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Correspondence

1945

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MacMILLAN BLOEDEL LIMITED

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ORIGINAL ORDER

H. R. MACMILLAN EXPORT COMPANY, LIMITED

INTER-OFFICE CORRESPONDENCE

JUN 25 1945

TO Mr. W. J. Van Dusen

June 25th, 1945

FROM Keith Shaw

COPIES TO: Mr. E. B. Ballentine

SUBJECT:

Re: FLETCHER OPERATION - FANNY BAY1. FINANCES:

Fletcher signed note for \$4,000 at Can.Bk.of Commerce, Nanaimo (Mr. Eakin Manager) to cover June payroll. He told Eakin that he did not expect to get logs until August and that he would require \$10,000 in all. Application for this Credit is to be made by Fletcher June 25th, along with personal statement of Fletcher, which the bank has not yet received - although Storey, Fletcher's accountant, told Fletcher he had sent it to bank over a week ago.

2. DEVELOPMENT TO DATE:

(a) DUMP & BOOMING GROUND: One week to finish, Shovel has built dump and is now driving Piles for Dump, and will drive Piles for Booming Ground.

(b) ROAD: 9½ Miles built, good wide Road with reasonable grades. Cat is now finishing top end in old felled & bucked.

(c) EQUIPMENT: B.U.110, B.U.55, and Small Loader now on ground. First tree will be rigged by July 15th - delay caused by real shortage of labor.

: 2 New Kenworth Trucks (large) now hauling at Northwest Bay. Fletcher reports Trucks only just paying way, but no real profit at \$2.60 per M. Will leave both Trucks at N.W.Bay until August, and perhaps longer if we need them there.

(d) CAMP: Cookhouse finished and Bunk-house including office (80'x 36') ready for roofing. Should be finished by July 10th. Camp Cost to date \$3,000 - almost entirely labor (Jim Baldry in charge) as lumber came from old Jap Camp. Estimate additional Cost to finish and equip: \$3,000. Will sleep 22 men and Bunk-house upper story can be finished later to sleep 28 men more. Plywood wanted by Fletcher for Inside of Bunk-house (and office) - will send list at first of week. No commitment here by Shaw, but only a promise to see if plywood could be obtained.

3. COMMENT:

Fletcher is having real trouble in getting sufficient labor and this seems to be main factor in delay. Also it makes the building of a camp imperative.

Fletcher's Road and Dump is better than the amount of timber now owned (Cruise: 17 Million) warrants - but makes the acquiring of E.& N. Timber adjoining, and the Robson Tract (Cruise: 27 Million) of particular Interest. A Branch Road from Fletcher's Road at about the 6 Mile point could pick up all the timber left in the Tsable River watershed (not cruised but could be well over 100 Million ft.)

DKS/KS

K. Shaw

COPY

Vancouver, B.C.
February 21, 1944

Lake Logging Company Limited,
678 Howe Street,
Vancouver, B.C.

Dear Sirs:

This is to confirm the arrangement we have made with you to log all the remaining timber on the Northern portion of Block 403, Cowichan Lake District.

After examination of this area for logging, you have estimated you could recover from this area approximately 25 Million feet, 2/3rd Fir, the balance Hemlock and Cedar. You agree to log this area commencing forthwith and continuing the operation until finished, which you undertake to complete not later than December 31, 1945.

You agree to conduct the operation in accordance with all the requirements of the Provincial Forest Branch and you accept all responsibility in this connection.

The price we have agreed upon for logging and delivering the entire product to our mill on the Fraser River, sorted and boomed according to standard practice, is \$17.50 per M. based on official scale, with the proviso that should log prices be increased or decreased during the life of this contract, the contract price for logging will be increased or decreased by half of such increase or decrease in log prices. The increased or decreased prices will be figured on the outturn from this operation as to species and grade.

Furthermore, if fir booms contain more than 50% No. 2 Fir logs 19" and over in diameter, we will increase the contract price by \$2.50 per M. for all such No. 2 logs in excess of 50%.

It is further understood that if any logs from this operation become exportable or are exportable you may keep and use or sell same upon substituting and delivering to us, after our inspection and approval of such logs, an equal quantity and quality of a similar species.

If this is in accordance with your understanding we would be glad if you would sign one copy and return.

Yours very truly,

CANADIAN WHITE PINE CO. LTD.
per: "W. J. VanDusen"

AGREED AND ACCEPTED:

LAKE LOGGING COMPANY LIMITED,
per: "H. H. Wallace."

COPY

LAKE LOGGING AND LUMBER LIMITED

678 Howe Street,
Vancouver, B.C.

May 11, 1945

Canadian White Pine Company Limited,
837 West Hastings Street,
VANCOUVER, B. C.

Attention Mr. E.B. Ballentine

Dear Sirs:

This will confirm our telephone conversation of even date, in which we agreed to sell to you one million (1,000,000) feet of Shingle Cedar at Timber Control prices delivered at your mill, and the footage thereof to be credited to the logs we took from the Hill Logging Company to our mills at Lake Cowichan.

Timber Control prices are as follows:

#1	Cedar	-	\$30.00	per M.
#2	"		24.00	per M.
#3	"		17.00	per M.

Yours very truly,

LAKE LOGGING AND LUMBER LIMITED

MJP/B

Per (Signed M.J. Birkmire

COPY

May 15th 1945

Lake Logging & Lumber Limited,
678 Howe Street,
Vancouver, B.C.

Attention: Mr. M.J. Birkmire

Dear Sirs:

This will acknowledge your letter of May 12th confirming sale to us of 1 million feet Shingle Cedar.

If as you say footage of this sale is to be credited from the logs you took from the Hill Logging Company under our arrangement, we think this million feet will come under price terms and conditions of the Hill Logging Company arrangement.

Alteratively, we suggest that this be treated as a sale, separate and distinct from any other arrangements between the two companies.

Yours very truly,

CANADIAN WHITE PINE COMPANY LTD.

EBB:bvw

E.B. Ballentine
Vice-President

May 28th, 1945

COMPARISON BETWEEN COST OF LOGS FROM LAKE LOG. CO. BASED ON CONTRACT PRICE and COST OF LOGS BASED ON CEILING PRICE.

NOTE:

1. Extra payment has been made on all #2 logs in the boom if said boom contains over 50% #2 logs.
2. There is some question as to whether all Pine Logs on operation has come to C.W.P.

STANDARD FIR (4 Booms)	\$18.25	\$2.50	2% -	\$19.67 + \$2.00 already paid	\$21.67
	\$17.00 22.00 29.00	-	2% -	20.17	
as per invoice				CONTRACT IS \$1.50 HIGHER.	

SMALL FIR (4 Booms)	\$18.25	-	2% -	\$17.91 + \$2.00 already paid	\$19.91
(Pewees) \$17.00 22.00		-	2% -	19.34	
				CONTRACT IS 57¢ HIGHER	

HEMLOCK (2 Booms)	\$18.25	-	2% -	\$17.91 + \$2.00 already paid	\$19.91
	18.50	-	2% -	18.13 -	
				CONTRACT IS \$1.78 HIGHER	

CEDAR (1 Boom) (453)	\$18.25	\$2.50	2% -	\$19.47 + \$2.00 already paid	\$21.47
	\$17.00 24.00 30.00	-	2% -	22.37	
				CONTRACT IS 90¢ LOWER	

NOTE: CEDAR considered same as Standard Fir and given \$2.50 spread.

MAY 30th, 1945.
DKS/KS

Mr. W. J. Van Dusen

May 28th, 1945

Keith Shaw

Re: AGREEMENT BETWEEN C.W.P. and LAKE LOGGING CO.
COVERING LOGS FROM HILL LOGGING CO. OPERATION

Telephone Conversation with Mr. Hunter, who states:

1. He has been completely unable to date to return any part of the 4,783,165 ft. released to him from the above operation from Aug. 21/44 to Dec. 21/44. His reason was that his production was down - not only because of bad weather but mainly due to lack of labor.
2. He has been negotiating a deal with E.B. Ballentine, covering 1 Million ft. of Cedar (500 M. of which is now available in Cowichan Lake and the balance will be available by June 15th). Blake insists that this is a separate deal but Hunter maintains that it should be part of the replacing of the 4 $\frac{3}{4}$ Million ft. released to him last Fall.

Hunter adds that if the Cedar logs are to be treated as a separate deal he could deal with them himself by making a trade on Cowichan Lake.
3. Hunter was very reluctant to make any definite promise regarding the return of the said 4 $\frac{3}{4}$ Million beyond saying he would do anything in his power to return these logs. He said that due to his lack of production he needed practically all his logs at his own mills on the Lake, and that even this Company would not like to see his mills shut down through lack of logs.

He qualified this remark, however, by saying that we could expect 500 M. in July and 700 M to 1,000 M in August, depending of course on the fire season.
4. Hunter was told that if he were to substitute standard size logs for the small logs to come from the Gyppo Side on the Hill Logging Operation such Standard logs would have to come at the same rate and at the same time as the small logs were logged from Block 403. His answer to this was that he expected to start this small side in about 2 weeks' time, and that he would inform us when he was to start, and that he would cover the whole agreement in a letter similar to that given to Mr. Van Dusen covering the last arrangement.
5. No mention was made of the \$2.00 stumpage paid on those logs Hunter received from the Hill Logging Operation during the Fall of 1944.

COMMENT:

The Million ft. of Cedar under negotiation by Blake Ballentine is very much wanted by the C.W.P., who can trade it to good advantage. Hunter's attitude that this 1 Million ft. should be classed as a credit to the amount of timber we should have received during the Fall of 1944 has considerable merit, and it is not likely that he will make a separate deal on this stand, unless forced to do so.

MA
H. R. MACMILLAN EXPORT COMPANY, LIMITED
INTER-OFFICE CORRESPONDENCE

TO Mr. E. B. Ballentine.

May 23rd 1945.

FROM (ex) Mr. W.J. Van Dusen.

COPIES TO:

SUBJECT:

On checking the Agreement with Lake on 403, it provides that we are to receive all the logs from lot 403 and Lake guaranteed a minimum of 25 million.

I think it advisable that all the timber should be removed and delivered from lot 403 so as to establish the actual quantity logged from the area before any deliveries under the guarantee are accepted.

Therefore please treat your purchase of one million feet of cedar from Lake as an independent transaction.

WJV:McC