral that might be later developed on the property. As he understands it, the Government refuses to approve conditional land transfers and he did not, therefore, consider any acceptances of this kind. He recognized that a considerable amount of time, clerical work, and travel would be required and that it might take years to block out and

effect the transfer of any considerable area.

We have also consulted with Mr. Floyd H. Phillips, District Forester, and Mr. George P. LaVatta, Tribal Relations Officer, now of this office but formerly superintendents at the Taholah Agency. Both are in substantial agreement with Mr. Nicholson that a considerable number of allotments can probably be transferred to tribal ownership, but they are somewhat pessimistic as to whether a majority of the allottees will consent. They are very much aware of the immense amount of work that will be required to contact the widely scattered allotment ownership, a substantial part of which is already in involved heirship status, and that there is no agency help that can be released from other duties to assume this task. The work will, therefore, have to be sandwiched in with regular administrative assignments and progress will necessarily be slow, unless special assistance can be made available to the agency for the task. They are also concerned about the ultimate success that can be secured if the Indian Service insists upon clear and unconditional transfers of ownership to the tribe, for they feel that many allotment owners will insist upon retaining oil and mineral rights. Oil drilling activity in the Grays Harbor area is continuing and, although no success has as yet been achieved, hope is still being maintained of some ultimate return from this source.

While we are heartily in favor of and will support insofar as possible any efforts directed toward the transfer of Indian allotment lands back into tribal ownership, we are not immediately concerned with the allotted lands within the proposed Taholah Logging Unit. If the proposed sale is made under the conditions planned and set forth in the forest officer's report recently submitted, we feel that there is very little danger of this area ever becoming seriously devastated and unproductive. Selective cutting by blocks, leaving all cut-over areas surrounded by green timber until thoroughly restocked, will prevent the development of large burned-over and unstocked areas, and should eliminate the necessity for future planting outlays. However, we are very much concerned over the condition of the cut-over lands south of the Quinalt River, particularly that area that was burned over during the large 1941 fire and which is now unproductive. This area, which aggregates some 24,000 acres and includes some of the best site qualities on the reservation, is not only largely unproductive now after five years since the fire but promises to remain so for some years to come, if reliance is placed on natural means of restocking, for available seed sources are distant and sadly inadequate. Since this area constitutes about 16 per cent of the total commercial forest area and an even larger proportion of its total productive capacity, it is obvious that the Quinalt Indians and the dependent local industry will suffer a serious loss of income and volume of production so long as these lands

remain in their present condition.

The only way in which we can restore these lands to a productive condition and be reasonably assured of future results is by planting or artificial seeding for natural restocking will not only be very slow in this particular area, but it will be incomplete and lacking in uniformity. The first step necessary in undertaking such a planting or seeding project is to arrange the transfer of the allotted lands therein to tribal ownership for, as we understand it, Federal funds cannot be made available for planting on private lands. Since this is the area which is of the most immediate concern, and the Superintendent, with his limited staff, will find it difficult to prosecute an over-all reservation program of title transference, we believe that such efforts as can be made should be concentrated on the unproductive cut-over lands south of the Quinault River. Insofar as the allotment lands within the Taholah Unit are concerned, it is our opinion that we can better afford to utilize our efforts elsewhere until such time as the allotments have been cut over completely, because the Indian allottees will be reluctant to sign over their allotments until then.

*If we had the money - we'd be making of selling conditions to a few of the Indian allottees. We'd cut off their money ms. 1000*

Knowing the large amount of clerical and road work that will be required, and that the staff at Taholah Agency is busy with regular administrative work, we are somewhat hesitant about suggesting that the agency take on this additional load. We would like to urge, however, that it be given as much attention as possible and that opportunities be utilized whenever available to contact allottees owning lands within the cut-over areas south of the Quinault River. Though progress in securing the transfer of the allotted lands to tribal ownership may be slow under these conditions every allotment acquired will pave the way for some future planting and will be a help in the forest program. The need certainly justifies this activity being given a top priority rating whenever any time can be spared from regular administrative work.

One point should be cleared up by the Indian Office before the Superintendent undertakes any sort of program along this line and that is the matter of accepting conditional titles. It is appreciated that conditional transfers require the continuance of heirship records, and that the discovery of oil or mineral would create a new and undesirable situation. We would, therefore, recommend that every effort be made to secure unconditional transfers of allotments, and that insistence be made upon this point, particularly in the earlier stages of the program. If it develops later that a substantial bloc of allotment owners insist upon retaining their oil and mineral rights, and the program is stalemated for this reason, it may be necessary to make some concessions. We would prefer that a conditional transfer of allotments be made than none at all, but are not sure that such transfers would be acceptable to the Indian Office. We shall appreciate an opinion on this matter.

Sincerely yours,

(SGD) E. MORGAN PRYSE  
E. MORGAN PRYSE,  
District Director.

CRP:mw

cc - Supt., Taholah Agency

*Rebarden draft p. 2*

|                           |       |
|---------------------------|-------|
| <b>Official File Copy</b> |       |
| Enclosure 2/25            |       |
| 90 2/25                   |       |
| DIR. OF INDIAN AFFAIRS    | 4-102 |
| Office of Claims          |       |
| Portland, Oregon          |       |

Forestry  
42589-46

District Office  
Building 34, Swan  
Portland 13, Oregon

JAN 13 1947

Commissioner of Indian Affairs,  
  
Chicago 54, Illinois.

Dear Mr. Commissioner:

Reference is made to Office letter of December 4, 1946, in which receipt is acknowledged of the report prepared by Carthon R. Patric, Forester, and L. C. McKeever, Senior Forest Ranger, entitled "Forest Officer's Report Covering the Proposed Sale of Timber on the Taholah Logging Unit, Quinaliet Indian Reservation, Washington." We were advised that the proposal as contained in the report had been given a great deal of sympathetic attention, but that some additional information and further recommendations from this District Office were desired before any action was taken. Several questions were raised in the letter which we shall specifically answer in the order in which they were made.

The first question asked was in connection with an objection raised by Mr. Cleveland Jackson, Quinaliet Indian, in his letter of November 25, 1946, directed to Mr. L. D. Arnold, Director of Forestry, to the proposal that the contract contain a provision stipulating that not less than 60 per cent of the total volume cut in any twelve months after March 31, 1949, was to be manufactured into lumber or shingles on the reservation, or within a distance not greater than ten miles outside its boundaries. Mr. Jackson objected to this restriction on the ground that it unduly favored the Aloha Lumber Company. He also objected to the sale of this tract as a separate transaction, as we had recommended, because he contends that it contains the cream of the timber remaining on the reservation and therefore should be sold in such a way as to help dispose of the less desirable timber.

*Patric  
Phillips  
LaVatta*

The proposal to restrict bidding to purchasers who were prepared to manufacture the Taholah Unit timber on or close to the reservation was, of course, made advisedly and after full consideration of its possible advantages and disadvantages. It was felt, after discussing the matter at length with Mr. George F. LaVatta and Mr. Floyd H. Phillips, both former superintendents at Taholah Agency, and with other local and district officials, that there was very little if any

immediate prospect of securing the general agreement of the many Indian allotment owners to a tribal sawmill enterprise. The feeling of the allottees seems to be universally in favor of selling their timber on the open market to the highest bidder so as to secure the highest possible cash return, and no sympathy whatever has been manifested in a tribal mill. It is easy to see why this condition exists when it is realized that only 25 per cent of the total Quinalt Reservation enrollment, men, women, and children, live within the reservation boundaries and over half are living entirely outside the reservation sphere. It is estimated that over 50 per cent of the allottees who are directly interested in the Taholah Unit are members of the Quileute Tribe and reside on the Quileute Reservation at a distance some 60 miles or so by road from the northern edge of the Quinalt Reservation. Within the past two years at meetings at both Taholah and LaPush, on the Quinalt and Quileute Reservations respectively, the Indians have positively expressed themselves as being overwhelmingly in favor of continuing the disposal of their Quinalt allotted timber by open-market sales.

As the Office is aware, considerable time and attention was given several years ago to a proposal whereby the allottees would pool their timber interests under a corporate plan, and would then all share in the annual receipts from cutting. At the same time a proposal was being given tentative consideration whereby all of the remaining unsold timber on the reservation would be covered into a cooperative sustained-yield arrangement with a single operator, the Polson Logging Company which has large private holdings. The hearings held with the Indians in connection with these proposals left no doubt but that the Indian allottees as a group were not interested in a cooperative undertaking, but only in securing maximum returns from their stumpage by offering it on the open market for competitive bid. In the circumstances it did not appear that there was any possibility of success whatever for a proposal involving the cooperation of the Indians as a whole in a large tribal sawmill undertaking, and we therefore suggested what we considered the best possible alternative. This was to make a sale that was large enough to justify economically the establishment of a new sawmill enterprise on or within ten miles of the reservation and then insist that most of the timber on the unit be manufactured within those geographic limits.

As we see it this proposal has several very distinct advantages, namely:

(a) The timber would be manufactured locally and would thus give the resident Indians the benefit of steady employment in manufacturing which would otherwise be lost to them if the logs were hauled to Grays Harbor or other mills.

(b) It would give them the benefit of having a local manufacturing community, with the advantages of market, school, medical, and other facilities that would be provided.

(c) It should result in an added stumpage return to the allottee owners by reason of the substantial freight differential on logs, as compared to Grays Harbor mills.

(d) It should furnish the needed demonstration to the allottees as to whether a cedar sawmill and shingle operation in the area was a paying venture that would net them an equal or perhaps greater return on their stumpage.

It might possibly be argued that limiting the bid to purchasers who are prepared to manufacture the timber on or within ten miles of the reservation would reduce competition and possibly the returns to the Indians on their stumpage. We have carefully considered this possibility and agree that logging concerns that are not interested in manufacturing would be eliminated from the bidding, as would also any manufacturers not prepared to establish new plants. However, this unit does offer a most favorable opportunity for an operator to establish a new plant and, if recent experience is any criterion, there will be plenty of interest manifested by prospective operators who would not be interested in a smaller offering. We have had numbers of requests within the past two years from operators for information as to possible openings for setting up new mills, and this offering should elicit more than usual interest because it gives this opportunity. In any event, such loss of competition as might result by restricting the bids should be more than offset by the substantial differential in freight costs on logs between a reservation mill as against one located in Hoquiam or Aberdeen. This differential should be reflected in the bidding as it has been in the appraisal, which, as has been noted, resulted in very high stumpage rates.

We are unable to agree with Mr. Jackson that the proposal unduly favors the Aloha Lumber Company, or that the local and regional offices have always favored that concern. As a matter of fact, this company if it proves to be the successful bidder, will be forced to make some major improvements in its plant in order to economically operate over the period of the proposed contract. The plant is old and obsolete and will require a major capital investment to completely rebuild it and place it in efficient working order. Its principal advantages are that it has an experienced cedar manufacturing and selling organization, and that it already has a plant site and community development within the proposed outer operating limits. These advantages are at least partially offset when compared to other prospective bidders by the obsolescence of the present plant, and by the plant's



location which would be more advantageous if located at Woclips. We do not, nor have we ever favored the Aloha Lumber Company at any time, but we do not overlook the fact that they have over their many years of operation at their present location been a decided asset to the Quinaliet Indians. They have provided many Indians with profitable employment over the years. The operations of this concern have, we believe, demonstrated fully the importance of having a truly local manufacturing industry on or near the reservation. It will meet the requirements of the Indians for a local manufacturing industry and should, on the basis of this and its past record, be given an opportunity to bid and operate from its present location if it sees fit to do so.

We do not agree with Mr. Jackson that the Taholah Unit is the cream of the remaining Quinaliet Reservation timber and that it should, therefore, be handled in such a way that it will help sell the poorer stands. Within its boundaries is a considerable area of poor swamp-type timber, and immediately outside its bounds on both east and north are considerable areas of good timber which could have been included. What we actually attempted to do was to lay out a good cedar unit that would be large enough but no greater than to justify the investment in and establishment of a modern and fully diversified cedar manufacturing plant. Once the development of the Taholah Unit has been completed there will be no difficulty in developing or selling the timber either to the north or east, and operations can proceed without difficulty in either of these directions. Care was taken in laying out the boundaries of the Taholah Unit so as not to depreciate the value of the Raft River Unit to the north, or of the Joe Creek Unit to the east, by taking in too much good timber in either direction. It is our belief that an excellent balance between good and poor timber was obtained in all three units by locating the boundaries of the Taholah Unit as they were proposed in the report. It may be of interest to the Office to know that Mr. Jackson has been employed by the Polson Logging Company and related interests for years.

Office letter of December 4 states that Mr. Zimmerman is anxious to be advised as to the present status of the project suggested last spring which contemplated the sale of the bulk of all the Quinaliet timber to present and new mills at Grays Harbor under a plan being considered by eastern capital. This project called for complete utilization of the forest and included a tentative plan for distribution to all the allottees of advance payments for their timber. Inquiry was made as to whether the project had been abandoned.

We are sorry to advise that we can add but little to the information the Office already has on this particular project for there has apparently been very little concrete progress since the project was discussed last with Mr. Gilman in Chicago during September.

Contrary to Mr. Arnold's expectations as expressed in his letter of September 19 to this office, Mr. C. L. von Egglofstein did not call at this office to discuss the proposed project and we were unable to secure any information whatever as to the program until we called last week on Mr. W. C. Mumaw of Aberdeen at his home. He advised Mr. Floyd H. Phillips, District Forester, Mr. Carthon R. Patrie, Forester, and Mr. L. C. McKeever, Senior Forest Ranger, at that time of the nature of the plans for development of a highly diversified sawmill-pulp mill-paper board-plastic manufacturing enterprise on Grays Harbor and outlined in a general way the plans for sustained yield operation. Since it is assumed that all of this information was presented to the Office by Mr. W. L. Gilman and Mr. Mumaw in probably even greater detail there is no need of repeating it here. However, one salient fact should perhaps be brought out that the apparent key to the whole program is the acquisition of the Polson interests which consist of approximately two and one-quarter billion feet of standing timber, two sawmills, a considerable mileage of logging railroad, an extensive inventory of restocked cut-over lands, rolling stock, logging equipment, etc. This property, according to the most conservative valuation is worth not less than ten million dollars and quite possibly could not be acquired for less than fifteen million.

According to Mr. Mumaw's advices, Mr. von Egglofstein was unable to make his contemplated trip to the West Coast last autumn by reason of serious illness in his family, but is planning to come out after January 1. Mr. Mumaw indicated that most of the arrangements had already been made, and that the one chief remaining obstacle was the reconciliation between the county assessment records and the Polson Company's own estimates of standing timber volumes. Apparently the assessment records show about one and one-fourth billion. It was Mr. Mumaw's expressed belief that the deal would be closed between Mr. von Egglofstein and the Polson interests on or about January 15, 1947, as most preliminaries had already been taken care of in previous negotiations. There seemed to be no question whatever as to the ability to finance the purchase for, as Mr. Mumaw indicated, an eastern group in New York City had ample financial backing to handle it. We were unable to learn, however, what the group consisted of or the precise nature of their backing, although some vague references were made to connections which Mr. von Egglofstein and Mr. Gilman had formerly had with prominent New York City banks.

Following our conversations with Mr. Mumaw we visited the Polson Logging Company offices in Hoquiam, Washington, and learned that, contrary to the impressions conveyed by Mr. Mumaw, very little had actually been accomplished in negotiating a deal for the purchase of the Polson interests. In fact, as nearly as we can determine proceed-



ings have not developed beyond the stage of introductory discussion and there have been none of the meetings which one would expect to precede a deal of this magnitude. We were given to understand that there had been no meetings with the Polson Company to discuss the condition, extent, and value of the assets and no offer of any kind has actually been made to purchase. In view of this it is quite apparent that no final deal can be consummated by January 15, and there is grave doubt whether it could be completed in less than twelve months at the earliest. As a matter of fact, serious question was raised as to whether it would be consummated at all for investigations conducted by Grays Harbor interests raise serious question as to the adequacy of the financial backing. So far at least the investigations indicate that the sum total of the financial ratings of the backers is very far from sufficient to handle a deal even for the Polson interests alone. Obviously, a considerably greater sum will be required if the group carries out the extensive plant construction program outlined by Mr. Mumaw for pulp mill, paper board, and plastics plants. In the circumstances we can only say that it may be some little time before the arrangement proposed by Mr. von Egglofstein and his associates can materialize.

The question was raised as to the feasibility of establishing an Indian-owned sawmill on the Quinalt Reservation, which would involve either firm contracts for the sale of timber to the tribe by the allottees, or the purchase by the tribe of the remaining allotted stumpage. We were advised that an operation of this sort could possibly be financed in part through the revolving loan fund, or as a whole by the Reconstruction Finance Corporation. As we have already stated, we were influenced in a measure in making our recommendations for the open market sale of the Taholah Unit by the general attitude of the allottees who seem to be predominantly in favor of disposing of their timber in this way and are not commonly in sympathy with a tribal enterprise. There appears to be no doubt in the minds of those best acquainted with the attitudes of the Quinalt allottees that if the question of a tribal sawmill and of the sale of their timber to it under firm contracts were put up for vote the allottees would vote overwhelmingly against it. As pointed out they are largely non-resident and not in position to benefit from a local sawmill operation, and they are sold on the idea of getting the maximum price for their timber through the medium of open market sales under competitive bidding. Since the interested allottees constitute a majority of the tribal membership who would be expected to vote on such a proposal there can be little hope for its successful passage unless some special incentive could be presented. As we see it, the only incentive that would have any real influence on the allottees as a whole would be the promise of an immediate cash payment of a substantial portion of the estimated value of the timber on each allotment. It is highly probable

that the allottees would not be satisfied with less than a fifty per cent payment, which could possibly be distributed in several payments over a period of not to exceed ten years, although even this might not be satisfactory.

The virgin stand on the Quinalt Reservation not yet under sale contract aggregates 2,225,542,350 board feet of merchantable timber. At the Taholah Unit stumpage valuations which are fairly representative of present values on the reservation as a whole, this timber has the following values:

| <u>Species</u> | <u>Total Volume</u>  | <u>Current Rate</u> | <u>Estimated Total Value</u> |
|----------------|----------------------|---------------------|------------------------------|
| Cedar          | 1,063,260,328        | \$6.50              | \$ 6,943,692.13              |
| Spruce         | 222,554,235          | 7.40                | 1,646,901.34                 |
| Douglas Fir    | 173,043,338          | 6.90                | 1,223,499.38                 |
| Hemlock        | 573,641,011          | 2.45                | 1,417,670.46                 |
| Amabilis Fir   | 155,737,964          | 2.45                | 381,630.51                   |
| White Pine     | <u>22,255,424</u>    | 5.35                | <u>119,066.52</u>            |
| <b>Totals</b>  | <b>2,225,542,350</b> |                     | <b>\$11,737,510.36</b>       |

Since the tribal timber included in the above totals is inconsequential as the total area involved amounts only to a few hundred acres, we must assume that a loan of not less than \$5,750,000 will be required if an advance of 50 per cent is to be made on the timbered allotments. In addition, not less than one million dollars will be required for the construction of a sawmill and shingle mill and the purchase of necessary equipment (present-day rates), and approximately \$500,000 should be secured for working capital. Thus the total loan that will be needed for the enterprise can hardly be less than seven and one-fourth million dollars and may be even more, depending upon the trend of values and costs during the next two or three years. Without any question this is a considerable obligation for any tribe to undertake, particularly for a period of forty years, but we see no way in which it can be substantially reduced and still meet with the general approval of the allottees. Even on the basis of a 50 per cent payment there may be some disagreement with the proposal because it automatically eliminates competition and thus will presumably place the Indian mill in position to dictate the rates that will be paid in the future for allotted stumpage.

We are not in a position to say whether a loan of this magnitude could be handled through the revolving loan fund or not, although we would judge from the totals previously allocated by Congress for this purpose that it probably could not be without seriously depleting the

fund and depriving other perhaps equally deserving tribes of business opportunities. We also find ourselves unable to determine locally precisely what terms could be arranged with the Reconstruction Finance Corporation, since this is a matter which requires their careful individual study and investigation. This is particularly true when the amount involved is relatively large, and the conditions so widely at variance with the usual applications for financial assistance. We were informally advised that as a general rule no loans are made in which timber is the sole security, and when timber serves as partial security allowances are generally made at less than half the appraised value. We were informed also that this agency is not allowed to compete with the commercial banks and therefore loans were generally made at an interest rate of four per cent. It was indicated, however, that some modification of the general rules could probably be permitted in instances where the application was sponsored by another federal agency and assumed to be guaranteed by it. Just what concession might be obtained in the way of reduction from the usual interest rate of four per cent could not be ascertained since this will depend upon detailed study and finally upon Washington Office administrative determination.

Assuming that the general consent of the allottees can be obtained on the basis of a fifty per cent advance payment, and that a long term loan can be negotiated at favorable interest rates, there is still one serious obstacle imperiling the successful carrying out of the project. This is the amount of the loan itself and the heavy carrying charges involved, even if the Service is so fortunate as to secure a loan rate as low as one per cent at simple interest. We have estimated tentatively on the basis of current construction and equipment costs that approximately one and one-half million dollars would be required to construct a fully modern cedar sawmill and shingle mill and furnish the necessary initial working capital. With a loan of this amount the annual interest charge at the one per cent rate would only be \$15,000, and the charge per thousand feet based on a 40,000,000 board foot annual cut would be only \$.375 which is not at all burdensome for a sawmill operation. However, if a loan of \$7,250,000 is negotiated, of which \$5,750,000 is required to satisfy the allottees, the annual carrying charge for financing at one per cent becomes \$72,500 and the annual charge on output becomes \$1.312 on every thousand board feet cut. This is equivalent to a charge of 4.63 per cent against the mill investment of \$1,500,000 and is an unduly heavy burden which no sawmill operation can safely undertake over an extended period of time through good times and bad. It is true that this charge would be offset to a degree by the savings on property taxes but it would still leave the operation under a serious handicap as compared to the ordinary commercial operation using its own funds.

It has been recognized, of course, that the interest charges would gradually be reduced by reason of annual payments on the principal and

that the financial load would be somewhat less after an interval of fifteen or twenty years. Actually, there would probably be a slower rate of decrease in the first twenty years than would commonly be expected because cutting would necessarily be confined to logical logging divisions and some allotments would be entirely cut-over before many others had been touched. This would, under our present system of timber accounting, require additional stumpage payments to some allottees which would decrease the amount available for payment on the principal. The ideal method would be to go over the entire stand rapidly and cut each and every allotment only partially so as to reduce the principal by the maximum amount each year. In practice this cannot be accomplished so that the loan will probably be much less than half liquidated at the end of the first twenty years and the carrying charges will be comparatively heavy throughout that period.

We have considered various ways and means of reducing the amount of the loan for we frankly are somewhat apprehensive as to the ability of a mill project to carry over a period of twenty years or more such an interest load as would be entailed even at the low rate of one per cent. It can quite possibly be done but it introduces an element of risk into the undertaking that is not altogether desirable and which should be avoided if possible. Among others we considered the thoughtful suggestion that only the old and indigent allottees be allowed advance payments on their timber, since this would greatly reduce the amount of the loan and at the same time take care of all the really urgent needs. Unfortunately there does not appear to be any chance whatever that general acceptance of the allottees to the sawmill project can be obtained without the promise of a very substantial advance payment. As previously stated, the majority of the allotment owners are non-resident and less interested in a tribal sawmill enterprise than they are in securing the earliest possible cash returns on their timber.

It was agreed in Office letter of December 4 that the maintenance and stabilization of mills and other woodworking enterprises on the reservation or in its immediate vicinity was of great importance to the Quinalt Tribe, but a question was implied as to whether the method proposed in the forest officer's report was the best and most feasible approach to the achievement of this objective. It is presumed, judging from the content of the next sentence, that the question raised is as to the feasibility of limiting bids to operators who will assure that no less than 60 per cent of the volume cut from the unit will be manufactured into lumber or shingle products on the reservation or within ten miles of its outer boundaries. We know of no way if an open market sale is made in which we can be definitely assured of a manufacturing enterprise on or within ten miles of the reservation except by limiting the bids in this way. As the Office is aware there is an established logging industry in the Grays Harbor area as well as an extensively

developed sawmill, shingle, door, and paper manufacturing industry centered in Hoquiam and Aberdeen. Timber supplies though not acutely short are no longer abundant in this area and considerable interest will be manifested in an offering such as the Taholah Logging Unit. However, most of those who would be interested would probably prefer, if left a choice, to transport the logs to existing mill facilities rather than erect a new plant on or close to the reservation. We believe that the Taholah Unit has a sufficient volume to justify the construction of a new plant, and that the saving in transportation will justify its location within the required limits of the reservation boundaries. The limitation in the advertisement is, therefore, not so much a restriction on the bidding as it is upon the location of the plant, and can be regarded primarily as a protective measure to insure to the Indians the maximum possibilities for good in the development of their timber.

It is not believed that the objections made by Mr. Jackson in his letter of November 25, 1946, to Mr. Arnold, are generally shared by the allottees, or even by the tribal group at Taholah of which he is Chairman. He has some very wrong conceptions as to the contents of the report and also manifests a decided antipathy for the Aloha Lumber Company which is not in our opinion commonly held by the Quinaielt Indians. He is, of course, quite right in saying that the Indian allottees want some plan worked out whereby they will all get a substantial down payment for their timber, but as we have shown this will be an extremely expensive undertaking. The sale of the Taholah Logging Unit would only satisfy this desire in part, but we know of no other way except by a very large tribal loan that this objective can be achieved as the allottees are not willing to pool their holdings.

The sale of the tribal timber within the Taholah Unit has not yet been proposed to the tribal council for approval since it was considered desirable to delay action until we had received some indication from the Office that the sale would be made. Inasmuch as the tribal volume and area involved are relatively small and could be eliminated from the sale area altogether without serious consequences it was believed best to hold up action until the probabilities and conditions of sale were definitely known.

The question was asked by the Office as to whether, in view of current trends toward closer utilization, some provision should not be included in the contract for relogging, or for other methods of closer utilization whenever this becomes practicable. Relogging is still in its infancy in the West Coast area and there is very little to indicate as yet whether it will be generally practicable under less favorable log and pulpwood markets, or in all timber types. Thus far there has been very little relogging in stands where cedar predominates, and there is some doubt as to whether it will prove possible

by present methods owing to the tendency of cedar to shatter badly in logging. Relogging of a sort has been done for years in cedar stands by individuals and small groups of workers but the salvage has been confined largely to cedar bolts and the cutting of shakes which is hardly practicable on a large scale basis. In the circumstances we believe it best not to include anything in the contract providing for relogging, but it might prove advisable, as the Office implies, to amplify section 5 of the General Timber Sale Regulations so as to permit the advertisement and sale of waste material under separate contracts when a market develops for it. This seems to be a particularly good plan in view of the possibility that the standards of utilization on a relogging operation will be materially different and probably will necessitate the establishment of some other basis of measurement than Scribner Dec. C log scale.

The Office points out that sections 15 and 16 of the proposed form of general contract set forth the minimum and maximum volumes to be cut annually and for stated three-year periods, but place no limitation on the cutting of cedar poles. It was asked whether the volume of cedar poles cut would be applied against the minimum requirements or included as a part of the maximum limits for any three-year period. We had not intended to place any limits on the cutting of cedar poles since this operation is a subsidiary one and is dependent on factors that are not common to a sawlog operation. As a general rule pole cutting must depend on the advance development of logging roads into the sale area and has to fit in as best it can with the sawlog logging program. At times it is possible, depending on the location of the new roads, to prosecute a vigorous pole cutting program, while at others there can be little work done because no pole stands have been opened up. Cedar pole cutting also depends to some extent on the availability of pole cutting contractors and laborers, and on the market demand which is not as consistent generally as the market for logs. We do not consider it advisable nor necessary to require a minimum annual cut or a maximum cutting limitation on cedar poles.

The Office asks in its letter of December 4 to be advised as to whether due consideration has been given, in defining the north boundary of the Taholah Unit, to its effect upon the value of the stumpage in the Raft River drainage, and whether feasible logging units can be established later in that area. This question has already been answered in the affirmative in one of the earlier paragraphs of this letter, in which we make reply to some of Mr. Jackson's statements. Every effort was made in outlining the boundaries of the Taholah Unit to set up a good balance of good and poor timber without detracting

in any way from the value of adjoining units by taking in too much good timber in either direction. It is our belief that both the north and east boundaries of the Taholah Unit as proposed in the report achieve these objectives, and break up the remaining unsold timber on the reservation in such a way as to bring in maximum stumpage returns.

Sincerely yours,

(Sgd.) Charles L. Graves

C. L. GRAVES,  
Acting Director.

CEP:EM 1-3-47

cc: Taholah Agency

Official File Copy

Enclosures Filed

90-2-20

DEFENDANT'S EXHIBIT NO. H-94

Court of Claims

Docket No. \_\_\_\_\_

Taholah Indian Agency  
Hoquiam, Washington  
March 10, 1947

District Director  
U. S. Indian Service  
Building 34, Swan Island  
Portland 19 Oregon

Dear Sir:

Reference to circular letter from District Director  
of March 4, 1947.

As requested we are inclosing budget estimates for  
the Forestry Division, Taholah Indian Agency, Fiscal  
year 1948, prepared by Mr. Patrick Gray, Logging  
Engineer of the District Office, and Mr. Lester C.  
McKeever, Forest Ranger, of this office.

Very truly yours,

MELVIN H. HESLANDER  
Superintendent

LCMcK:msb



Under the jurisdiction of the Taholah Indian Agency there are ten Indian Reservations lying along the West side of the Olympic Peninsula from Willapa Harbor to Puget Sound in the State of Washington.

There are approximately 125,000 acres of timbered land valued principally for present and potential timber crops.

A cruise of portions of this area was made about thirty years ago, but logging, fires, and storms have taken their toll to such an extent that the information desired from this cruise is now obsolete and inadequate.

New growth both in the old stand and in the cut-over lands makes a detailed study of the timber resources necessary if a workable sustained yield plan is to be carried out.

The time of the present forestry staff is so fully occupied with the present work that nothing can be done towards a management plan or surveys to determine the possibilities of increasing and conserving the returns to the Indians of their wild life resources.

If a sustained yield management plan is to be carried out, a fire protection organization with plenty of equipment is one of the best insurances of crop rotation. If this organization is of sufficient strength to strike hard and quickly at the first sign of fire, the chances of sustained yield will be assured, but, if the fire protection is inadequate to handle any emergency and large fires occur, the whole plan of crop rotation is thrown out of balance.

This proposed budget is made up with the thought in mind that the forest resources of this jurisdiction should be developed and protected using highly trained, competent personnel, sufficient in number so that no important phase of good forest management will be neglected.

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*P. 3  
bottom after "The paperwork... two years" Add*

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*Indeed, the forestry staff was so fully occupied with the task that both the overall timber management plan and the policy for conserving ~~the~~ wildlife resources had to be temporarily suspended.*

*(use this as doc, block out my writing)*

Taholah Indian Agency  
Hoquiam, Washington

November 4, 1947.

( *Rudolph Schmitt Jr. 4* )

*Copy*

Official File Copy

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DATE: \_\_\_\_\_

COUNTY: \_\_\_\_\_

DOCKET NO.: \_\_\_\_\_

MEMORANDUM FOR THE FILES:

On October 31, 1947, at 2:00 P.M. a meeting was held in the office of the Superintendent of the Taholah Indian Agency with members of the Quinalt Tribal Business Committee of the Tribal Council and with members of the agency staff. Those present:

|  |   |   |   |   |
|--|---|---|---|---|
| Cleve Jackson, Chairman, Quinalt Tribal Business Committee |   |   |   |   |
| Harry Shale, Councilman                                    | " | " | " | " |
| James Bryson,  | " | " | " | " |
| Oscar McLeod,  | " | " | " | " |
| Horton Capoeman,   | " | " | " | " |
| Hanna Bowchop,   | " | " | " | " |

|                                 |                                 |
|---------------------------------|---------------------------------|
| Melvin Helander, Superintendent | Perry E. Skarra, Forest Manager |
| L. C. McKeever, Forest Ranger   | Harle C. Wilcox, Forester       |

The meeting was opened by the Superintendent who explained that the purpose of the meeting was to discuss the proposed North Quinalt Timber Sale. He reviewed the history of the proposed sale, stating that when he reported to this agency for duty, the proposed Taholah Unit was under consideration, that the Tribal Council and some members of the tribe objected to offering this unit for sale because only the allottees whose lands were within the Taholah Unit would realize financial benefit and that all of the unsold timber on the Quinalt Reservation should be sold or none at all. In response to this request from representatives of the tribe, and although the Indians owning lands within the Taholah Unit had overwhelmingly indicated their willingness to sell the timber, a proposal was made to the Indian Office to offer the entire area within the unsold portion for sale under a single transaction. This proposal carries the support and has been recommended by the District Office. It is now under consideration in the Indian Office. At this agency, considerable progress has been made in obtaining the consent of the allottees

to sell the timber under this plan, and we will soon be approaching the place where we will have the consent of the majority of the Indians. To explain ~~this~~ the progress made in more detail, the Superintendent called upon Forester Wilcox.

Mr. Wilcox, using progress maps to illustrate the work accomplished, stated that the proposed North Quinalt Timber sale unit covered approximately 107,000 acres and was comprised of 1380 individual allotments. Of these allotments about  $1/3$  <sup>or 2</sup> were in heirship status having anywhere up to 25 heirs. He displayed a progress map which showed the allotments for which powers-of-attorney had been mailed out stating that about 700 had been sent out. He was working at the present time only on the "living" allottees. He discussed some of the difficulties involved in this work, the checking of descriptions, the inadequacy of addresses, and the tedious typing work that had to be done because of the lack of clerical help. He then displayed a map which showed the response from the allottees or the returned signed powers-of-attorney. He stated that approximately 450 signed powers-of-attorney had been returned, that the returns while very good at first had dropped down, and that there appeared to be some resistance groups who were usually represented by families. He explained the possible reason for these ~~exist~~ "resistance" groups on the basis that the families were mostly on the reservation and were probably waiting to see what progress was being made in advertising the sale. He also stated that the response from allottees living off the reservation was generally considerably better than from those residing on the reservation.

The Superintendent then called upon members of the Business Committee for their views on the proposed sale.

Chairman Jackson stated that some of the so-called "resistance" might be explained because of the wording of the powers-of-attorney. The main objection was the minimum prices listed on the form. The Superintendent

and Forest Ranger McKeever explained that the price listed was the minimum price below which no readjustment in stumpage rates could ever go and was not the minimum price which would be given in the advertisement. All of the members of the committee echoed the price objection stating that it was the general belief of the people that the price listed would be the price which they would get. Another objection was that the powers-of-attorney contained no provision for a time limit for which the authority was effective. The Superintendent explained that the allottees could withdraw their powers-of-attorney. <sup>A</sup> There was considerable further discussion regarding the minimum prices listed on the powers-of-attorney and Mr. Jackson and Mr. Shale both stated that it would have been better to ~~fix~~ have left out any prices and listed only that the prices would be in accordance with local market values. Mr. Skarra stated that while such an arrangement would simplify the adjustment of stumpage rates, the minimum prices inserted in the powers-of-attorney were for the protection of the allottees and placed a clear limit below which the Government ~~would~~ could not go in making readjustments ~~and~~ regardless of the condition of the market.

Further discussion revealed that the members (with the possible exception of Mr. McCleod) were opposed to sustained yield management of the timber. Mr. Jackson stated that the timber was overmature and further delays in cutting or cutting on a long term basis of 40 years was poor forestry. He also stated that the proposed annual cut of 60 million feet was too small for an operation of the size contemplated and requiring such a tremendous investment. He realized that it would take many years to cut the timber but that the cut should be liberalized and the old mature and decadent timber should be removed as quickly as possible. Mr. McKeever briefly discussed the present condition of the timber. ~~XXXXX~~

Mr. Jackson stated that the uncertainty of the continued existence of the

Indian Service was another reason why many individuals held off from signing the powers-of-attorney, that there was a feeling that before long the allottees could dispose of their timber as they saw fit. He discussed some of the plans for the handling of the Quinalt timber including the so-called "Zimmerman plan" which proposed the purchase of all the timber lands by the Government.

Mr. Horton Capoeman stated that the individual allottees of which there were very many were involved in the proposed sale and that the decision was up to them and that he would not try to speak for them. He stated that a general meeting with all the people should be held and that all phases of the proposal fully discussed. The Superintendent and other members of the agency staff stated that they would be glad to attend such a meeting and try to explain the proposed unit. Mr. Shale discussed a meeting that had been held at Taholah stating that he was called upon to explain the big sale. From his explanation, it was evident that he did not have all of the facts and further explanation was made to Mr. Shale.

~~Mr.~~ The Superintendent requested an expression from the business committee regarding their feeling towards the proposed sale. Mr. Skarra stated that he was somewhat surprised to learn that objections existed since he was under the impression that the Tribal Council and the members of the tribe had requested the big sale and had opposed the Taholah sale because so few members benefitted. Mr. Jackson stated that this was substantially correct and that he and ~~the~~ the Council were all for the big sale but were opposed to some of the provisions as previously discussed.

In summary, the Business Committee was in favor of the big sale but had the following objections to the way it was being proposed:

1. The minimum prices listed on the powers-of-attorney were entirely out of line and should be revised upward, or should be eliminated and the local going market price govern.
2. There should be a time limit on the power-of-attorney.
3. The people were opposed to the so called "sustained yield" because

the majority of the members would ~~only~~ realize only 50% of the value of their timber and that the limitation on the annual cut was too restrictive from a business viewpoint.

4. There was a question with respect to the continuance of the Office of Indian Affairs. If abolished they allottees would be in a more favorable position to quickly dispose of their timber holdings.

Mr. Jackson agreed that the Tribal Council should prepare a resolution urging the North Quinalilt timber sale in one transection with provisions which would state the position of the Indians. He stated that a resolution along these lines would be ~~submitted~~ prepared and submitted to the Superintendent. He also stated that he believed the proper procedure would be for several ~~xxx~~ delegates of the tribe and members of the agency to go Washington and discuss the proposal with the Commissioner and secure definite commitments on the procedure for handling the sale.

At 4:30 P.M. the meeting was adjourned.

PES

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Engineering Files  
B-7-1940  
D. J. DONOVAN'S EMBROIDERY  
Court of Claims  
Docket No. \_\_\_\_\_

Excerpts of letter of April 15, 1949, to Daniel L. Goldy, from  
B. F. Titus, Executive Vice-President, Western Forest Industries  
Association, 1024 Board of Trade Building, Portland 4, Oregon.

*Copy made  
by B. F. Titus*

"Dear Dan:

I do not know why WFIA should "go to bat" for the BLM in the matter of appropriations when that agency apparently has not entirely given up the idea of discriminatory, un-democratic, monopolistic cooperative agreements; and when another bureau in the Dept. of the Interior has so far not even acknowledged our protests against sale of Indian timber in such large units that at least 95% of potential bidders will be excluded. Be that as it may, we are doing everything within our power to persuade the Senate to make more generous appropriations than did the House for F.Y. 1950.

-----

I hope that while you are in Washington you may have an opportunity to impress upon the Secretary the desirability of holding a public hearing somewhere in Western Washington on the proposed sale of Quinalt Indian timber. I understand that such a hearing has been requested not alone by us but by the Quileute Tribal Council representing Indian allottees, the International Woodworkers of America CIO, the Lumber and Sawmill Workers Union AF of L and other groups opposed to the practice of favoring a few large operators and discriminating against the rest of the industry in the marketing of federal timber. If the "Fair Deal Administration" is to live up to its name certainly every effort should be made to determine the wishes of all parties concerned in management of timber either owned or administered by federal agencies and a public hearing is one of the best ways of getting at the facts."



Office of the Secretary  
 COURT OF CLAIMS  
 DOCKET NO. H-203

File COPY  
 SURNAME

To Secretary  
 UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 OFFICE OF THE SECRETARY  
 WASHINGTON

For Signature

V A 6568  
 Hon. Henry M. Jackson,  
 House of Representatives.

MAY 31 1949

5-1  
 Teholah  
 Timber  
 [Handwritten routing slip with names: Chapman, etc.]

My dear Mr. Jackson:

I have your letter of May 10, regarding the sale of timber on the Quinalt Indian Reservation, Washington.

The Commissioner of Indian Affairs transmitted to you on May 13, copy of my letter of May 2, to Mr. M. F. Titus, Executive Vice-President of the Western Forest Industries Association, in which I discussed some of the points raised in your letter. I wish to assure you that the Bureau of Indian Affairs and this Department have carefully considered the factors and interests involved in the sale of the timber on the Quinalt Indian Reservation. It is difficult if not impossible to develop a plan for the sale of the timber which will satisfy all of the divergent views and interests of the individual Indian owners of approximately 1,460 allotments and the representatives of the lumber industry in the Gray's Harbor area. I believe, however, that the plan which has been approved is in the interest of the Indians and is fair to the timber operators.

This Department is willing to coordinate the sale of Indian timber with the sale of timber on national forest and other lands provided such coordination is justified and is not detrimental to the interests of the Indians. So far as I am informed, the sale of timber on the Quinalt Indian Reservation at this time will not adversely affect the interests of communities in the Gray's Harbor area. This timber is owned individually and collectively by the Indians, approximately 98 per cent of this timber is owned by a large number of individual Indians who have received no income from their lands. Many of these are in need of financial assistance. In view of the responsibility of the Federal Government with respect to the Indians and their lands, it is essential that the timber be sold in a manner which will best serve their immediate requirements and meet the requirements of sustained yield forest management. I believe that the plan for the sale of this timber meets these requirements.

I have previously considered the advisability of holding a public hearing on the plan for the sale of the timber. As stated in my letter of May 2, to Mr. Titus, the issues and problems involved in the sale of the timber have been discussed with interested groups for several years. In the circumstances, I do not believe that a public hearing at this time would develop

MAY 26 1949  
 SOLICITOR  
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 MAY 26 1949  
 TO SOLICITOR

FROM SOLICITOR  
 FOR SIGNATURE

MAY 26 1949  
 ASST. SECRETARY

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 MAY 27 1949  
 UNDER SECRETARY

COPY FOR THE SECRETARY'S OFFICE



significant facts which are not now known to all the interested parties.

Sincerely yours,

(Sgd) J. A. Krug

Secretary of the Interior.

cc-Portland  
cc-Taholah Agency  
cc-Forestry chrono  
cc-Secretary's Reading file  
cc-Holdup  
CSK:geh 5/27(LDA:5-hge-19)

Mailed by  
Hall

*Revised draft for Q*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
WASHINGTON

2-20-50

FROM: ASSISTANT SECRETARY WARNE

TO: Secretary Chapman

This is a small unit advertised at the same time as the large one on which Rayonier bid and is having difficulty now in accepting. This formerly was a recognized procedure and is the procedure of the Forest Service now. If we do as here proposed, our position with Rayonier will be strengthened, too, and we will get some timber out this year.

W.E.W.

Official File Copy

Enclosures: Five

90-2-20

DEPARTMENT OF THE INTERIOR

COURT OF CLAIMS

Docket No. \_\_\_\_\_

H-211

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
WASHINGTON

2.20-50

FROM: ASSISTANT SECRETARY WARNE

TO: *Secretary Chapman*

*This is a small unit advertised at the same time as the large one on which Rayonier bid and is having difficulty now in accepting. This formerly was a recognized procedure and is the procedure of the Forest Service now. If we do as here proposed, our position with Rayonier will be strengthened, too, and we will get some timber out this year.*

*W.E.W.*



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON 25, D. C.

Official File Copy  
Enclosure Files  
92-20  
DEFENDANT'S EXHIBIT NO. 11-004  
Court of Claims  
Docket No.

February 27, 1950

Secretary Chapman:

The attached memorandum from Commissioner Nichols, concerning sale of Quinaielt timber, is recommended for your signature of approval. You will note Bill Warne's comments on the attached note from him.

At the time the decision was made to offer for sale these four blocks of timber, I dug deeply into the question of whether it would be possible, if the timber were offered in a larger number of smaller blocks, to secure an equally advantageous deal for the Indians and at the same time get good, sustained yield operations. Lee Muck and others believed that the four units in which the timber was finally advertised for sale represented the best arrangement, and I came to the same conclusion.

Offering the timber in smaller blocks might have secured the competition which has been lacking since it was put up for sale, but it would not have provided the Indians with substantial income at the outset (25% of the value of the timber, before cutting begins) as the present arrangement will provide. Only the larger operators can swing such a deal, but apparently, it is the only way of getting the money the Indians need now, letting the Indians with allotted land far back in the forests benefit along with those whose timber would be cut first, and assuring good, sustained yield practices in the cutting.

I have talked with Lee Muck about the proposal as presented in the attached memorandum, which he and Messrs. Zimmerman, Seagle and Warne, have surnamed. He believes it is the thing to do.

*R. E. Day*  
Robert E. Day

*Richard [unclear] [unclear]*

EXHIBIT COPY  
H-200

File Copy  
Surname:  
20206-49  
Indian

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
To Secretary OF THE SECRETARY  
WASHINGTON

PRS 764

MAR 21 1950

For signature

APR 1 1950

*[Handwritten signatures and initials in a box]*

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INTERIOR DEPT.  
MAIL CENTER  
MAR 21 1950  
TO SOLICITOR

OLY  
MAR 21 1950  
OFFICE

INTERIOR DEPT.  
MAIL CENTER  
MAR 22 1950  
TO SOLICITOR

INTERIOR DEPT.  
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TO SOLICITOR  
MAR 22 1950  
FOR SIGNATURE

INTERIOR DEPT.  
SECRETARY'S  
MAIL CENTER  
MAR 23 1950

RECEIVED  
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My dear Senator Cain:

Reference is made to your letter of March 7, and the letter from Mrs. Marie J. Wilson enclosed therewith, concerning a tract of timber on the Quinalt Indian Reservation, Washington.

The Department's policy governing the disposition of timber from the Quinalt Indian Reservation has been the subject of widespread correspondence and discussion. In our several letters to you we reviewed the problem in some detail and set forth the reasons which led to our decision, in March 1949, that the large block of timber remaining unsold on the reservation should be offered for sale in four units. The four units were advertised for competitive bidding, separately, but no bids were received as a result of the first three offerings. The fourth and largest offering, known as the Crane Creek Unit, called for bids to be received on September 23, 1949. Rayonier Incorporated was the only bidder, and in accordance with the advertisement the company deposited with its bid a certified check in the amount of \$163,000. The deposit is to be applied against timber actually cut if the contract is executed and approved, or it is to be retained as liquidated damages if the company does not execute the contract and furnish a satisfactory bond.

Rayonier Incorporated was not in a position to execute the contract within the sixty-day period stated in the advertisement and requested a sixty-day extension for that purpose. Since the company was the sole bidder for the timber this Department deemed it in the best interest of the Indians to grant the request. A second extension was subsequently requested and granted, and it will expire April 12, 1950. If the contract is not executed by that time the company's deposit of \$163,000 will be retained and, after deductions for administrative expenses, the net proceeds will be distributed to the Indians entitled thereto in proportion to their timber holdings within the Crane Creek Unit.

Mrs. Wilson's allotment is within the Crane Creek Unit. If Rayonier Incorporated executes the contract Mrs. Wilson will receive a substantial advance payment within a short period thereafter. If the company does not execute the contract Mrs. Wilson will be entitled to her prorata share of the deposit with bid.

INTERIOR DEPT.  
MAR 23 1950  
ASST. SECRETARY

INTERIOR DEPT.  
MAR 24 1950  
RECEIVED  
*[Signature]*

INTERIOR DEPT.  
MAR 27 1950  
ASST. SEC'Y

INTERIOR DEPT.  
SECRETARY'S  
MAIL CENTER  
MAR 23 1950  
RECEIVED  
*[Signature]*

INTERIOR DEPT.  
MAR 28 1950  
SECRETARY

COPY FOR THE SECRETARY'S OFFICE



There has recently developed a renewed interest in the three timber units for which no bids were received. The Department has accordingly authorized the sale of any of the three units without re-advertising, provided that such sales are made within one year from the date on which bids were solicited, and are made on the same terms as those under which the original sales were advertised. An offer for one of the units has been received and the executed contract is being processed for approval. If no offers for the other two units are received within the one year period it is planned to re-advertise them at the first favorable opportunity. If Hayonier Incorporated should fail to enter into a contract for the Crane Creek Unit we plan to sell that timber in the same manner, either as a negotiated sale within one year of its first offering or following re-advertisement.

In compliance with your request Mrs. Wilson's letter of March 3 is returned herewith.

Sincerely yours,

(Sgd.) Oscar L. Chapman

Secretary of the Interior

Hon. Harry F. Cain  
United States Senate  
Washington, D. C.

Copy to: Portland  
Taholah  
Secretary's Reading File  
File No. 28865-47  
Forestry chron  
Holdup  
OSKephart:3-4-17

*Richard draft fu. 10a*

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| Official File Copy      |       |
| Enclosures: Files       |       |
| 90 2 20                 |       |
| DEFENDANT'S EXHIBIT NO. | H-210 |
| Court of Claims         |       |
| Docket No.              |       |

COPY

407 1/2 So. 11th St., Apt. 14  
Tacoma, J, Wash.  
March 3, 1950

Hon. Harry P. Cain,  
United States Senate  
Washington D. C.

My dear Senator Cain:

I'm writing in regards to the sale of timber on the Quinalt Indian Reservation. The timber was put up for sale, Sept. 23, 1949 & was bought by the "Rayonier Incorporated" which has a branch office at Hoquiam, Wash., Rayonier's main office is in New York City, N. Y.

Rayonier Incorporated had until Dec. 13, 1949 to sign the agreement or contract. On Dec. 12, 1949, the "Secretary of Interior" granted Rayonier a 60 day extension. by the time their extension was up, which was Feb. 13, 1950, the "Secretary of Interior" granted them another 60 day extension.

I wrote to the acting Supt, at Hoquiam Wash., asking an explanation of these extensions. I am enclosing a copy of his answer.

Now Mr. Cain, I wrote you about my condition & Welfare June 17th 1948. You got in touch with the acting Commissioner William Zimmerman, Jr, on June 22, 1948, but didn't get a reply from him until Feb. 2, 1949. You then sent me a copy of his letter to you, which you sent to me Feb. 8, 1949.

Since that time nearly 13 months have past & things are a whole lot worse now. As you no doubt know, I'm still on Pierce County Welfare. The Welfare has cut my check to \$59.75, I'm an unemployable person under Dr's., care continuously. I have to have somebody with me all the time so I have to pay \$30.00 rent, \$4.32 for ice, \$2.00 for gas, ect., so you see Mr. Cain I can't live on what the Welfare gives me let alone buying anything to wear. The 1st of April, 1950 I get another 25 or 35% cut on my check. I'll just be able to pay my rent & that will be all.

I went to the Tacoma Indian Hospital for nearly 3 years, until they couldn't do no more for me. I went to the Pierce County Welfare & they have given me medication & hospitalization. I went to the Pierce County Hospital Oct. 13, 1949 for ~~my~~ night (8) operation I nearly dies, as I had malnutrition. Can you imagine that, Mr. Cain? He, a ward of the United States Government?

I've had chances to sell my timber, time after time, for more than I'm getting now. but would the Indian Office stand for it? No! they wanted it put up in a big sale. Now they have made the sale, & Rayonier Incorporated & the Secretary of Interior, are giving the Indians the run around. There's absolutely no sense of me having to live like this.

I owe a grocery bill of \$135.00 & I have no way of paying it. as I said before, I've been out twice on the Welfare & a 3rd time coming up. I just keep getting in deeper. so I can't get any more groceries until my bill is paid. I wrote asking Mr. Keeler (acting agent) at Hoquiam, Wash to interceed or notify said groceryman, that I would have my money on a certain date.

The enclosed duplicate answers for itself. Now you know Mr. Cain, that letter isn't worth the paper its written on. Sure I can expect money from my allotment up to 50 yrs. from now. Mr. Keeler wasn't laying himself liable, or he would have sent the duplicate of said letter to the groceryman direct, instead of having me give it to him.

As to the explanation of said extension, he didn't lay himself bare to that either. You see they can't guarantee contract will be signed & put into operation. This passing the buck," could go on indefinitely. And what about the Indians in the mean time? I think if "Rayonier Incorporated" is going to continue with extensions, we the owners of said timber should have an explanation of why they want extensions.

After all, the American Indian isn't totally ignorant, were not little children to be told, just what the Dept. of Interior cares to tell us. If such be the case, why don't they take better care of us? In my case for instance the Government knows all about my condition, but when you write for help, they can't do anything. They sit in office, drawing big wages. You ask them for what is rightfully yours & they act like it coming out of their own pocket.

I'm in a corner like a strapped rat, Mr. Cain, & any trapped rat will fight back. Maybe the Government has the rest of them bluffed but to me they are just men. This is a free country, free speech, free press, & I'm a Ward of this free country. I have some sisters, yes, but like the United States Indian Service, they too can't help me. This is no gob story Mr. Cain, I can verify everything I've wrote. The welfare knows about this sale & they keep after me about it. I told them to write to the Indian Service, as I didn't know anymore about it than they did. I tried to get a loan at the Bank in Hoquiam, where the Indian money is deposited, but the Pres. of said bank said I was a poor risk on account of my health.

I wanted to get an advanced loan from Rayonier Incorporated, that is, individually, but Mr. Rebeck, the manager of said corp. said he would not make any payment or advanced personal loans until said contract is signed. Mr. L. C. McKeever of the Forestry Dept at the Nahcokah Indian Agency, Hoquiam Wash., is trying to help me get a loan, but he has exhausted every way he knows. He even sent me \$10.00 out of his own pocket. If there were more people like Mr. McKeever in the Indian Service to intercede & look out for the Welfare of the Indians we wouldn't be in this position today. I may have only a few years to live I want my money now, when I need it, not after I'm dead & have to leave it to Posterity. Let "Posterity" take care of it's self. I want what is rightfully mine now. There is a couple of member of the "Associated Press" who are highly interested in this Sale, maybe if I get enough publicity, the Indian Dept. will wake up to the fact that we need help, just as well as Europe. I may get in trouble over this but it can't be any worse than the way I'm living now. I've got a lot to gain & nothing to lose. I know you're a busy man, but I'm a human being even if I am an Indian. It took some Navajo go-getter like me to help the Navajos & wake the Government up to the fact that they were negligent in taking care of the Navajos, here power to him whoever he is.

Hoping you won't find this boring & will try to help me out of this mess.

I remain,  
Sincerely,

/s/ Marie J. Wilson



*Richard Wright for 10*



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
WASHINGTON 25, D. C.

|                         |                    |
|-------------------------|--------------------|
| IN REPLY REFER TO:      |                    |
| Forest & Range          | Official File Copy |
| Securities Files        |                    |
| SO 2-20                 |                    |
| DEFENDANT'S EXHIBIT NO. |                    |
| Court of Claims         |                    |
| Docket No.              |                    |

**Memorandum**

AUG 25 1950

**To:** Secretary of the Interior

**From:** Commissioner of Indian Affairs

**Subject:** Senator Cain's letter of July 31 with respect to Mr. David Baker's desire to purchase timber at the Quinalt Indian Reservation

Reference is made to Senator Harry F. Cain's letter of July 31 and previous correspondence concerning Mr. David Baker's desire to purchase timber on the Crane Creek Unit of the Quinalt Indian Reservation, Washington. In the Acting Assistant Secretary's letter of July 10, to Senator Cain he was informed that our Area Office would be asked to determine whether Mr. Baker's request could be granted without detriment to the Crane Creek Unit.

We have learned that Mr. Baker called at the Taholah Indian Agency Office in Hoquiam, Washington last June and informed Acting Superintendent Vincent Keeler that he had deposited \$1,000 to Mr. Keeler's credit at a Seattle bank as an "option" payment for timber. Mr. Keeler referred him to the Forest Manager to discuss timber matters, but after approximately three hours' discussion it was very difficult to determine exactly what Mr. Baker wanted. We are informed that he proposed at first to arrange for logging the allotments of his son and of several other members of the family and friends. It was found that these allotments are badly scattered, some of them already being under contract as a part of the Taholah Logging Unit, and they could not be farmed into any type of logical working unit. The Forest Manager pointed out to Mr. Baker the excessive road and right-of-way problems to be faced, and this apparently accounts for his mention of road construction in his telegram of June 16 to Senator Cain. The Forest Manager discussed with Mr. Baker the latter's interest in several other allotments adjacent to the highway, and their status with respect to the Crane Creek Logging Unit was explained. The status of this unit was outlined to Senator Cain in the letter of July 10 referred to above. The Forest Manager also discussed with Mr. Baker a proposed salvage sale within but separate from the Crane Creek Unit, and Mr. Baker showed considerable interest in this proposal. He was informed that the Agency would be glad to receive his application for this timber, but we understand that he has not submitted such a request. The Agency plans to advertise this salvage sale, in response to requests from other reliable prospective purchasers, as soon as other timber sale commitments will permit. The Forest Manager reports that



corporation has been notified that its deposit is being held as liquidated damages. There has been some question as to the exact manner in which this deposit should be distributed among the Indians having an interest in allotments within the Crane Creek Unit. It is believed this question will be resolved in the near future, and the distribution will then be made promptly. We expect to recommend a readvertisement of the Crane Creek Unit as soon as conditions warrant. If Bayouler Incorporated should offer to buy the timber at that time it will not receive any credit, on the new purchase price, because of the \$163,000 deposit with its former bid.

Mr. Baker has referred to a big fire in the Cook Creek Unit some years ago which he claims "was caused by neglect on the part of the Forestry Department gang, who tried to fight a fire with empty pumps...". We believe he is referring to the fires of July and August 1941 which burned in the Cook Creek and Point Grenville areas. Our reports do not indicate that the spread of these fires was caused by negligence of the fire protection organization, as Mr. Baker has intimated. The reports do not speak of the difficulties encountered in combating these fires, including blowup conditions on the Cook Creek fire which forced the foreman and crews to take refuge in the river bottom and remain there until 9:00 P. M. The reports also indicate that more than 1,100 men were engaged in fighting these two fires, and that all possible arrangements were made to obtain men and equipment from CCC camps, lumber camps, state fire protection organizations, the National Park Service and many other organizations. Weather conditions were very unfavorable, and these were very difficult and expensive fires to control.

There is attached a map of the Quinalt Indian Reservation showing some of the logging units which seem to be the subject of Mr. Baker's correspondence. We are unable, with information available in this Office, to indicate the individual allotments in which Mr. Baker is particularly interested. You will notice that the Crane Creek Unit is separate from the others, and was advertised as a separate unit.

(Sgd.) M. B. B.

Acting Commissioner

Attachment

*Richardson draft # 9*

Special File Copy

Form 100-1065

INDIAN'S EXHIBIT NO. 4-208  
Dept. of Claims  
Ticket No.

Forest & Range  
FILE COPY  
Surname  
INDIAN

98-43  
721-50

THE SECRETARY OF THE INTERIOR  
WASHINGTON

*Richardson*  
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38)  
SECRETARY'S  
MAIL CENTER  
SEP 12 1950  
INTERIOR DEPT.

SEP 12 1950

Mr. E. Morgan Pryce  
Area Director, Portland

Dear Mr. Pryce:

Reference is made to your letter of July 18, submitting the necessary papers to support the purchaser's request for an extension of the Quinalt Lake Logging Unit contract, Quinalt Indian Reservation for a period of five years to March 31, 1957. In submitting the papers, the Acting Superintendent of the Taholah Agency suggested that approval of the extension be conditioned upon (1) the submission by the purchaser of a logging plan at least one year in advance, and (2) cooperation by the purchaser with the Indian Service in securing greater economy and efficiency in log scaling. You have suggested that the second requirement is neither necessary nor desirable, but that the extension should be granted subject to the purchaser's submitting a logging plan, satisfactory to the Superintendent, to cover the remaining uncut timber on the Quinalt Lake Unit.

5-1  
*J. J. J.*  
*J. J. J.*

Section 9 of the General Timber Sale Regulations which are a part of the contract, provides in part that the areas to be logged in any season may be designated by the officer in charge when in his judgment this is necessary to prevent deterioration from fire, worms, or other cause or to insure the logging of the sale unit in such manner as to fully protect the interests of the United States and the Indians. (underlining supplied) Section 9 also provides, when logging is begun on an allotment or natural logging unit, that it will not be discontinued and started elsewhere without the written consent of the officer in charge. We believe the purchaser can be prevailed upon to comply with the above contract requirements. It accordingly appears unnecessary to make the submission of a logging plan a condition of the contract extension. Similarly, by reference to Section 23 of the General Timber Sale Regulations, the purchaser can be called upon to cooperate with the Agency personnel in securing greater economy and efficiency in log scaling.

Office of Land  
Utilization  
SEP 12 1950

Mailed by  
Boudy

The extension of the Quinault Lumber tract contract to March 31, 1957 is hereby approved without reference to the suggested conditions. The original and four copies of the approved "Extension of Contract, Quinault Lumber tract" are returned herewith for distribution. One copy has been retained for our files.

Sincerely yours,

(sgd) M. Rex Lee

Acting Commissioner

Enclosure 3

Approved: SEP 13 1950

(sgd) Mastin G. White

Acting Assistant Secretary of the Interior

Copy to: Secretary's Reading File  
Forestry chrono  
Holdup

GSKephart:tjm/jef-8/29/50

Area Office  
Portland 18, Oregon

Official File Copy

July 13, 1951

Mr. Oscar Wilson  
Rt. 1, Box 122  
Long Beach, Washington

|                                      |
|--------------------------------------|
| Enclosures Files                     |
| 90 2-26                              |
| DEFENDANT'S EXHIBIT NO. <u>H-195</u> |
| Court of Claims                      |
| Docket No. _____                     |

Dear Mr. Wilson:

*Patric*

Your letter of June 10, 1951, addressed to Mr. Oscar L. Chapman, Secretary of the Interior, has been referred to this Area office for reply. In your letter you asked to be advised as to the sale of the timber from the Crane Creek Logging Unit, Quinalt Indian Reservation, stating that this unit was to have been sold on two different occasions but has not yet come up for bids. You asked to be informed as to what is holding up the sale of this unit.

The Crane Creek logging unit on the Quinalt Reservation was originally advertised for sale during the summer of 1949 at which time the Bureau of Indian Affairs also advertised the sale of timber from the Boulder Creek, Taholah, and Quialet logging units. Between the interval of advertising and opening of the bids on these four separate units, there was a continued and ecided slump in the lumber and log markets and most operators became fearful of a serious business recession. As a result no bids whatever were received on the Boulder Creek, Taholah, and Quialet logging units, but Hyonier, Inc., did submit a bid at inflated prices on the Crane Creek Logging Unit. Subsequently, with the continued down trend of the market the stockholders of this firm became convinced that the purchase of the Crane Creek timber would be a losing venture for them and after several months of consideration defaulted in the execution of the contract and forfeited the sum of \$163,000 which had been deposited with their bid.

Early in the year 1950 the Secretary of the Interior consented to a negotiation of the contracts on the four separate units providing they were entered into at the same prices and terms as were advertised during 1949; and during the year two separate contracts were actually negotiated, one covering the Boulder Creek unit and the other covering the Taholah Logging Unit. Some interest was also shown in the Quialet and Crane Creek logging units but firm offers supported by cash deposits with bids were never submitted during the twelve months period after the original bid opening.

During the latter half of 1950 it was decided by the Department that interest was again sufficiently strong to justify re-advertising of the two units and new operations were made and advertisements and contracts prepared with this in mind. Unfortunately, however, it has since been necessary to delay advertising action while some ways and means could be developed of administering these two large sales, in addition to existing work loads, without the assurance of added funds being available to cover scaling and other costs. While the matter has not yet been settled, it is now believed

that a practicable solution of the problem may have been found. We are hoping that it will prove satisfactory and will permit the early advertisement of both the Crane Creek and Quocets logging units.

Very truly yours,

(SGD.) L. P. TOWLE

L. P. Towle  
Acting Area Director

cc Indian Office  
W. Washington Agency - 2

*Richard Duffin 6*

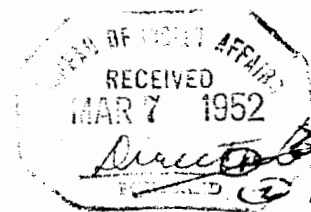
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IN REPLY REFER TO:  
Assoc. Commr.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
WASHINGTON 25, D. C.

*Original Copy*  
EXHIBIT NO. *H-200*  
COURT OF CLAIMS  
DOCKET NO.



MAR - 1 1952

Mr. Henry M. Jackson  
House of Representatives

Dear Scoop:

Thanks for your letter of February 23 in which you enclosed a copy of a wire you had received from W. W. James, Chairman of the Lummi Business Council, and Frank Reid, Hooknack, concerning our proposed withdrawal of Federal supervision over Indian affairs in Washington.

The newspaper release which these men quoted in their wire apparently originated from a statement which the Portland OREGONIAN requested from the Commissioner concerning our policy of withdrawing Federal supervision from Indians on the West Coast, a copy of which is enclosed. In this story we noted the progress that had been made with the Grande Ronde Siletz Indians and also the California Indians, and stated: "The Bureau of Indian Affairs is moving to end Federal supervision over 41,300 Indians in the far western states, Commissioner Myer announced today. Those involved are . . . In western Washington, approximately 7,400 Indians under the Taholah and Tulalip Agencies, recently combined into the Western Washington Agency, near Everett. Negotiations with this group are just now getting under way."

When I met with a group of Indians last December in Seattle we discussed at great length the possibility of withdrawing Federal supervision from the Indians of western Washington. I told the delegates very frankly that I thought they would do better without our supervision and that I thought we should start making definite plans jointly to withdraw such supervision. We discussed the problem very frankly all of one afternoon and far into the evening. I think most of the delegates agreed with me that restrictions of any kind of a trust were onerous to them and that probably they would do better individually without supervision.

However they were very much concerned about the tax situation. I pointed out to them in the evening meeting that if they did a little figuring on taxes I thought they would find that they were already paying most of the taxes except the property tax and that by and large the benefits of complete freedom would offset any tax advantages they were then enjoying. There was considerable discussion on this point with some of

*COI should have already done, that a file on this subject*



them agreeing with me and some disagreeing. We ended the meeting with my saying that our staff over there would hold meetings with them and also that we would send an extra man or two from this office to help in attempting to draw up plans. Since that time our superintendent and Area Director Pryse have been working with them.

There is still a lot of fear on the part of the Indians about being left alone. However I think that by careful planning with them this can be overcome and we can eventually arrive at the same stage that we are at with the Indians of Western Oregon. Our negotiations there have been carried on for the past year and those groups are now completely in favor of Federal withdrawal; the legislation has been drawn up jointly and they have okayed it. In California we have discussed legislation with all the groups and have gotten their opinion on it. There is still a difference of opinion among the Indians there — one segment is clamoring for immediate withdrawal and another group is trying to hang on to Federal supervision, primarily because of the tax situation.

I am not sure where the Indians of Washington got the story stating that "the Washington Indians were agreed with Mr. Myer for the withdrawal of Federal supervision over Indian affairs." As our story to the OREGONIAN indicated, we have only started negotiations with them. As you know, this is a very complicated problem with a lot of emotions involved. It will take some time but we are optimistic that we can obtain the support of the majority of the Indians, although there will always be some opposition.

If, after we have completely explored the matter and the Indians are still dissatisfied on the policy to be followed, they of course will always have the opportunity to come in and be heard before Congress before any final action is taken on the necessary legislation.

If you have any further questions on the matter I will be glad to discuss it with you. In the meantime we will push ahead in an attempt to work out with the Indians a withdrawal program.

HRLee:ewm  
3-3-52

Sincerely yours,

(Sgd) H. Rex Lee

H. Rex Lee  
Associate Commissioner

Enclosure

Copy to: Area Director Pryse, Portland Area Office

Supt. Bitney, Western Washington Agency



*Revised  
draft Jan 13*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

*Xbr copy*      *113*

Resources Conference - Portland Area Office

January 20 - 23, 1953

The Resources Conference held January 20 - 23 inclusive, in the Portland Area Office, Bureau of Indian Affairs, started promptly at 9:30 a. m. January 20 with approximately 175 in attendance. Before the formal start of the conference the "Chief's Dance", "Hoop Dance", "Eagle Dance", and "War Dance" were given by boy scouts of the Warm Springs Reservation, all in appropriate ceremonial costume.

The welcome address was given by Mr. L. P. Towle, Assistant Area Director of the Portland office, who summarized the particular problems being faced in the field of resources which, in this area, affects approximately 27,000 Indians, and 6,000,000 acres of land located in the states of Oregon, Washington, and Idaho, and under the immediate supervision of eight different agencies and jurisdictions. He advised that the responsibility that the Indian Service exercises arises entirely out of the obligations assumed, either through law or treaty as trustees of the Indian estate. The major problem concerns land, which is basic in all of the resources. The rights of the owners must be protected; the fractionated heirship problem must be solved. Educational programs in extension and soil and moisture must be continued in order that the land may be developed and maximum returns from the land may be realized. The policy of our Roads program, that of discontinuance of the building of roads until they can be turned over to counties and states for maintenance may be impossible to follow in all cases, especially in those cases when it is necessary to provide access roads for administrative purposes through forested areas. This may also be true in some range or even agricultural lands in order to provide farm-to-market roads. The maximum utilization or plans for utilization of water was also stressed. The rights of the Indians in many cases are going to have to be protected in order that there may be sufficient water for irrigation purposes on Indian lands.

The credit program was discussed. The major problem in connection with this program is to have the best use made of funds available for credit of Indians so that they may have adequate financing for the things they want to do.

of determining if they are valid and as a result, the claims which are scattered all over the mountainous and forested portions of the reservation conflict with timber sales. As a result all this has caused a pretty messy checkerboarded situation. Many of the homesteaded and allotted lands lie in the creek or river bottoms and control access in many cases to a large portion of the undisposed land. The various ownerships create quite a problem in even acquiring rights of way so as to develop forest and range resources on the reservation.

The many allotments outside of the Colville Reservation boundary present a particular problem. Many were made in the timbered areas and reports of timber trespass come in constantly and many man days of personnel are spent on allotments off the reservation with many miles of travel to get to them. There are quite a number of allotments which none of the personnel have ever seen and at the rate of change in personnel it may be a long time before any of them ever do see them.

The tribe feels the land should not be alienated unless they have the chance to acquire it themselves. They did not openly oppose this alienation until Congress put restrictions on acquiring lands by use of tribal funds.

It is difficult to convince Indian owners of timbered allotments that the allotment be placed under sustained yield management before he can realize anything from that land. Mr. Phillips said, "I believe in sustained yield management, and can see necessity for national security, and major economy in keeping our forest land in productive state, but sometimes I wonder -- can this small group afford to subsidize the nation to perpetuate that policy. Personally, the Indians are weakening my arguments daily and I do not know the solution but I know that if I owned a piece of land and timber, and if anyone -- state, county, or nation should tell me that I must leave that timber stand there until the majority of the people saw fit to allow me to remove it, I would resent it very much. If they told me that, I would look for a little subsidy from the state, county, or nation if that was all I had to enable me to live on. So far we haven't offered that subsidy to the Indians, we have just told them to hold that timber until it comes to the point where the timber can be sold. I am sure this problem has reached the ears of everyone in the Indian Service and we are going to make a determined effort to dispose or realize at least partially from these timber lands.

D. H. Bruce, spoke on "Special Land Problems". He referred to Superintendent Phillips closing remarks and also mentioned the problem arising in connection with applications by competent individuals for the sale or removal of restrictions from their allotted lands. Reference was made to that portion of the Land Manual which states that such applications may be approved upon a

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

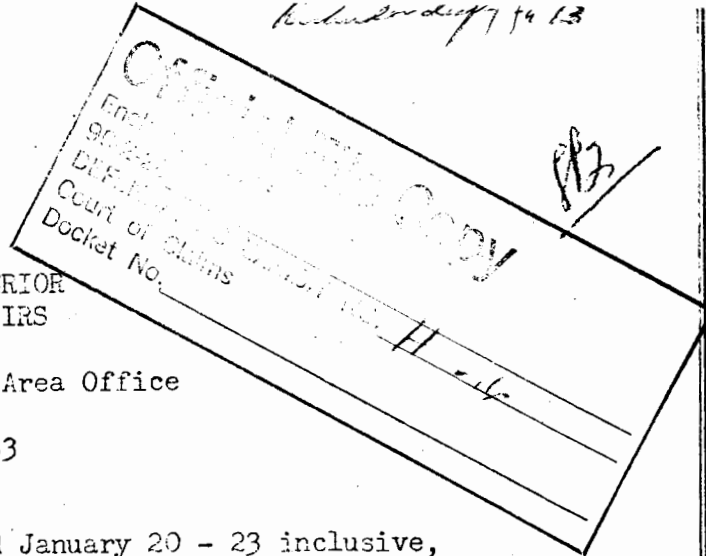
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The credit program was discussed. The major problem in connection with this program is to have the best use made of funds available for credit of Indians so that they may have adequate financing for the things they want to do.



of determining if they are valid and as a result, the claims which are scattered all over the mountainous and forested portions of the reservation conflict with timber sales. As a result all this has caused a pretty messy checkerboarded situation. Many of the homesteaded and allotted lands lie in the creek or river bottoms and control access in many cases to a large portion of the undisposed land. The various ownerships create quite a problem in even acquiring rights of way so as to develop forest and range resources on the reservation.

The many allotments outside of the Colville Reservation boundary present a particular problem. Many were made in the timbered areas and reports of timber trespass come in constantly and many man days of personnel are spent on allotments off the reservation with many miles of travel to get to them. There are quite a number of allotments which none of the personnel have ever seen and at the rate of change in personnel it may be a long time before any of them ever do see them.

The tribe feels the land should not be alienated unless they have the chance to acquire it themselves. They did not openly oppose this alienation until Congress put restrictions on acquiring lands by use of tribal funds.

It is difficult to convince Indian owners of timbered allotments that the allotment be placed under sustained yield management before he can realize anything from that land. Mr. Phillips said, "I believe in sustained yield management, and can see necessity for national security, and major economy in keeping our forest land in productive state, but sometimes I wonder -- can this small group afford to subsidize the nation to perpetuate that policy. Personally, the Indians are weakening my arguments daily and I do not know the solution but I know that if I owned a piece of land and timber, and if anyone -- state, county, or nation should tell me that I must leave that timber stand there until the majority of the people saw fit to allow me to remove it, I would resent it very much. If they told me that, I would look for a little subsidy from the state, county, or nation if that was all I had to enable me to live on. So far we haven't offered that subsidy to the Indians, we have just told them to hold that timber until it comes to the point where the timber can be sold. I am sure this problem has reached the ears of everyone in the Indian Service and we are going to make a determined effort to dispose or realize at least partially from these timber lands.

D. H. Bruce, spoke on "Special Land Problems". He referred to Superintendent Phillips's closing remarks and also mentioned the problem arising in connection with applications by competent individuals for the sale or removal of restrictions from their allotted lands. Reference was made to that portion of the Land Manual which states that such applications may be approved upon a

Minutes (continued)  
Page 5

1:30 p.m.

Chairman Mr. Jackson calls meeting to order. Introduces Mr. Joe Damon from Forks, Washington.

Mr. Damon asserts he spoke to members of the Tribal Council concerning timber in the Queets logging unit. Mr. Damon wants to see a mill established in the Queets unit area which will mean probable employment for local men. He outlines what he terms a temporary working plan and that the tribe may appoint 2 local men on board of trustees who will have equal say in the company. Mentions probable agreement with Damon Logging Co. with Quinalt tribe, emphasizes his is only a starting agreement, also mentions probability of roads in locality.

Questions by members of tribe present.

Mr. Horton Capoeman questions the jurisdiction as to the roads and the council's authority.

Discussion of Mr. Damon's plan continues.

Chairman Mr. Jackson explains to Mr. Damon that the tribe and Council is without authority to act on such matters.

Chairman Mr. Jackson announces that sometime next Wednesday (April 4, 1956) 1 member of the Taholah School Board and 1 member of the Tribal Council will be at Queets to arrange for a lunch program for the Queets school children.

Chairman Mr. Jackson presents a petition by residents of Queets concerning liquor license at the Queets Inn, Queets, Washington, said petition opposing the sale of liquor in their village. Mr. Jackson explains that the Area Office in Portland, Oregon, decided that fee patent land within reservation at Queets is in Indian community which differs from Amanda Park as it is a White community, however the tribe could grant permission for liquor license.

Another petition is presented by residents of Queets in favor of of the sale of beer and wine at Queets.

Attorney Wilkinson explains that no one could get liquor license within the reservation without consent of the members of the Quinalt tribe and the Secretary of Interior.

Mr. Horton Capoeman asks Attorney Wilkinson if there exists a law prohibiting the sale of liquor within 1 mile of a school.

Chairman Mr. Jackson explains that it is within 3 blocks.



*H. Jackson draft # 14*

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|--------------------|------------------|
| Official File Copy |                  |
| Encl. _____        | _____            |
| DEC. _____         | _____            |
| Court of Claims    | Docket No. _____ |

Field Service  
Western Washington Agency  
Hoquiam Sub Station  
Hoquiam, Washington

August 3, 1953

Mr. Paul R. Smith, President,  
Aloha Lumber Corporation,  
Henry Building  
P. O. Box 1874  
Seattle 1, Washington

Dear Mr. Smith:

I wish to call attention to certain matters in connection with your contract on the Taholah Timber Sale Unit on the Quinalt Indian Reservation. Operations there have been generally satisfactory and we have had good cooperation from your officials. However, a few situations have developed that are not entirely in accordance with the terms of the contract as we interpret it, and there appears to be a need for more consultation between your staff and ours in order to assure development of the Unit to the mutual satisfaction of all concerned.

Section 9 of the General Timber Sale Regulations, which are a part of your contract, states, "The areas to be logged in any season may be designated by the officer in charge when in his judgment this is necessary to prevent deterioration from fire, worms, or other cause or to insure the logging of the sale land in a manner as to fully protect the interests of the United States and the Indians. When logging is begun on an allotment or natural logging unit, it will not be discontinued and started elsewhere without the written consent of the officer in charge". We have agreed that a system of staggered settings should be followed in removing the timber and that approval of areas designated for cutting would be secured from the Forest Officer in Charge prior to the beginning of each year's operation. This has been done. However, changes from the plans as submitted, occasionally have been made without prior approval. Recently you have developed and started cutting on a special setting in Sections 32 and 53, T. 22 N., R. 12 W. This setting was not included in your operating plans for 1953 and our office at Hoquiam was not notified of its addition until after the setting was laid out and much of the timber felled.

Mr. Libby has subsequently checked on this setting and finds that it meets with requirements, and that he would approve its inclusion as part of this year's operation. We insist, however, that future cutting plans be approved in advance, and consultation between members of your staff and ours well in advance of operations should be of mutual benefit.

During the initial years of this contract, we have approved establishment of settings which have been too close together. In many places, reserve strips are much too narrow. That your road system is well extended, it should be feasible

Mr. Paul R. Smith, Pres.  
Aloha Lumber Corporation

Page 2  
8/3/53

to develop cuttings to provide for reserve blocks of sufficient size to afford reasonable assurance that they will remain intact until scheduled for cutting ten or more years hence. After making allowance for the lay of the ground, type of timber and other conditions present, we believe that, with few exceptions, no reserve block or strip should be less than 1,000 feet in width in any direction.

The size of cutting blocks is generally satisfactory, although there have been instances when the woods crews have logged beyond the bounds outlined in the cutting plans. We are directing Mr. Bryson to check more closely on these boundary lines and see that cutting is confined to the areas as shown on cutting maps.

To sum up the above, we are requesting that your engineers and logging superintendent work more closely with our forest officers in order that your operations may continue to function smoothly and be assured that the Taholah Unit will be developed in accordance with good forest management practices. It is our policy to allow you the maximum possible freedom in developing your own logging plans but we must insist that such plans be submitted for our review and approval, well in advance of each year's operation, that any later change of plans be approved in advance, and that no cutting be commenced on any cutting until plans for that cutting have been approved.

Very truly yours,

Raymond H. Bitney,  
Superintendent.

JHL/jv

cc - Mr. D. A. Kurtz, Aloha Lumber Corp., Aloha, Wash.  
- Mr. James W. Bryson, Taholah, Wash.



*Handwritten initials*

Western Washington Agency  
Hoquiam Sub-Station  
Hoquiam, Washington  
October 23, 1950

Memorandum To: Mr. John W. Libby, Forest Manager

Subject: Method and Order of Cutting the Taholah Logging Unit.

On Monday, September 18, 1950, Mr. Dave Karts, Secretary and Manager of the Aloha Lumber Company, requested to meet with members of the Forestry staff of this agency to discuss matters pertaining to the submission of a plan for the logging of the Taholah Logging Unit. Accordingly, Lester C. McKeever and Ernie R. Wilson met with Mr. Karts and Mr. Frank Hilliard, Woods Superintendent for the company, on Wednesday morning, September 20 at Aloha, Washington.

Discussion at the meeting was confined mainly to the desire of the company for modifications to be made to certain specifications outlined in our letter of September 11 in response to Mr. Karts' view to the presentation of reasons why the company wishes to have these specifications altered.

The specifications which the company wishes to have changed are those in which we have indicated that the method of logging shall be clear cutting in blocks with intervening strips or blocks of timber to be left between the blocks cut so that no cut-over block would exceed 100 acres in area until a minimum of ten years have elapsed between the cutting of one block and the cutting of a contiguous block that would extend the cut-over area beyond 100 acres in size. It was considered at the time as outlined these stipulations that the company could take advantage of areas of non-merchantable timber, prairie lands, and natural boundaries such as rivers and ocean beaches in order to make the plan workable. However, after considering the large expanse toward the interior part of the unit in which there are no such unmerchantable areas or natural boundaries to rely on, and after considerable study of diagrams to see how settings might be fit together, it appears that there is much merit to the arguments which the company has advanced.

To fully comply with the method of logging set forth in our letter of September 11 it appears necessary that much of the unit would have to be cut in a series of four cutting cycles. Since the contract terminates in 50 years, there could be a lapse of only seven years between the cutting of one block and the cutting of a contiguous block in the following cycle. This would impose the enormous task of developing a road system to blanket the entire unit of some 22,000 acres within a period of seven years.

Mr. John W. Libby, Forest Manager

Page Two

September 23, 1930

In order to illustrate the number of cycles necessary to cut the unit in such a manner as prescribed in our letter, we have prepared a diagram, numbered 1 on the attached page of diagrams. This diagram divides the area into evenly-sized squares with different colors designating the cycles of cutting. The blocks are made square and of even size only for simplicity in illustration. Actually the same number of colors (representing cutting cycles) would be necessary to keep blocks within a given color scheme entirely separated no matter how the blocks are shaped or of what size. Map makers are now faced with the task of separating states and counties by color know that four colors are required in order that no two contiguous areas (states, counties, etc.) will have the same color. For the same reason the area cannot be cut in blocks in a series of cycles less than four without having some of the blocks within a given cycle being made contiguous to others cut in the same cycle.

It appears, then, that since it is <sup>is</sup> impractical to ask that the School Unit be cut in the manner requested in our letter, that we should modify our request. Such modification could allow either (1) the staggering of settings as indicated in diagram No. 2 or (2) the cutting of the area in strips as shown in diagrams No. 3 and 4. Both methods would permit the logging of the unit in two cycles or in a modified form of two cycles of cutting.

The staggered setting plan would allow the touching of blocks at points or would permit their connection by narrow strips of cutting, at which points it would be somewhat simpler to stop a fire from burning into adjacent cutover blocks than it would be to halt a fire from burning over large and continuous cutover areas. Our diagram illustrating this method again has taken advantage of the simplicity of using squares instead of irregular shaped blocks.

The last method, however, has been considered more desirable, both by the company and by ourselves, from at least an operational viewpoint. This method of cutting in strips is illustrated in rectangular diagram in diagram 3, and in irregular strips, such as is more apt to occur, in diagram 4. Under the strip cutting method it is thought that we might stipulate that the strips be laid out so that no portion of the cutover strip is located more than 1000 feet from ~~the~~ <sup>either</sup> side of the strip and that the strips be limited in length to ~~one~~ <sup>one</sup> mile. We should proceed with caution, however, in placing a flat limitation on the length of strips, since the blocks of timber left between the ends of strips being cut during a given cycle, may often remain to be cut during the second cycle, and will connect the strips being cut during that second cycle. It is possible that experience in this type of cutting may dictate that we limit to placed on the length of such strips, but that such blocks in ~~con~~ <sup>con</sup> strips be made to conform with unmarketable stretches

Mr. John W. Libby, Forest Manager  
Page Three  
September 25, 1950

of timber wherever possible. Or it is possible that such blocks of timber at the ends of strips might be chosen in sites suitable for tractor logging such that they could be picked up at periods halfway between the passing of successive cycles within a given area. In either case it might be inadvisable to place too strict a limitation on the length of strips.

The maximum area within a strip, assuming that such strips are limited to one mile in length and to such width that no point within the strip is greater than 1000 feet from the nearest edges of the strip, would be slightly more than 240 acres. This is double the size of the blocks indicated in our letter of September 12.

Another point to consider, should the method of cutting the Taholah Unit in strips be deemed advisable, is the direction in which these strips should lie. Inasmuch as the direction from which our most serious fire winds blow is easterly, while our prevailing winds throughout the seed throwing portion of the year are westerly, it is considered best that the strips extend north-south in their long axis. The direction of these strips will, of course, depend somewhat on the topography. However, since the part of the Taholah Unit being considered for initial development lends itself quite readily to strips lying in a north-south direction it would be best to determine that these strips be laid out as close to a north-south direction as possible. As the cutting proceeds toward the west into areas with topography less favorable to such north-south strips, our desires may be modified to the extent necessary to provide economical logging chances.

Should the modification recommended herein be acceptable to the Area Office, it is desirable to notify the company of such modification as quickly as possible so that they can proceed with the preparation of a plan for the next calendar year. Even under the best of conditions it will be impossible to make our desires for the submission of a plan fully effective during this first logging year because of the lack of basic engineering and forest stand information necessary for the company to prepare a plan covering the whole of calendar year 1951.

---

Harlo R. Wilcox  
Forester

IRW:VJ  
Enc.

COPY

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Forest & Range  
10750-51  
File 339.11

Field Service  
Western Washington Indian Agency  
P. O. Box 915

Everett, Wash.

Official File Copy

November 23, 1953

Mr. E. Morgan Pryse

Area Director, Portland

|                |       |
|----------------|-------|
| Enclosure      |       |
| Serial         |       |
| Index          | H-214 |
| Count of Pages |       |
| Packet No.     |       |

Dear Mr. Pryse:

Reference is made to Indian Office letter of August 7, 1953, a copy of which was transmitted to this office with Area Office letter of August 18, 1953. This letter discussed the timber trespass problem at this agency and raised a question as to whether enough effort had been made in arranging for the sale of timber. It was stated that it was the understanding of the Indian Office that Mr. McAvoy was transferred to the Everett Office "to develop plans for the cutting of as much timber on the allotted lands as possible under sound forest management and within the limits of available personnel to supervise the sales."

This is also our understanding of Mr. McAvoy's job. Unfortunately he has been so fully occupied investigating and reporting on timber trespass cases that he has had little time for such planning. Along with this, he and Mr. Lonsau have had to furnish appraisals of forest lands for sundry transactions having to do with sale of trust allotments, probating of estates, etc.

In spite of this, every bonafide request for a timber sale has been investigated and ruled upon or is now being checked on. Unfortunately, there is little timber on these reservations in the Everett area that should be cut at this time. The original timber stand has been gone for some 30 years and the Indians have been cutting the best of the second growth ever since. There are some few pole stands where commercial thinnings would be permissible if they were economically practicable, but no good market for small Douglas fir cordwood has developed.

It sums up to this: - We cannot practice sound forest management on these Indian forest lands and make any great number of timber sales. The timber just isn't there. Most of the timber cut in trespass has been small, second-growth, the cutting of which would not have been approved. One exception to this is the timber cut on the David Fowler allotment on the Port Madison Reservation. A timber sale might have been authorized in this instance if a proper request for one had been made to the forester by the owners. Approximately half of the timber cut in trespass on this partitioned allotment, could possibly have been designated for cutting.

There are some few small scattered areas of timber elsewhere that can be logged at the present time, and arrangements are being made for two small sales. However, such areas are limited and it cannot be too strongly emphasized—we cannot practice sound forest management on these Indian lands and at the same time satisfy the Indians' appetite for timber.

Apparently the only course that seems to satisfy the Indians would be a return to the permit system of cutting that was in effect for some thirty years prior to 1951. We have in our files here books of duplicate permits written as far back as 1921 and 1922 which show that cutting permits in lieu of timber sale contracts had been used here for years when there was a market. The timber sale contracts call for substantial advance payments, performance bonds, etc. to protect the Indian owner's interest in their timber, and the Indian loggers object to this practice.

The net result of all this has been a rash of trespasses on the part of a certain element among the Indians who feel that they are beyond the law governing such timber regulations. In addition to this, there has been, and still is, a campaign on the part of some of the Indian leaders to stop the enforcement of the timber cutting regulations by demanding the removal of the Superintendent and other Indian Bureau employees who enforce the regulations. The Superintendent was threatened with a demand for his transfer or dismissal if he did not go along with the Indian demands to cut timber, as they saw fit, on allotted lands that were in heirship status. Since many of the reservations were allotted in 1894, the original allottees are dead, and the allotments are in heirship status with the many heirs living on and off the reservation. There is enclosed herewith copies of the ownership status of the allotments upon which timber trespass has been committed. It can be readily seen that this is not the case of the Indian allottee wanting to cut his own timber, but a case for a timber sale contract, if such can be justified.

We are earnestly endeavoring to correct the situation, but can expect no success unless we can successfully prosecute these trespass cases as they occur, under existing law. The only other alternatives would be to issue fee patents to the heirs or sell the lands and distribute the proceeds, or change the law governing the sale of timber from allotted Indian lands.

Very truly yours,

Raymond H. Bitney,  
Superintendent

Encl. (6)

RHBitney:er

*Richard King 5/1/54*

Forest & Range  
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**Official File Copy**

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99-215-1000-11-215

DEFENSE COURT OF OREGON

Docket No. \_\_\_\_\_

Field Service  
Western Washington Agency  
Hoquiam Sub Station  
Hoquiam, Washington

April 27, 1954

Mr. Raymond H. Bitney,  
Superintendent, Western Washington.

Dear Mr. Bitney:

Reference is made to Area Office letter of April 20, 1954 requesting a report on certain matters discussed by the Honorable Jack Westland in a letter to the Secretary dated March 29, 1954. You have directed me to report on the incident involving a Mr. Joseph of the Lummi Tribe who was stopped from cutting timber on lands belonging to his mother.

The information Mr. Westland has received concerning this incident is essentially correct. However, Mr. Joseph was cutting in violation of the regulations governing the harvesting of timber on trust lands and our foresters had no choice but to take the action they did. (See Section 61.13, Subchapter H, Chapter 1, Title 25, Indians. Also see Sections 61.7 and 61.1 of the same Sub-Chapter.)

This timber cutting by Indians in disregard of government regulations has been occurring to some extent for years. In 1951 when the use of cutting permits in lieu of timber sale contracts was discontinued, it became intensified. The execution of contracts in accordance with the regulations required much more paper work than issuance of cutting permits. With only one forest officer to cover the six reservations and sundry Indian homesteads in the Puget Sound area, it was not possible to make the required field inspections and execute all contracts requested. Cases of trespass mounted.

In June, 1952 a second forestry position was authorized and since then there have been two foresters working out of the Everett Office. This is still inadequate staffing to meet the demands for timber cutting contracts and to bring timber cutting under control on these reservations. This situation is discussed in our letter to the Area Director under date of November 28, 1953 (See copy attached.)

The situation as described in that letter remains essentially unchanged. The foresters at Everett are forced to spend so much time investigating and reporting on trespass cases that they cannot keep abreast of the requests for timber

cutting contracts. In the case of James Joseph, cited in Congressman Westland's letter, no action has yet been taken except to restrain Mr. Joseph from removing the timber. Mr. Joseph has requested a timber contract whereby he can legally purchase the timber and his mother, Mrs. Ellen Joseph has signed the necessary Power of Attorney authorizing the sale. There is little timber involved but the sale will be effected as expeditiously as possible. It must be borne in mind however that as of this date, there are 24 requests for timber sale contracts awaiting action in the Everett Office. Of this number, 18 are from the Lummi Reservation and have been received in the past thirty days.

The Lummi Reservation is 80 miles from Everett. Every request for a timber contract calls for a cruise of the timber involved and a determination as to whether it can justifiably be cut in accordance with sound forestry practice. To effect just one sale may require a week's research to determine the ownership of the land involved. Several more weeks may be required to locate a majority of the ownership and secure consent from such ownership and secure consent from such ownership to make the sale. In most cases, the cost of making the sale far exceeds the returns to the government and not infrequently it exceeds the value of the timber sold.

The recent flurry of requests for timber sale contracts from Indians on the Lummi Reservation is probably the result of a recent form letter sent to known purchasers of logs and other timber products in this area. That letter pointed out the purchaser's liability in accepting timber cut in trespass and requested cooperation (see copy attached). As a result of this action, many of the purchasers now require the Indians to show evidence that timber offered for sale has been legally acquired.

If we could now process these requests for contracts without delay, we might hope to gradually bring the forest program under control. Unfortunately, two men cannot possibly do so and at the same time handle other essential activities. There are already 8 widely separated timber sales in effect that require supervision. There is a considerable back log of trespass cases still to be investigated and reported. The fire season is rapidly approaching and these men are responsible for the protection of all lands within the boundary of the Tulalip Reservation.

We can expect therefore that some of the Indians will grow impatient, waiting their turn to be considered for a timber contract. Timber will probably still be cut in trespass and sold surreptitiously. As we endeavor to keep up on such trespass cases, we continue to fail to render service to the Indians as expeditiously as they desire.

In order to illustrate this trespass situation, I am listing below a record of trespass cases which have occurred in the Western Washington jurisdiction during the past two years. Those listed on the Quinault, Makah, Nisqually, and Skokomish Reservations were handled by forestry personnel working out of Hoquiam and Noah Bay. All others are the responsibility of the two men stationed at Everett.



| DATE               | PERSON OR PERSONS              | LOCATION   | VOLUMES CUT<br>AND DISPOSITION   | VALUE    | DISPOSITION OF CASE  |
|--------------------|--------------------------------|--|--|----------|--|
| Jan. 1952          | H.H. Nixon (w)                 | Nisqually, Allen<br>Yellowout Allotment                      | 4,200 bd. ft.  | \$ 42.00 | Value collected and credited<br>to heirs of Allen Yellowout.<br>Case Closed.   |
| April 11,<br>1952* | Walter Damien<br>Alfred Sanson | Swinomish, George<br>Alexander                               | 5,290 bd. ft.<br>on land   | 176.51   | Logs sold at appraised value<br>and case closed.   |
| April 14,<br>1952* | Lena Harrison                  | Tulalip,<br>Robert Snitsalh                                  | 4,170 bd. ft.<br>on land   | 116.76   | Logs sold for \$117 on bids<br>and case closed.  |
| April 21,<br>1952  | Jim Whittaker(w)               | Port Madison<br>Alice Belmont Est.                           | 17,070 bd. ft.<br>on land  | 308.76   | Logs sold to Whittaker at<br>appraised value. Case closed.   |
| May 19,<br>1952    | John Hottowe                   | Makah, Tribal  | 178 lin. ft.   | 11.57    | Stumpage collected. Case closed.   |
| Sept. 11,<br>1952  | Hubert Coy                     | Tulalip, former<br>Agency Land                               | 17,150 felled<br>on land   | 294.69   | Logs sold for \$306 on bids<br>and case dropped on advice<br>from Area Office.   |
| Oct. 22,<br>1952*  | Walter Damien                  | Swinomish, Capot<br>Yalsiluce, Est.                          | 735 lin. ft.<br>removed by<br>trespasser.                                      | 234.11   | Reported to Area Director<br>Feb. 17, 1953 and referred to<br>Dist. Attorney in Seattle. No<br>further action.                                   |
| Feb. 3,<br>1953    | Taft Sheldon                   | Tulalip, Tyee<br>Williams est.                               | 9.4 cords (4,710<br>bd. ft.) felled<br>on land.                                | 28.20    | Pulp wood sold to trespasser<br>at appraised value and<br>Case Closed.   |
| Feb. 6,<br>1953*   | Robert Tom                     | Public Domain,<br>Billy Sewalms est.                         | 19,650 bd. ft.<br>felled on land   | 485.55   | Logs sold for \$589.50 on bids.<br>Case referred to Area Director<br>Feb. 18, 1953 and to Dist.<br>Attorney Feb. 18, 1953. No<br>further action. |
| March 18,<br>1953  | George McLeod                  | Swinomish, James<br>McLeod est. and<br>Joseph Cassimere est. | 32,080 bd. ft.<br>(15,410 removed)<br>(16,670 felled and<br>remaining on land) | 585.27   | Logs advertised but not sold.<br>Referred to Area Director March 31,<br>1953 and to Dist. Attorney<br>March 31, 1953. No further action.         |

|                   |                                  |   |   |          |   |
|-------------------|----------------------------------|---|---|----------|---|
| Nov. 30,<br>1953  | Cyrus James                      | Tulalip, Katie Karim<br>Est.                                      | 7830 bd. ft.<br>removed   | \$ 83.61 | Heirs refused to make C. James<br>liable. Case dropped. Reported<br>to Area Office Jan. 22, 1954.   |
| Dec. 3,<br>1953*  | Helvin Sheldon<br>Joanna Sheldon | Tulalip, Joanna Sheldon<br>land.                                  | 4,970 bd. ft.<br>felled on land   | 94.11    | Logs advertised but no bids.<br>Contract prepared for Mel Sheldon.<br>Not signed as yet. Reported to<br>Area Office Dec. 4, 1953.   |
| Jan. 5,<br>1954*  | George Moses<br>Albert Moses     | Public Domain,<br>Albert Moses land                               | 13,140 bd. ft.<br>(6,960 ft. removed<br>and 6,180 ft. left<br>on land.)   | \$196.40 | George Moses paid appraised value<br>for all timber cut. Case closed.<br>Reported to Area Office<br>Feb. 17, 1954.  |
| Jan. 18,<br>1954  | Ira Smith                        | Public Domain,<br>Otto Moses land.                                | 94,830 bd. ft.<br>removed.  | 864.00   | Smith paid appraised value. Case<br>to be reported to Area Director.  |
| Feb. 11,<br>1954* | James L. Scott                   | Swinomish, Dick<br>Edwards' allot.                                | 19,930 bd. ft.<br>(9,590 removed &<br>10,340 felled<br>on land)   | 344.98   | Logs advertised for sale but no<br>bids. Swinomish Tribal sawmill<br>withholding \$229.10 for 5,920 ft.<br>delivered. Request made of<br>Mr. Scott for double stampage on<br>April 6, 1954 - Answer still pending |
| March 12,<br>1954 | Ruben Hillaire                   | Lummi, George<br>Tealight est.                                    | 2,950 bd. ft.<br>removed  | 106.91   | Georgia-Pacific Plywood Co. of<br>Bellingham withholding \$127.87 at<br>Supt's. request. Case pending.  |
| March, 1954       | (Unknown)                        | John Julius Allot.  | 31,700 bd. ft.<br>@ \$8.00/M.<br>3,160 boards @<br>\$.05/board & 14<br>cords bolts @<br>\$12/100 bd. ft.<br>removed | 112.34   | Sale to be made with bids to be<br>opened May 17, 1954.   |
| March 30,<br>1954 | Clarence Courville               | Muckleshoot, Lyman<br>Siddle est. & Annie<br>Daniels Lohohan est. |   |          | Spance-Veneer Package of Puyallup<br>withholding \$225.20 at Supt's.<br>request. Case still pending.  |

|                              |   |   |  |  |                |   |
|------------------------------|---|---|--|--|----------------|---|
| Nov. 17,<br>1953             | LoRoy Henry   | Public Domain,<br>Sally All, cont.  | 189 Xmas<br>8,970 bd. ft.                                      |  |                |   |
| Nov. 18,<br>July 7,<br>1953* | James Mitchell<br>Thomas Moses                                | Public Domain,<br>Captain Moses Est.  | on Land.   |  | \$146.22       | Mr. Moses paid double stumpage for logs (\$292.44). Case closed.  |
| Aug. 3,<br>1953              | Lawrence Sheldon,<br>George Williams,<br>George Jones Sr.     | Tulalip, Billy Phillips,<br>Est., John Snokomish,<br>Est., John Layhewus Est. land. | 40,160 bd. ft.<br>removed from                                 |  | 737.66         | Referred to Area Director, Aug. 6, 1953. Referred to Dist. Attorney in Seattle & F.B.I. No further action.  |
| Aug. 26,<br>1953*            | Maurice Blossom(w)<br>Leonard Fowler<br>Kenneth Fowler        | Port Madison,<br>David Fowler, Est.   | 333,800 bd. ft.<br>felled on land<br>& rafted in.              |  | 15,845.47      | Advertised but no bids. Sold to trespasser for \$15,847.08. Referred to Area Director Sept. 29, 1953. Referred to Dist. Attorney in Seattle & F.B.I. No further action. |
| Sept. 28,<br>1953*           | Peter Aasted(w)<br>Helen Baker<br>Lena Wilson<br>Dortha McJoe | Muckleshoot<br>Charlie Bob, est.  | 66,560 bd. ft.<br>(60,100 removed<br>6,460 felled on<br>land). |  | 1273.28        | Reported to Area Director Oct. 22, 1953. No further action taken.   |
| Oct. 1953                    | Philp R. Boling(w)  | Quinault-tribal   | 15,500 bd. ft.   |  | 217.00         | Appraised value collected from Boling. Case closed.   |
| Oct. 15,<br>1953             | Alex Zack(w)  | Quinault-Paul<br>Williams, Allot.   | 8,112 bd. ft.  |  | 202.80         | Shake boards sold at appraised value after advertisement. Case closed.  |
| Nov. 1953                    | H. L. Scott(w)  | Skokomish-Purdy &<br>Sherwood Allots.   | 68,000 bd. ft.   |  |                | Trespass paid double stumpage or balance of \$544.00  |
| Nov. 13,<br>1953             | Wm. Baker (w)   | Quinault-John Sailto<br>Allot. Mary Jurhs Al.                                       | 3,210 bd. ft.<br>9,090 bd. ft.                                 |  | 19.26<br>54.54 | Trespasser paid appraised value Case closed.  |
| Nov. 17,<br>1953             | LoRoy Henry Jr.   | Tulalip- Billy Phillips<br>Est.   | 17,990 bd. ft.   |  | 475.39         | Ref. to Area Director Nov. 30, 1953. Case dropped.  |
| Nov. 18,<br>1953             | James Mitchell  | Public Domain,<br>Sally All, cont.  | 189 Xmas trees<br>cut  |  | 18.90          | Trespasser paid appraised value of trees and case dropped.  |

|                               |                |  |         |       |   |
|-------------------------------|----------------|--|---------|-------|---|
| March, 1954<br>(Report pend.) | James Joseph   | Lummi - Ellen Joseph<br>land.          | Unknown | - - - | Discovered by Foresters on 3/10/54<br>Field work completed. Report to<br>be written up.   |
| March, 1954<br>(Report pend.) | Henry Williams | Swinomish - Thomas F.<br>Williams est. | Unknown | - - - | Reported by Georgia-Pacific Fly-<br>wood Co. of Bellingham on March 26,<br>1954. Company withholding money<br>from trespasser at Supt's. request<br>Swinomish Sawmill accepted 14,520<br>bd.ft. of logs. Further investigat<br>pending. |
| April, 1954                   | Unknown        | Swinomish - Charles<br>George Est.     | Unknown | - - - | Reported by Joseph Joe (tribal<br>chairman) on April 6, 1954. In-<br>vestigation pending.   |
| April, 1954                   | Unknown        | Lummi - Several<br>allotments          | Unknown | - - - | Report pending.   |

\*Cases in which one or more of the trespassers had an undivided inherited interest in the land on which cutting occurred.

Under circumstances as described above, the situation can hardly be expected to improve. Without vigorous support in the courts to prosecute trespass violations, little reduction in trespass can be anticipated unless enforcement personnel is increased. It would require a forest officer stationed on each reservation to gain and maintain control of timber cutting operations. This would call for an increase in the present forestry staff of at least four men. The values involved will not justify such an increase but if we are to enforce the regulations without help from the U. S. Attorney's Office, we shall need that many.

This is not intended as a criticism of the U. S. Attorney's Office. It is my understanding that that Office has a tremendous back log of cases to process which it considers of much more importance than any of our trespass cases. This fact coupled with a belief that few of our cases could be won in a jury trial may well justify the U. S. Attorney in not wishing to accept these Indian timber trespass cases.

If such is the case, it would seem that something should be done about revising the regulations, at least as they apply to Western Washington. On the reservations where timber lands are in tribal ownership as on the Nukah, Hoh, Quileute, Port Gamble, and Shoalwater Reservations the existing regulations are readily enforceable and are entirely adequate to fit circumstances involved. On the Quinault Reservation where large timber values are involved, sufficient manpower can justifiably be employed to enforce existing regulations and supervise timber operations adequately.

On all other reservations in the jurisdiction and on all Indian Homestead lands, I believe serious consideration should be given to the removal of all federal restrictions concerning the harvesting of timber. Pending final withdrawal of federal supervision from such Indian lands, all timber cutting might well be placed under State regulations and subject to State law enforcement in cases of trespass.

Legislation by both the Washington State Legislature and the United States Congress would be required to establish such procedure, but this should not be a serious obstacle. Also, the Indians concerned would have to be consulted but they should welcome such action.

Certainly we can hope to accomplish little in the way of forest management on these Indian lands. We can establish no economic forest units because all tracts are individually owned and checkerboarded with alienated ownerships and farm lands. Most of the lands are in fractionated ownerships and it is necessary to secure consent from two to a hundred people before any particular action can be accomplished on any piece of land. This pretty much rules out any program of farm forestry which might otherwise present a feasible solution to the problem.

In order to bring these reservations under sound management and establish sustained forest yield thereon, it would be necessary to suspend all timber cutting, for a period of twenty to forty years, except for occasional salvage and thinning operations. Certainly we are not going to maintain federal control over these lands for another 20 to 40 years, and as soon as federal trusteeship is terminated, the land comes under State regulations. It would seem only good sense to put it there now and release two foresters for more constructive work. Their services could be better utilized in making forest appraisals needed in

the preparation of land sales in connection with the withdrawal of federal trusteeship.

In conclusion, I would say that the case of James Joseph is typical. He is irked by government regulations. We can understand his irritation. We may even concede that perhaps the regulations do not fit his particular case or that an exception should be made in such cases. Nevertheless we have no choice but to enforce these regulations to the best of our ability for as long as the law makes the Secretary of the Interior responsible for forest management of Indian Forest lands.

Very truly yours,

John W. Libby,  
Forest Manager.

JWL/jw



*Richard Light for SS (follow #72)*  
Forestry

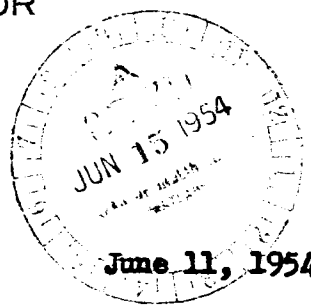
*HW*

**Official File Copy**  
Enclosures 2  
90-2-20  
DEFENDERS' EXHIBIT NO.  
Court of Claims  
Docket No.

*H-113*

UNITED STATES  
DEPARTMENT OF THE INTERIOR

OFFICE OF INDIAN AFFAIRS  
FIELD SERVICE  
Western Washington Agency  
Hoquiam Sub Station  
Hoquiam, Washington



Mr. Don C. Foster,  
Area Director, Portland.

Dear Mr. Foster:

Reference is made to Area Office letter of June 2, 1954 which requests a full report concerning certain complaints made by Mr. Claude Wain in a letter to the Commissioner dated May 11, 1954.

Mr. Wain objects to the manner in which logging operations are being conducted on the Crane Creek Logging Unit and complains of treatment received at our Hoquiam Office. He also complains of the application of advance payments to timber cut on an allotment which is not scheduled for completion during the first cutting cycle.

There are in the Crane Creek Unit, a total of 470 individual allotments. Mr. Wain owns two of these. One is his own allotment, No. 440, described as the E/2 SE/4, Sec. 17, T. 22 N., R. 11 W., W.M., containing 80 acres. The other is the Sophia Watchman allotment No. 444, described as the W/2 SE/4, Sec. 17, T. 22 N., R. 11 W., W. M., containing 80 acres. He also has an undivided 1/3 interest in the Edith Wain allotment No. 441, described as the E/2 SW/4, Sec. 16, T. 22 N., R. 11 W., W.M., containing 80 acres. Estimated stumpage values on these three allotments at the time the Crane Creek Contract was approved (June 30, 1952) were as follows:

|   |   |                 |
|---|---|-----------------|
| Allotment No. 440   | - | \$26,017.20     |
| Allotment No. 444   | - | 30,867.10       |
| One-third of Allot.No.441-  |   | <u>4,501.33</u> |
| Total estimated value of stumpage owned by Claude Wain in Crane Creek Unit- |   | \$61,385.63     |

Twenty-five percent of this amount, less 10 percent for administrative expense, has been paid to Mr. Wain. This amounts to a net of \$13,811.77.

This agency is required to protect the interests of all of the Indians. In our letter to the Commissioner, dated August 6, 1952, we showed that a total of 541 Indians would benefit from the Crane Creek Timber Sale. Through deaths and further division of interests, this number will increase. Every one of these Indians would like to receive full payment for his timber at the earliest possible date. We could,

Area Director



Page 2  
6/11/54

under the terms of the contract, require the Purchaser to cut the Wain allotments immediately and satisfy his complaint. This would not be in the interest of good forest management nor would it be fair to the other 540 Indians with interests in the sale unit.

Your office is entirely familiar with the Crane Creek Contract provisions. The purchaser's cutting plans for the current year have been approved by the Area Director. Our forestry staff at Hockiam is responsible for the purchaser's adherence to these cutting plans. The principle of cutting by selected blocks commonly referred to as staggered settings must be adhered to if we are to properly manage the Quinault forest for the best interests of all the Indians.

Adherence to this plan should result in adequate restocking of the cut over lands and it will not be necessary for Mr. Wain to resort to the laborious and costly hand planting of trees which he contemplates.

I do not believe that Mr. Wain's complaint as to treatment received at our Hockiam office was justified. Mr. John W. Libby, Forest Manager, with headquarters at Hockiam, has assured me that to the best of his knowledge Mr. Wain has always received courteous treatment when he called. He has been given all information that he has requested and many hours of time have been spent preparing answers to his letters and conversing with him in the office there. On the occasion of his last visit, he talked at length with Mr. Kenneth Hadley, Forester. At that time he complained because the Sophia Watchman allotment was not going to be completely cut over during the first cutting cycle. Mr. Hadley talked with Mr. Wain for at least an hour, answering his questions and explaining the situation. Mr. Wain left, apparently well satisfied and in the best of humor.

Mr. Wain signed Powers of Attorney on July 2, 1952 authorizing the Superintendent of the Western Washington Indian Agency to enter into a contract for the sale of timber on the Sophia Watchman and Glende Wain allotments. He had previously signed one covering his interest in the Edith Wain allotment. These Powers of Attorney specifically state that "Sale of timber is authorized on a selective cutting plan". Cutting by block selection or staggered settings is the accepted silvicultural system for west coast forests and is practised by the National Forest Service as well as progressive private operators throughout Western Washington and Oregon.

The Crane Creek contract provides for an advance payment of 25 percent of the estimated timber value on each allotment, with a 15 percent payment after three years and 10 percent three years later to make a total of 50 percent during the first six years of the contract. Timber cut on any allotment is paid for as cut on the basis of its actual scale after the amount paid in advance has been exhausted. In case of the Sophia Watchman allotment, advance payment in the amount of \$7,716.78 was made on October 17, 1952. Of this amount, \$771.68 was deposited to miscellaneous receipts and \$6,945.10 was deposited to Mr. Wain's account.

When timber is cut from this allotment, the amount of \$7,716.78 will be applied to such cutting and when the value exceeds that amount, Mr. Wain will receive additional payments. If the value of timber cut prior to the date additional advance payments become due, exceeds the amount of such payments, the additional advance

Area Director

Page 2  
6/11/54

payments will not be required.

This provision for payment was devised to provide that all of the Indians receive a substantial immediate revenue from their timber, without imposing too heavy a financial burden on the purchaser. Mr. Wain is one of several who have protested against this procedure but a large majority of the Indians appear to be well satisfied with it and have accepted it as fair and equitable.

Very truly yours,

*Malvin L. Robertson*

Malvin L. Robertson,  
Superintendent.

JWL/jw

Richardson draft 4.15

# INTERNATIONAL WOODWORKERS OF AMERICA

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Local Unions in ROCKY MOUNTAINS  
PACIFIC COAST • CANADA  
ALASKA • SOUTHERN STATES  
CENTRAL STATES • LAKE STATES



PHONE BROADWAY 5687  
418 GOVERNOR BUILDING  
PORTLAND 4, OREGON

March 1, 1955

|                         |              |
|-------------------------|--------------|
| <b>Official File</b>    |              |
| Enclosures Filed        |              |
| 90-2-20                 |              |
| DEFENDANT'S EXHIBIT NO. | <u>H-218</u> |
| Court of Claims         |              |
| Docket No.              |              |

REC'D MAR 5 1955

Mr. Gardner Jackson  
Room 902  
734 15th Street, N. W.  
Washington 5, D. C.

Dear Brother Jackson:

This is to give you the list prices of what the timber in the Quinault Reservation is selling for.

The prices are as follows: white fir, \$4.55; cedar, \$12.30; spruce, \$9.98; Douglas fir, \$12.80; hemlock, \$4.42; cottonwood, \$2.49; and cedar poles, 7¢ per lineal foot.

The average selling price for all species in the western part of the State of Oregon, which includes fir, spruce, hemlock, cedar, white fir, etc. was \$29.64 for the month of January. This was approximately \$10.00 higher than all timber sold for in 1954.

The selling price in 1954 was \$19.89 which shows that stumpage is way up at the present time.

Hemlock for the month of January 1955 was \$8.08 against an overall selling price of \$6.52 in 1954. Even the average price in 1954 was \$6.52 above what they are receiving in the Quinault Reservation at the present time.

Inasmuch as most of the timber is hemlock, you can see that it will make a tremendous difference in the amount that they are getting for timber coming off the Reservation at the present time.

Five or six years ago practically all the timber in that area was sold to two major companies, Rayonier, Inc. and the Aloha Timber Company. So consequently there is very little competitive bidding.

The agreement as I understand it that the Indians have through the Indian Agency, is that they are supposed to receive the going rate at the time the timber is logged, but with little or no competition, they are really taking a beating.

Last year the Indians from the Klamath Basin hired themselves an attorney and drew up a protest on the prices they were getting for their timber on

Mr. Gardner Jackson  
Page 2  
March 1, 1955

the Warm Springs Reservation. They went to Washington and appeared before the Department of Interior. The result was that they reappraised the timber in that area, which represented approximately 30 percent more than what they had previously been getting.

I think this would be a good approach to take on the timber that is now being cut on the Quinalt Reservation.

I hope this information will be of some benefit to you. As soon as I have an opportunity to make a further investigation on the Klamath Indian situation, I will forward my findings on to you.

With very best wishes, I remain

Fraternally yours,

A. F. Hartung  
International President

AFH:lw  
liu-1699  
c 1 o

cc: Senator Richard Neuberger ✓  
Senator Wayne Morse  
Senator Henry Jackson  
Congresswoman Edith Green

*Revised draft for 16*

# COPY

March 11, 1955

## Official File Copy

Enclures Five

SO 9-23

DEFENDANT'S EXHIBIT NO. H-223

Court of Claims

Docket No.

Mr. Glenn L. Bennett  
Indian Commissioner  
Department of Interior  
Washington, D. C.

Dear Mr. Bennett:

I have been told that timber in the Quinalt Reservation is being sold at prices far below going market prices in Western Oregon. My correspondent informs me that timber from this Reservation is now being sold at the following rates: white fir, \$1.55; cedar, \$12.30; spruce, \$7.90; Douglas fir, \$12.50; hemlock, \$12.00; cottonwood, \$1.47; and cedar poles, 7¢ per lineal foot.

If these figures are accurate, they are obviously far below the prices which similar timber now brings on the open market. For example, hemlock which is one of the predominant varieties there, brought \$3.00 during January, 1955 - - in other words \$1.50 more than the price said to prevail for hemlock from the Quinalt Reservation. The discrepancy in the case of other varieties of timber is said to be as large or larger.

I wonder if you would please inform me whether the information I have received is accurate, and, if so, what the explanation is for this wide divergence from the market prices of competitively purchased timber in the adjacent area.

Sincerely,

BERNARD L. BERNSTEIN  
United States Senator

RLB:rs  
H.L.



*Revised draft 9/29*

cc: Realty, BAO  
Forestry, P  
Branch Subject  
Branch Chrony  
Yellow Chrony

Administration  
300  
*JSD*  
*8/27*  
*9/27*

PESkarra/mb  
3-27-56

Portland Area Office  
Post Office Box 4097  
Portland 8, Oregon

|                    |         |
|--------------------|---------|
| March 27, 1956     |         |
| Official File Copy |         |
| SEARCHED           | INDEXED |
| SERIALIZED         | FILED   |
| MAR 27 1956        |         |
| FBI - PORTLAND     |         |
| H-260              |         |

Administrative Confidential

Mr. Clarence W. Ringey  
Superintendent, Western Washington Agency

Dear Mr. Ringey:

Mr. Edward M. Paulsen, Logging Engineer for Pope and Talbot, called at this office this morning in accordance with an appointment he had made last week. Mr. Paulsen states that his firm is considering the possibility of establishing a rafting and booming ground at the mouth of Raft River on the Quinault Reservation. They would need a right of way from the highway near Queets following the coast truck trail to Raft River and an area around the cove at the mouth of the river. He stated that an engineering firm had checked the feasibility of dredging the cove and indicated that preliminary reports showed the project to be engineeringly sound.

I suggested to Mr. Paulsen that if Pope and Talbot were interested in the project they should discuss the matter with you as Superintendent, and that you would outline the procedures to be followed. Although all of the land area appears to be allotted, it may be necessary to secure tribal consent for dredging the mouth of the river. I understand that Pope and Talbot officials will give this possible project consideration within the next day or two.

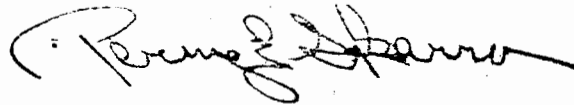
If the project is feasible, and the company decides to develop the rafting and booming grounds, it would appear to provide the Indians in the Queets area an excellent outlet for their timber. The source of timber was discussed briefly and the various possibilities covered, including fee patents, supervised land sales, and timber sales.

Mr. Paulsen seemed to have a general attitude of suspicion concerning the operations of the Bureau and Agency. He was very much concerned that if they should go ahead with a project of this nature some "big companies" might try to spike it by "buying off" some of the Indians in order to keep them from obtaining the Indians' consent for the right of way. He inferred that Bureau officials might be inclined to advise competitors of his company's intentions.

I did my best to dispel Mr. Paulsen's fears but pointed out to him that any time a right of way acquisition project is undertaken, it would be only natural that it would become a matter of public information because of the necessity of securing the consent of the Indians concerned, and discussing it with various parties including the tribal council and possibly others.

This information is given to you in the event Mr. Paulsen calls on you in regard to the matter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Raymond E. Harris".

Assistant Area Director, Resources

J. E. DICEY  
FIRST VICE-PRESIDENT

CLAUDE BALLARD  
SECOND VICE-PRESIDENT

WILLIAM BOTKIN  
SECRETARY-TREASURER

# INTERNATIONAL WOODWORKERS OF AMERICA

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Industrial Organizations and Canadian Labour Congress*

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ALASKA • SOUTHERN STATES  
CENTRAL STATES • LAKE STATES



PHONE CAPITOL 7-5687  
418 GOVERNOR BUILDING  
PORTLAND 4, OREGON

May 31, 1956

Honorable Richard Neuberger  
United States Senate  
Washington, D. C.

REC'D JUN 4 1956

Dear Senator Neuberger:

I am enclosing for your information a page of a report submitted by the United States Department of the Interior, Bureau of Land Management, Portland, Oregon dated May 29, 1956.

I wish to call to your attention the statement by Chairman Sprague in which he points out that in 1939 the average sale price was \$1.96 per thousand board feet and at the present time it is selling for \$38.62 per thousand, or an increase of nearly 1900% in the last 17 years.

At about the same time 17 years ago the timber on the Indian Quinault Reservation was selling for the same, or possibly a little more. Where the O & C timber has increased 1900%, the price to the Indians has probably increased less than 50%, 100% at the most.

It would seem to me that these figures would be valuable to present to the Department of Interior and demand from them that they reappraise the value of the Indian timber, especially that portion contained in the Quinault Reservation where for some reason or another, they seem to be getting less than any other place in the country.

This timber is being dominated by Rayonier Inc. and the Aloha Timber Company.

It just doesn't seem possible that in this day and age such injustice could continue to exist when the contract which governs the sale of the Indian timber on the Quinault Reservation does call for reappraisal periodically.

While they have received a revision of the prices of stumpage on the Quinault Reservation, upwards it was very little and no where near what it should be. While they raised the price of stumpage, their regulations indicate they modified the scaling rules which will bring back to the Indians even less returns with the increased price, than they actually received under the old scale rules with the old prices.

Honorable Richard Neuberger  
Page 2  
May 31, 1956

Hoping you can use this to help correct a gross injustice, I remain with  
very best wishes

Sincerely yours,

*A F Hartung*  
A. F. Hartung  
International President

AFH:lw  
liu-1699  
afl-cio

Encl.

J. E. DICKY  
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liu-1699  
afl-cio

Encl.



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Encl.

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I am enclosing for your information a page of a report submitted by the United States Department of the Interior, Bureau of Land Management, Portland, Oregon dated May 29, 1956.

I wish to call to your attention the statement by Chairman Sprague in which he points out that in 1939 the average sale price was \$1.96 per thousand board feet and at the present time it is selling for \$38.62 per thousand, or an increase of nearly 1900% in the last 17 years.

At about the same time 17 years ago the timber on the Indian Quinault Reservation was selling for the same, or possibly a little more. Where the O & C timber has increased 1900%, the price to the Indians has probably increased less than 50%, 100% at the most.

It would seem to me that these figures would be valuable to present to the Department of Interior and demand from them that they reappraise the value of the Indian timber, especially that portion contained in the Quinault Reservation where for some reason or another, they seem to be getting less than any other place in the country.

This timber is being dominated by Rayonier Inc. and the Aloha Timber Company.

It just doesn't seem possible that in this day and age such injustice could continue to exist when the contract which governs the sale of the Indian timber on the Quinault Reservation does call for reappraisal periodically.

While they have received a revision of the prices of stumpage on the Quinault Reservation, upwards it was very little and no where near what it should be. While they raised the price of stumpage, their regulations indicate they modified the scaling rules which will bring back to the Indians even less returns with the increased price, than they actually received under the old scale rules with the old prices.

Honorable Richard Neuberger  
Page 2  
May 31, 1956

Hoping you can use this to help correct a gross injustice, I remain with  
very best wishes

Sincerely yours,



A. F. Hartung  
International President

AFH:lw  
liu-1699  
afl-cio

Encl.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
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*Amos*

OCT 30 1956

MEMORANDUM

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| Official File Copy      |       |
| Enclosure               |       |
| 90-2-20                 |       |
| DEFENDANT'S EXHIBIT NO. | H-231 |
| Court of Claims         |       |
| Docket No.              |       |

**TO:** W. H. Coburn  
Arthur Perlman

**FROM:** Robert E. Wolf

**SUBJECT:** Analysis of letter of October 16, 1955 from Secretary of the Interior Fred A. Seaton in response to request by Joint Committee on Federal Timber for report by September 30, 1955 on Special Indian Problems (Recommendation F-4).

The following is a brief analysis of the 11-page report filed by the Secretary of the Interior:

Recommendation F-4-a called for revision of Quinalt Indian timber contract prices.

No revision has been made.

Recommendation F-4-b called for the Secretary to immediately take the steps necessary to rescind the allowance for "interest" in 2 contracts and "... increase the price of Indian timber commensurately."

This has not been done.

1. Pages 1 and 2 recite history well known to the committee.
2. Pages 2 and 3 describe stumpage adjustment provisions which are also well known to the committee.
3. Pages 3 and 4 describe ratio adjustments made October 1, 1955 which are also well known to the committee.

(a) When the Taholah contract was modified October 1, 1955 a clause was inserted describing a higher set of ratios that would be applicable if private bureau scaling using 40 foot logs replaced Indian Bureau scaling using 32 foot logs. On July 1, 1956 this happened, and the clause was implemented. The second table on page 4 and the paragraph preceding it describe this.

The increased ratios merely reflect the lesser volume obtained by private bureau scale and do not reflect a larger dollar income to the Indians. The change means that if prior to July 1, 1956 the scaled volume was 3 and the value 2, the income would be 6, which since that date the scaled volume becomes 3 and the value 3, and income is still 6. This at least is the theory.

(b) Forty-foot log scaling on the Rayonier Crane Creek sale has been effective since its commencement. It is pertinent to note that on the Taholah contract the dollar rise in price is offset by the lower volume being scaled.

4. Pages 4, 5 and 6 make comparisons including even a brief mention of the effect of the prevailing winds and the ocean. The net effect is to advise us that this has some effect, although they don't illustrate it. Arranging their tabulation on page 5 in relation to distance from the Ocean we get:

|                 | Avg. Distance<br>from<br>Ocean | D.F. | W.R. Cedar | Henlock |
|-----------------|--------------------------------|------|------------|---------|
| Taholah         | 4 1/2 mi.                      | 1.2  | 46.6       | 27.4    |
| Crane Creek     | 11                             | .4   | 63.2       | 26.1    |
| Boulder Crk.    | 16                             | 3.9  | 3.7        | 90.8    |
| Quinalt<br>Lake | 18                             | 17.9 | 18.0       | 44.6    |

Actually, in my judgment, the compilation doesn't prove a thing except that there is considerable variation in the components of the stand on each contract. The last two sales, which are very close together, illustrate this. In addition, the Secretary does not tell us whether this tabulation is based on sale estimates or actual scale. This latter factor would cause some further variation.

He then goes on to cite, without reference to the effect of wind and ocean, some Forest Service sales, but I know not what they purport to prove.

The staff report shows species for species that the prices for Indian timber are well below competitive national forest rates.

In his report the Secretary restates our criticism when he says:

"The basic concept has been that short-term fluctuations are reflected to a substantial degree in the automatic quarterly adjustments based on changes in the log market." (page 6)

It is exactly that point upon which the committee disagreed with Interior, and the Secretary's citations do not minimize the committee's contentions that the prices are too low and the ratio appraisals are non-responsive to market changes.

It was the committee's view the low base price and the low ratio combined to result in a lower than market price for the timber.



5. Pages 5 and 7 recite material on the "patient in fee" policy. Why it was inserted is not clear except possibly he wishes to tell us that BIA had poor luck selling patent in fee tracts. Here again sufficient facts are not cited to do more than whet one's appetite for more. Casually, it looks as though the location of the tracts and their inaccessibility may have been a factor in the poor sale record. There is always the possibility that the appraisals were ~~not~~ higher than the usual BIA appraisal. Probably a major factor is that timber development costs may be inordinately high for the volume of timber involved, thus rendering the sales unattractive.

6. Pages 7 and 8 give "Reasons for advance payments." This point Interior has made before. The section is characterized by such flat statements as

"Without this provision in long-term sales many of the allottees would receive no income for many years."

This completely overlooks the possibility of

- (1) Making payments to Indians for timber under contract from the revolving loan fund; and
- (2) Having more modest advance payments and annual distribution of revenue to all allottees. This point is the committee view that sustained yield forestry equals sustained income versus the long standing BIA result that sustained yield forestry means erratic individual income.

The Secretary goes on to claim that short-term sales present a similar problem. Jim Lanigan had a very good point when he suggested that if 500 Indians can pool together for a large long-term contract and erratic income, then they certainly can pool together for a series of short-term sales and shared income.

While the Secretary stresses lack of allottee enthusiasm for alternative plans, he does not discuss the best possible plan in terms of the trustee responsibility that he has.

#### 7. Pages 8 and 9 Sharing of Development Costs.

The Secretary says that:

"any time a timber sale is made which includes more than one ownership, there is mutual agreement among the owners to share any advantages or disadvantages."

I do not concur with this flat statement, but rather feel that in a freely arrived at agreement the parties would be motivated by the belief that the advantages of pooling outweigh the disadvantages of going it alone. In this case we must remember that the Indians do not freely joint the agreement.

But if the Secretary's statement is considered an accurate statement of conditions, what are the disadvantages they must agree to share.

(1) Certain costs are for fixed amounts such as road construction. It would be difficult to pro rate these costs to each allotment, especially since these are crude estimates not accompanied by an engineered and fixed road location. From an overall operating standpoint, even if this cost were fully known, it would probably be fairest and most practical to pro-rate road costs to all timber equally as is now done. For example, a main line road may cross one allotment and serve to log that allotment without additional roads. Another allotment may require a half mile of spur construction for logging. It would be most difficult to isolate the portion of main line to charge to the second allotment and equally difficult to assess the extra share of main line costs that might be chargeable to the first allotment.

On the other hand, logging costs are computed in averages, and again no differentiation is made between cost variations in logging the various allotments. The logging procedure would not permit cost estimate segregation by allotments.

Timber is appraised on aggregate quality and quantity estimates. The allottees do not get the advantage of quality grade payment for the timber on their allotment, although they do get paid on the scaled volume by species.

For example, an allottee right on the main highway whose timber has a high value and who does not have to depreciate his timber by road development costs pools his timber in a large long-term contract. What advantage does he get? He has no marketing problem. He either pools because of a real advantage or he is forced to pool. Then after pooling his timber, under a staggered setting plan may not be logged for 15 years. The fact is that there is no advantage to this allottee -- it is all disadvantage. The pooling is enforced and, therefore, it is incumbent on the trustee to enforce some greater equality in treatment.

The Secretary stresses that the philosophy of the Indians for mutual sharing of advantages and disadvantages has been strong until recent times. This is a statement of doubtful validity. Be that all as it may, again, is this trusteeship at work?

Further on in interest allowance, the committee points out that the burden does not fall equally upon each allottee either in relation to the value of his timber or the amount of the advance. Here we do not have mutual sharing of a disadvantage.

SECRET  
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BUREAU OF INDIAN  
AFFAIRS  
WASHINGTON, D.C.

8. Page 9 - Interest Charges.

The Secretary attempts to justify the interest charge and ends up by stating that its exclusion would have added only 1/10 of 1% to the income in a recent period. Leaving aside for a moment the question of propriety, it is inconceivable that elimination of an annual interest charge computed at \$50,000 annually would only increase total income by \$76.00. Plain mathematics renders this impossible. Income is reduced by \$50,000 annually, whatever the exact amount is based on timber cut.

The committee contended that the charge was illegal and this is, of course, the major point. The committee really cared little about the extent of the charge except to demonstrate the faulty application of the interest concept. The Secretary now says:

"While original appraisals ... did not specifically set forth interest ... indications are that they were not entirely ignored..."

No documentation is furnished to reveal this, and in fact the BIA documents that the committee has refute this.

I can agree that it is "inconceivable that interest on such large investments was not considered by the purchasers prior to their bidding." But they did bid and the BIA appraised value without interest allowance was low enough for them to freely bid even if they included interest. The fact that interest on advance payment was not specifically considered in the original appraisal and contract does prohibit its introduction. A reappraisal is made to permit a price adjustment and it is achieved by the revision of previously enumerated elements. For example, subsequent increases or decreases in road construction costs would be recognized as would changes in log-selling prices. However, the introduction of a new element, such as interest, which if applicable would have started at the beginning, is improper. And, were it in the original appraisal, it would not fluctuate. One of the cardinal principles of term loans is that the rate in effect when the loan is made holds for the entire time of the loan. A borrower may "refinance" by a new borrowing at a lower rate with which he pays off the old loan. But if the cost of money increases the lender is powerless to recall the loan.

The committee did not argue the broad premise the Secretary proceeds from when he states:

"Interest on invested capital is considered a legitimate charge,..."

because it agrees in general. There are several ways in which interest may be earned. The committee took the position that the long-term contract tied the Indians' timber up for 30 years and

the quid pro quo was the advance payment. Where else could the purchaser secure over one-half billion board feet of timber? Where else could he secure such an amount with an escalator contract that gave him price relief? Where else could he secure the timber on a pay-as-you-cut basis for the bulk of the timber, and the safety of the supply and the reasonable assurance of a good market to boot were certainly factors in the purchasers' mind. If the procedure was applied as outlined on page 10 so that intent was actually in the original appraisal there would have been no need for revision in 1955. However, interest was introduced as a cost, and further allowances were made by this practice so that profit and risk in dollars increased. Further, the profit and risk allowance for cedar was raised from 12 to 15 percent. The Secretary, however, says that the profit and risk allowance,

"is actually composed of two main parts. ... normal interest on capital invested ... (and) an allowance for known and unknown risks. It is under this category that the interest on advance payments should be considered rather than costs. It consequently follows that there will be no profit and risk allowance on the interest charge." page 10.

It may follow but the fact is that profit and risk was improperly treated as a cost, and profit and risk further improperly allowed on this cost.

I underlined a portion of the quote. If the Secretary means that the interest belongs under unknown risks, he is wrong. It would have been a known cost. Therefore, it follows that there is no basis for increasing the profit and risk allowance to allow for interest. Since the Secretary admits that it is not a cost item, the entire allowance in any shape or form as a new item to be recognized is improper.

R. E. Wolf

REW:CL

enclosures



STANFORD RESEARCH INSTITUTE

MENLO PARK, CALIFORNIA

June 1, 1956

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Enclosures Filed

90-2-20

DEFENDANT'S EXHIBIT NO. H-212

Court of Claims

Docket No.

Mr. Clarence W. Ringey  
Superintendent  
Western Washington Indian Agency  
Everett, Washington

Dear Sir:

On behalf of Mr. Wilbur Hubbard and myself I would like to express our appreciation for the help you and your staff gave us during our survey on Indian health resources for the United States Public Health Service. The generous amount of time spent with us and the high degree of cooperation extended by everyone made our stay both enjoyable and productive.

We have just completed the final report of the survey and we are enclosing for your use a copy of the economic resource information relating to the reservations in your area. We have attempted to be as factual as possible in the presentation of the data; however, if you find any information that does not represent an accurate picture of conditions on the reservations in western Washington, we will certainly appreciate hearing from you.

Thanks again for your help.

Sincerely,

*Wesley H. Hillendahl*  
Wesley H. Hillendahl  
Economics Research Division

WHH:em



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON 25, D. C.

Official File Copy

Enclosure 2  
DEFENDANT  
Court of Claims  
Docket No.

4-229

JUN 14 1957

Dear Senator Neuberger:

On May 13 we informed you of the action in making new stumpage rates effective April 1, 1957, in the Crane Creek and Taholah Logging Unit contracts of the Quinault Indian Reservation. We expressed regret that the action became necessary, without awaiting the conclusion of your committee hearings, because of an agreement with the purchasers that the decision would be made not later than May 15.

Immediately upon receipt of the notice each purchaser filed a protest, and asked that the period for consideration of changes be further extended to June 15, with the effective date remaining April 1, 1957.

The purchasers had previously acquiesced in our request for extension of the period from April 15 to May 15, and it appeared appropriate to agree to their subsequent request. Furthermore, the extension would postpone final action until after the scheduled concluding date of your hearings. In the circumstances we have agreed to the extension of period for consideration, as evidenced by the enclosed copies of telegrams to the purchasers. The Quinault Tribal Council has also been informed.

It was intended that you be informed of this action at the hearings on June 3, but there was so much material under discussion that this was not done. You will be informed of the final action in this matter.

Sincerely yours,

(sgo) Hatfield Chilson

Under Secretary of the Interior

Enclosures 2

Hon. Richard L. Neuberger  
Chairman, Indian Affairs Subcommittee  
Committee on Interior and Insular Affairs  
United States Senate  
Washington 25, D. C.



*Richard draft for 17a* Box 13

*copy for RHM*

May 6, 1957

Honorable Hatfield Chilson  
Acting Secretary of the Interior  
Department of the Interior  
Washington 25, D. C.

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| <b>Official File Copy</b>            |  |
| Enclosures: 1100                     |  |
| 90-2-20                              |  |
| DEFENDANT'S EXHIBIT NO. <i>H-232</i> |  |
| Court of Claims                      |  |
| Docket No.                           |  |

Dear Mr. Secretary:

I am exceedingly sorry that it was necessary to postpone the hearing on the Quinault Timber Sale Policies until May 27, and I want to take this opportunity to put before you several matters for consideration.

We have held fairly extensive hearings in the past, and these hearings have provided a substantial amount of factual information on the situation.

One of the major problems is the method of financing the business operations on this Reservation. Ten per cent of revenue is deposited in the Treasury as an offset to expenditures for forest management. On this Reservation this method does not result in any assurance that adequate funds will be available to perform the forestry functions, either for the entire Reservation, or upon individual timber sale contracts. I would favor legislation which would make it possible for the Bureau of Indian Affairs to withhold a portion of receipts to be placed in a special account so that funds would be available for the administration of the particular contract which provided the money. I believe that budgetary control would not be impaired if the proper safeguards were written into such legislation.

On the Quinault Reservation, which is almost totally allotted, there is another problem in providing the over-all supervision and management for areas not under contracts of sale. Here, I think, some consideration should be given to whether this service should be performed by the Government for the Indians or whether it should be considered as a charge against any income that may later develop. I would deeply appreciate your giving these matters consideration and, if you feel that the level of management could be improved, I hope you will suggest the necessary legislation.

As you know, the subject of the prices the Indians are receiving for their timber has received considerable attention and is a complicated problem. I appreciate that it is very difficult to become intimately familiar with all of the factors that cause a timber price to be set, but by the terms of the contracts on the Quinault Reservation, the responsibility for deciding the true market value is yours. I have noted that, in the case of all Federal timber prices, it is not unusual for the average bid rates to be well above appraised prices. For example, on the Olympic National Forest in 1948 the spread was 31 per cent, while in 1949 it was but 5 per cent; by 1950 it had jumped to 49 per cent and in 1952 it had dropped to 6 per cent; again in 1954 it was 100 per cent, and in 1956 it receded to 39 per cent.

I believe that these figures do show that the appraised prices of all Federal timber are conservative and that the situation is not unique to the Bureau of Indian Affairs or to the Quinault timber. One unique factor on the Quinault is that there have been no competitive timber sales to test the data which are used in the renegotiations of the large volume, long-term contracts on that Reservation. In a staff analysis, a compilation was made of stumpage prices that would result if certain Forest Service data were applied in lieu of those used by the Bureau of Indian Affairs. These are Forest Service data that have been tested in competitive sales. Their use would result in a marked increase in the price of Indian timber. Nevertheless, the appraised values set by the use of the Forest Service data produce rates substantially below that which bidders are willing to pay in open competition. I would suggest that this situation also be given appropriate consideration.

Leaving aside for the moment the question of the legality of the interest charge assessed against the Quinault Indian timber I do want to question the validity of the charge in terms of everyday experience in the marketplace.

I cannot understand why the purchasing companies should receive a reduction in the price of this timber because of alleged borrowing when they certainly do not receive similar reductions from others selling them timber, logging equipment, or constructing plants for which money has been borrowed.

I know of no instance where the price a seller sets for his product is influenced by the borrowing of the purchaser, although I am sure that the seller may take into account his borrowings in setting the selling price. I should like to have your views on this aspect of the Quinault problem.

Closely connected with the question of timber prices and financing of operations is the way in which these contracts are being administered by the Bureau of Indian Affairs. As I understand the procedures, the Bureau of Indian Affairs does not recognize that the timber under contract is individual private property except to provide that the Indian is paid on the basis of the scale for his timber. The quality of the timber is not taken into account, nor is the presence or absence of certain costs which affect the value of the individual Indian's timber. The pricing system seems to be one of averages but there are no bases for the averages. I examined a large map which Rayenier furnished. It is quite evident that there are areas under the contract where one species seems to predominate. It might be helpful, both to timber management and to pricing the timber, if an annual examination could be made by the Bureau of Indian Affairs of the timber to be cut in the subsequent year, so that up-to-date information on its quality and the cost of logging it could be taken into account in establishing the price that each allottee will receive. The benefits to sound management are self-evident. I understand that these companies recently have been cutting better-than-average timber, but paying for it on the basis of a so-called average. Similarly 10 or 15 years from now, when cutting reaches lower-than-average timber, it would be logical to expect such controversy as to whether the residual timber was so far below the so-called average as to require a special price reduction. If, on the other hand, the price of the timber each year is based upon the true market value of the timber to be cut, the problems of future administrators would correspondingly become less complicated. I know you will take into account the possibility of improvement in these procedures as I have suggested here.

There is one other related matter which involves the patent-in-fee policy presently being followed and its impact on the Quinault Indians. I find it difficult to envisage the advantages to an Indian of securing a patent-in-fee when his timber is already under contract. Certainly the timber companies holding the present contracts are under no legal requirement or compulsion to make a lump-sum payment in advance of cutting for the patentee's timber or to purchase his land. The Indian has no enforceable claim that I am aware of which would entitle him to a release from the master timber contract. It is my understanding that there is some confusion about the Indian's Federal tax liability for income received subsequent to the issuance of patent. I am told that the Indian is subject to local taxes that do not occur as long as the trustee relationship exists. I am also advised that there is no provision for a right-of-way to the present timber contract holders across patent-in-fee

property, and that a situation might arise where the holder of the patent could attempt to exact a toll for the haulage of timber across his allotment.

I can well appreciate that there are many Indians who are well along in years who desire to secure some immediate income from their timber for necessary purposes. It is my hope that you can give sympathetic consideration to providing income for these needy people out of funds available in the Department, utilizing their timber as security. If this could be done in lieu of issuing a patent-in-fee, the contract area would remain intact in allotted status until the termination of the contract. It would then be possible to make a determination as to whether patents-in-fee should issue.

In the so-called Queets Unit, other problems arise from the absence of an access policy. Thus, persons who own allotments well away from public roads may find it impossible to market their timber or their land because of the cost of building a road across intervening owners and the possibility that the intervening owners may exact a toll. If it is desirable that the patent-in-fee policy go forward, it might be helpful to provide suitable accessibility to each tract. Two steps seem necessary; first, that every patent issued should provide ingress and egress to adjoining or intervening allottees or owners, and second, that there be some advance road construction so that these allotments may in fact be accessible. It would be my view that the construction of these roads should be a charge against income. However, in view of the delay in the development of income for these allottees, I would think that there should be no charge for interest on the funds expended by the Government in the construction of access roads.

I hope that you will be able to give these matters consideration and I shall be delighted to have your further views at any time.

Sincerely yours,

Richard L. Neuberger

REW/bmm

*Richard Wright Jr. 17*

**COPY**

September 7, 1957

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|--------------------|------------------|
| Official File Copy |                  |
| Enclosure          |                  |
| 90-2-20            |                  |
| DEFENSE            | NO. <u>H-130</u> |
| Court of Claims    |                  |
| Docket No.         |                  |

Honorable Richard L. Neuberger  
United States Senate  
Washington, D. C.

Dear Senator Neuberger:

This is in response to your request that I furnish to you information on certain items affecting timber values that the minority view states were overlooked in the report on Quinaliet Timber Sales.

The background study examined only the Quinaliet situation, and to ascertain, first, whether the Bureau had facts, and, secondly, to see how the factual data was applied. On all of the major points the Bureau admitted it did not have facts. The minority view notes that several Bureau contentions were apparently ignored. I want to assure you that the points were not ignored, but, since a report discussion would have been either a refutation of these points or a discussion of errors, it was not felt that it would add anything constructive.

**1. EFFECT OF TOPOGRAPHY ON STUMPAGE VALUE.**

The effect of topography, if any, would be on logging costs which, of course, would be reflected in stumpage rates. Topography has the following effect: When slopes are over 30% on a logging unit tractor, logging is virtually physically impossible. High lead logging, which is generally more expensive, must then be used. In addition, however, wet ground prohibits efficient tractor logging. The contract areas are relatively level and gentle sloped, but also are swampy in parts. Tractor logging may not be used on all cutting units.

However, terrain is not the sole cost conditioning factor. Tree size, percent of recovery, average log size, timber stand per acre and yarding distance are much more formidable cost factors.

The absence of a discussion of topography occurred because it alone is a minor factor. The total absence of Bureau data on the important factors cited above was far more significant than a theoretical discussion of topography.





FORWARD TO GOVERNMENT  
IN 1957, THE BUREAU  
OF INDIAN AFFAIRS  
WAS MIXED WITH ESCALATOR  
CLAUSE CONTRACTS.

MAO  
APR 1, 1957  
BUREAU OF INDIAN AFFAIRS

Richard L. Neuberger  
April 7, 1957  
Three

was mixed with escalator clause contracts. Sales where prices were fixed by reappraisal, or sales were sold without competition, were mixed with multi-bid sales. Sales sold in prior years but not cut until later were mixed with sales sold and cut in one year. Sales of vastly different quality and logging costs were included. All of these factors made it impossible to draw more than the most general observations and there was not any way to relate it to the Quinalt situation. For example, in 1950 the Warm Springs reservation pine timber cut was paid for at a rate of \$11.29 per thousand board feet, while the Klamath timber brought \$24.06. By 1956 the Warm Springs rate was \$40.67 and the Klamath rate \$40.13. The Warm Springs rate has climbed almost four times, while the Klamath rate has doubled. They are both almost identical, and the Warm Springs Indians and the timber purchasers are in litigation with the Government over the rates.

Because of the defects in the data presented, it was impossible to arrive at a meaningful conclusion as to the story it told. The only contention the Bureau made was that their prices had not fluctuated as much as Forest Service prices, but that was not the point in discussion.

Much more realistic than an excursion in deep and murky waters, was the analysis which examined carefully each of the factors used in the Quinalt timber appraisals, and meticulously consider whether the Bureau's appraisals rested on a sound, factual base. The fact that they have not was not even contested by one witness.

I deeply regret that the absence of a discussion of the points Senator Watkins considered important caused him to discount the significance of the major thesis. I hope this limited discussion is sufficient to indicate the situation. I want to assure you that there was no desire to fail to consider any pertinent factor that would have given proper credit to the Bureau of Indian Affairs.

Sincerely yours,

Robert E. Wolf



*Revised draft 17th V*

*Review by  
Quinnelt*

# COPY

December 31, 1957

Honorable G. Hatfield Chilson  
Acting Secretary of the Interior  
Department of the Interior  
Washington 25, D. C.

## Official File Copy

Enclosures: Files

90-220

DEFENDANT'S E. FILE NO.

*H-232*

Court of Claims

Docket No.

Dear Mr. Secretary:

Senator Murray has referred to me your letter of December 18, with the accompanying report on action taken on recommendations made in Senate Report 971, Timber Sales, Quinaielt Indian Reservation.

I am pleased that you have adopted, or are giving active consideration, to five of the eight recommendations made. It is hoped that you will be able to advise the Committee by July 1, 1958 that each is in full operation. I note with particular pleasure that you have instituted a news letter to the Quinaielts. I received a copy of one from one of the allottees, and wrote directly to the agency superintendent, Mr. Ringey, to congratulate him.

I note your conclusion on the transfer of forest functions. It is hoped that you will cause to be instituted positive programs of real force designed to implement effective and fair relinquishment of Indian Bureau supervision by a fixed date. To that end, I trust that no further long-term timber sales will be made which will thwart this objective.

I am disappointed that our recommendation that 25 U.S.C. 413 be amended has not received affirmative action. The thought in mind apparently escaped your advisers. It seems to me that a good case can be made for permitting the Indian Bureau to retain a portion of the funds it collects from timber sales to perform services related to those sales. As I understand the present situation, this may be done on tribal lands but not on allotted lands. In addition, these tribal funds can be supplemented by appropriated funds. It was thought that the procedure recommended would be discretionary and it would not require that gratis services be abandoned. It would alleviate overcharges, prevent undercharges and, most important, would insure that necessary

1  
Hon. G. Hatfield Childs - 2 - December 31, 1937

COPY

timber sale funds were available for up-to-date cruises, adequate sealing and line running. While I support the appropriation of adequate funds for the Bureau of Indian Affairs in order that needed general programs can be carried out, I view functions such as timber sales on allotted lands as a special service to the individual. For that reason, it seems logical to exempt it from the appropriation process with its attendant budget ceiling and the influence of broad governmental policies.

I request that you cause a further review to be made at the Secretarial level. If you desire to have someone on your staff consult further with Committee personnel, I hope you will feel free to do so.

I note with concern that your analysis indicates that you are satisfied that the Quinalcilt timber has not been under valued. I trust that no later than July 1, 1938, you will be in a position to advise the Committee that as a minimum you have obtained and are using for the Taholah and Crane Creek contracts:

1. An up-to-date estimate of the overall timber volume.
2. Factual detail on the quality and quantity of timber to be cut for the next year or pricing period.
3. Average product selling price and production cost data that has been adequately evaluated and tested.
4. That the allowance for interest on advance payments ruled illegal by the Comptroller General has been appropriately rescinded, and that the profit and risk allowance is being computed upon the same basis as was used when the contracts were originally signed.

I am confident that if these four actions are instituted, stumpage prices that are realistic and fair to all concerned will soon result.

Hon. O. Hatfield Childs - Hon. October 31, 1957

COPY

I do not foresee that further hearings will be scheduled upon the Quinalt reservation during the next session unless you, the timber purchasers, or members of the tribes present an overriding issue which requires Committee review. The attention you have given to this problem is appreciated, and I want to assure you that I fully recognize the effort that is being put forth to foster needed improvements.

Sincerely yours,

Richard L. Neuberger

REW/mc

bc: Hon. Joseph Campbell,  
Comptroller General

Glen Wilkinson

cc: James H. Gamble

Public - draft fu 19

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| <b>Official File Copy</b> |              |
| Enclosures Files          | 9072-20      |
| DEFENDANT'S EXHIBIT NO.   | <u>H 244</u> |
| Court of Claims           |              |
| Docket No.                |              |

UNITED STATES  
 DEPARTMENT OF THE ARMY  
 OFFICE OF THE ADJUTANT GENERAL  
 WASHINGTON, D. C.

Memorandum

October 7, 1947

To: Area Director

From: Assistant Area Director (Reservists)

Subject: Report of Staff of House of Representatives on Quiscent Allegations

On Wednesday, October 1st, you were notified by the staff of the Senate Subcommittee on Internal Security of the House of Representatives that they would hold a hearing on the activities of the Quiscent in the United States and in the United Kingdom on Thursday, October 10th. You were informed later by another source that the hearing would be held on Saturday, October 11th, but that the Quiscent staff members, Mr. James H. Gable and Mr. Robert Wolf, would not be available. It was indicated to you that the Area representatives should not attend the meeting but that they should be available at the office to assist the committee staff members in answering any questions which might be raised by the citizens.

Pursuant to the above understanding, Mr. John Eddy, former Major from the Veterans Washington Agency, Mr. Paul Hoover, Area Director, Mr. Joe Widdett, Area Security Officer, and special material relating to the Quiscent staff and leads, giving special attention to the Subcommittee report of August 15, 1947 (Report No. 100). He also prepared a copy of the Quiscent Memorandum showing the lead-developing process, showing the contacts, supervised lead sales, and other sales. This material was prepared in order to answer factually any questions which might be raised by the citizens.

Mr. Eddy, Hoover and Widdett and staff were available in our office prior to 10:00 a.m. on Saturday October 11th. Mr. Robert Wolf arrived with a group of Quiscent citizens, and after directing them to the conference room and providing them with pencils and paper, which they requested, I informed Mr. Wolf that we would be available if he should need our help in furnishing information on the Quiscent memoranda. Mr. Gable arrived shortly after ten o'clock.

We were contacted into the meeting room at 12:15 p.m. There were 21 people present, most of them of Negro race. The group was representative of the Quiscent citizens residing all over the District and was composed of both Negro and Caucasians. To the extent possible it would have been extremely difficult, if not impossible, to identify any of the persons present as Indians.











with the Bureau. He stated that allottees making timber were discouraged against because allottees owning land had not required to enter into contracts to farm their own property. He explained the difference between cutting timber from an allotment which was the removal of some of the quality and farming an allotment in which the quality was not reduced. He also explained the responsibility that the Bureau had in protecting allottee's interests from those who would acquire as one of the major means for their own personal enrichment.

3. There was some discussion of the "sell or lease" policy in the instance of Joe Patton. The matter was raised by one of the allottees who had an allotment which was composed of two separate tracts. He had applied for his patents on one of the tracts, but did not wish a patent for the other. Mr. Goble answered the allottee by reference to the Bureau's policy and in addition he stated that the difficulty in securing a patent concerned the one tract and at the same time holding the land patent for the other. He stated that it was a very peculiar position that an individual would be "sell or lease".

4. Mrs. Alvin Frisbie, 1007 N. Interstate, Portland 17, Oregon, allottee under 1901, wants to sell the timber even not all of it and retain the land. She stated that she wanted a very quick sale of the timber but not of the land. He explained as completely as he could the three conditions that were offered all allottees especially in the Forest Act, which were not now remembered by similar contracts. There were as follows:

(1) The owner could apply for a fee patent and if land contiguous according to criteria established for that purpose, could receive fee title to the land.

(2) If the allottee owner did not wish a fee patent or could not meet the criteria for that purpose, the Bureau would be glad to consider a petition for a supervised sale of land and timber.

(3) If the owner did not wish either a fee patent or a supervised sale the Bureau would do its best to arrange for a timber sale consistent with staffing and obligations to the other allottees.

It seemed that there was some misunderstanding in regard to the Bureau terms of supervised land sales and supervised timber sales. Mrs. Frisbie requested that we check on her allotment and write to her concerning the possibility of selling the timber from her allotment.

Mr. Malcolm Wilson, the attorney, also wished to be advised by letter why the allottees could not sell their timber under the Bureau's supervised land sales program without selling the land itself.


Mrs. Frisbie made a request, after the committee staff members had left, that consideration should be given for an exemption to the allottees who receive fee patents. From the discussion it appeared that most allottees had been led to believe by others and land purchasers that they would receive a very good price when they obtained their patents, but that on obtaining their patents the prospective purchasers left the allottees waiting their land until they were ready to sell at such reduced prices.

10. Mr. Harold Harold, who introduced himself as a third-generation allottee, who was his own allotment in trust and has inherited several allotments from his relatives, wanted to know why he could not buy his allotments from his relatives, wanted to know why he could not buy his allotments under the same conditions that the Bureau had sold the allotments under the Grand Grant and Tribal contracts. Mr. Harold stated that he had never signed the name of allottee and his lands were not under contract but he wanted the privilege of buying his allotments under the Grand Grant contractual arrangements. He also said he had asked this question of Senator Leavitt and several others and had never obtained a reply. Although the conditions stated printed out to Mr. Harold that he did not have to buy his allotments, that he already owned them, and that he was prohibited to apply for a fee patent, Mr. Harold took strong exception stating that he did not own them and that he could not under any circumstances get the fee patent; that all he wanted was to buy his allotments under the same terms as the Grand Grant contract. This matter was somewhat confusing but in a general way Mr. Harold was apparently dissatisfied as a very successful business man, was trying to sidestep the conditions of the Grand Grant contract.

11. There were expressions of dissatisfaction on either side of the Quinault tribal council and the Superintendent of the Quinault Reservation for issuing hunting and fishing permits to non-Indians on the reservation. It was stated that Mr. Charles Jackson and the Superintendent were signing permits to non-Indians to hunt on the reservation, including the allotments of some of these permits. Although we agreed to check with Superintendent Murphy, there was no commitment to reply to anyone on the matter.

In summary, it should be stated that the group represented at this meeting were opposed to issuance of fee patents but they wanted the complete say as to how the Bureau should handle their individual problems. Although we attempted to point out the special relationship created by the former tribe's role as trustee, the allottees were adamant that their desires should prevail. The group was quite strong in criticism of the Bureau's operations and policies, especially in regard to timber sales. There was little of a constructive nature offered by any of them to help the Bureau in solving the varying problems on the Quinault.

Copies of the letters which we agreed to furnish during this meeting will be made available to the Commission, as well as to the Subcommittee.

  
Assistant Area Director  
(Resource)

*Richardson Dyffja 20*

Messrs.

Joseph Hillaire  
Paul H. Petit  
Nequamish, Wash.

*Cu*  
*M*

P.O. Box 332

JAN 14 1958

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| Official File No.                     |
| Enclosure No.                         |
| SO-2-60                               |
| DEFENSE PATS EXHIBIT NO. <u>1-245</u> |
| Court of Claims                       |
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Have you received the first newsletter published by Mr. C.W. Ringey, of the Western Washington Indian Agency, dated Dec. 2nd 1957 and also Senate Report # 971, 85th Congress, 1st Session? If not, please advise us by return mail.

We have studied these two documents and we find that they contain information that every Indian allottee on the Quinault Reservation should fully understand.

This report contains recommendations, made by the Congress, that the Indian allottee concern himself with preparations for the ownership management program as recommended in Paragraph # 7 pages 10 and 11 of the Senate Report.

The initial step to be taken, as stated in the newsletter of Dec. 2nd 1957 and as recommended above in the Senate Report - is the formation of four advisory boards, adequately representative of four units in the reservation, namely, The Queets Unit, The Grand Creek Unit, The Taholah Unit and the Logged Off Area.

The Western Washington Agency has suggested in their newsletter that a selection be made of possible nominees to serve on these four boards. While they are willing to lend their support to this movement, the actual work in selecting these boards must originate with the Indian allottees.

In our deliberation, Your name has been suggested as one to serve in an advisory capacity.

Would you be willing to serve? If not, whom would you suggest? Would you be able to attend a meeting of this group, the time and place to be governed by the response to this letter, tho it is hoped that this meeting can be held at Nequamish Washington.

In view of the urgency of this matter we would greatly appreciate an immediate reply, possibly by return mail.

Sincerely Yours

*Paul H. Petit*

Mr. Ringey:

Because we feel that you actually have the best interest of the Indian at heart, ( and many agents have not had) We will invite you to attend this meeting and other meetings that we will hold in the future, we hope that you will be prepared to speak to these Indians and explain to them, their position to-day as it stands. This is only a copy for your file, so that we can keep you abreast of things as they happen. Thank you Mr. Ringey for the co-operation that you have displayed with your newsletter and ect.

*Richardson Staff (5/2)*

**RECEIVED**  
FEB 18 1958  
HOQUIAM OFFICE

February 17, 1958

Mr. Don C. Foster  
Area Director

J. L. Diddock  
Area Realty Officer

Meeting of Quinault Allottees at  
Hoquiam on February 16

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| FEB 18 1958      |         |
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A meeting of the Quinault allottees, called by Claude Wain, was held in the City Hall at Hoquiam, Washington, at 11 A.M. on February 16. This was the outgrowth of the two Newsletters that have been published in connection with Quinault allotments, and the report of the Investigating Committee as to what should be done. The Bureau of Indian Affairs was represented by John Libby, Forest Manager, Don Clark, Forester, Melvin Schwartz, Assistant Superintendent, F. P. DuBray, Realty Officer, Western Washington, and myself.

The meeting began promptly at 11 A.M. with 36 members present at that time. Eight more came shortly after 11 o'clock, making the total number 44. The meeting was opened by the temporary Chairman, Claude Wain, who endeavored to state the purpose of the meeting. In response to his remarks, an election was held, with Claude Wain being elected permanent Chairman and Col. Paul Petit being elected Secretary.

Mr. Libby made several comments in connection with the purpose of the meeting, and was followed by Mr. Schwartz, who also presented some of the ideas of the Agency staff on the meeting. This was followed by a very eloquent speech by Joe Milaire, containing the usual critical remarks of the Bureau of Indian Affairs but continuing on to some of the advantages of owner management as set forth in the report. He used mostly the two reports made by the Committee. Mr. Milaire even mentioned the fact that Congress was looking to the termination of supervision by the Bureau of Indian Affairs over the affairs of the Quinault allottees.

An interim committee was selected to draw up a program, proposed policy and proposed constitution and by-laws of the organization. This committee is headed by Claude Wain as Chairman, Col. Paul Petit as Secretary, William E. Penn (Little Bill), James Yerkes, Mrs. Ned Wheeler, Wilfred Petit, Daisy Glade and Anna M. Koonz.

The committee realizes it must contact a great many people and secure the cooperation and favorable action by a majority of the allottees in anything it attempts to do. The committee as set up includes people from various communities who will endeavor to contact others and explain the purpose of the organization and endeavor to get a sufficient number of land owners in

agreement in order that committees may be formed to consult with the Superintendent and the Bureau in the operation of Crane Creek, Taholah and Queets units not under contract, and to conduct salvage sales on the cut-over portions of the Reservation. The various committee groups will then be available to make recommendations as to the wishes of the land owners in regard to any modifications, changes in rates or similar matters.

The meeting was well conducted by Mr. Wain in that he managed to turn aside all of the personal gripes and the usual critical attitude of the various people as to the operations of the Government.

Another subject was brought up that apparently is very important in the minds of a good many of the people. This is the attitude of the Bureau toward the Tribal Council of the Quinault Reservation and the area in which they operate, and the recognition given to the council in the affairs of the Quinault Reservation. It was pointed out that there being no tribal timberland in this area, the Tribal Council had nothing to say about the operation of the contracts since these were individually owned and were matters that concerned only the allottees. The committees to be appointed would greatly assist in this operation, because it would not then be necessary to contact so many people.

It was reported that many of the allottees were fearful of the action the Government might take if they joined such an organization. The people attending the meeting were well dressed, apparently employed and had apparently received funds from timber sales or the sales of their allotments. The greatest difficulty appears to be in getting each individual to understand that many of these things may not be carried out unless they are willing to cooperate in such matters as rights of way, and to overcome the definite hostility toward each other in that they all feel they must protect themselves from each other. This was not so apparent at this meeting as it was in the meeting held last October by representatives of Senator Neuberger in the Portland office.

The Chairman and his committees are to be commended for the definite action taken and the fact that the meeting was conducted smoothly and with more than usual efficiency. The committee is well aware of some of the definite obstacles to overcome and have made their first goal dissemination of information and getting people together in their thinking and cooperating in forming the four committees. The interim committee is to meet with Mr. Libby at Hoquiam to secure the names and addresses of the people in the various units and the best way to contact them. The Chairman and Secretary were very energetic and we believe will get something done.

The meeting was adjourned at approximately 3 o'clock, with everyone feeling they had accomplished something and that with the assistance of the Agency personnel, they would work toward forming an organization to deal with the Government.

cc: Mr. John Libby ✓

(SGD) J. L. DIDDOCK  
J. L. Diddock  
Area Realty Officer



than a comparison of conditions in early days of these contracts with conditions of recent years. We have no choice but to live with these contracts and to make the best of them. Regardless of what we do in adjusting stumpage prices no one is satisfied for very long. Current adjustments that are necessary because of the business recession will doubtless cause our popularity curve to drop to a new low with the Indians. The operators, on the other hand, will declare that the adjustments are not sufficient.

We must also recognize that in certain situations contracts of from three to five or six years' duration are still necessary. This situation may possibly exist on still undeveloped areas of the Yakima, or even the Colville. These are special cases that demand special treatment.

Even now, despite unfinished timber surveys, lack of modern management plans and cutting budgets and lack of newly approved contract forms, there exists the opportunity of breaking with past practice and of initiating short-term sales. We are not taking advantage of this opportunity. It's easier to copy old contract provisions than to initiate new ones, but in so doing we are asking for future added trouble in stumpage adjustments.

Hindsight, which is always better than foresight, gives an excellent example of the troubles that we are perpetuating. On one of the reservations two contracts were recently entered into, each for about 20 million feet, B.M., and each covering a period of three years. These contracts retain the complicated terminology pertaining to stumpage revaluation procedures and the inclusion of allotment contracts under the master contract. Now the purchaser, after cutting but a few months, has asked for adjustments in stumpage-to-lumber index ratios. He has such right under provisions of the contract.

Why couldn't this situation have been taken care of by three successive 1-year contracts providing for a cut of approximately 13 million feet each year? If 13 million feet is considered too great a volume for a 1-year sale, why not two sales per year of 6.5 million feet each? The sales, in reality, could provide one year for cutting and one year for disposal of slash.

Why is it necessary in such situations to have complicated contracts that cover subsidiary allotment contracts? Why not have separate contracts for tribal timber and for each allotment? They can all be tied together if necessary in the advertisement by providing for the bidding on all tracts and the high bidder taking all. A recent sale on the Quinalt has proved that such proposed procedure is workable.



Our present short-term contract, antiquated though it is, can be modified sufficiently to enable short-term sales of the type advocated. The time required for approval by the Central Office should not exceed that necessitated by present complicated, long-term forms that we have felt impelled to adhere to.

Most of the purchasers have objected to short-term sales. They have had difficulty in planning for future operations. They have complained because of delays. They declare our appraisals are too high. I believe that their objections would be largely satisfied should we develop long-range annual cutting budgets and procedures for promptly advertising and processing short-term sales. The Bureau of Land Management, without undue stress, follows such a procedure in making their O&C sales. Why can't we?

We have made progress in our stumpage revaluation procedures and I shall agree that we can now more accurately follow trends in the stumpage and lumber markets. If past experience is any guide, however, these new procedures will also develop unforeseen defects. It has happened before, after we seemingly had developed excellent procedures.

I suggest the following objectives for consideration by Agency, Area and Central offices:

1. Completion of timber surveys now in progress on the Colville, Spokane, Yakima and Warm Springs Reservations.
2. Management plans based on the new timber surveys.
3. Ten or twenty-year cutting budgets in conformity with management plans. These should be approved by the Central Office and by the tribes. Provisions should be made for justifiable changes, also to be approved by the Central Office, or by the Area Office, and by the tribes. These budgets should be made available to interested purchasers.
4. Short-term contract forms to be approved by the Secretary of the Interior.

*Harold W. Weaver*

Harold Weaver  
Area Forester

Approved:

*Ray E. ...*  
Area Director

*Richardson Dyffja 20*

Messrs.

Joseph Hillaire  
Paul H. Petit  
Nequamish, Wash.

*Cu*  
*M*

P.O. Box 332

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