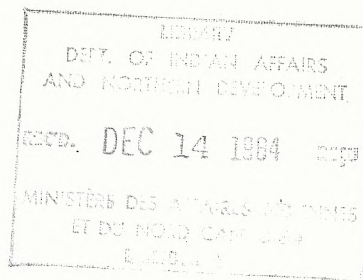


PME EVALUATION OF  
THE NORTH SPIRIT LAKE FORESTRY OPERATIONS  
NORTH SPIRIT LAKE, ONTARIO  
(INDIAN-ESKIMO AFFAIRS)

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NORTH SPIRIT LAKE, ONTARIO  
(INDIAN-ESKIMO AFFAIRS)

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## I. INTRODUCTION

### 1.1 Background

1. One of the objectives of the Forestry Program is to facilitate Indian endeavours to establish, own and operate viable primary extraction enterprises. In order to identify the effectiveness and efficiency of these enterprises, the Director of the Indian - Eskimo Economic Development Branch requested Program Management Evaluation to undertake the evaluation of certain of these forestry operations, including the one located at the North Spirit Lake settlement, North Spirit Lake, Ontario.
2. The Indians located at North Spirit Lake are of the Deer Lake Band, but their settlement is on Crown land rather than on the Reserve. The Reserve for the Deer Lake Band is located at Sandy Lake, Ontario, approximately 45 miles north of North Spirit Lake, Ontario. North Spirit Lake, Ontario, is approximately 170 miles due north of Sioux Lookout (see Appendix "A"). The North Spirit settlement has a population of approximately 140 people. The settlement is completely isolated except by service from float or ski equipped aircraft and by winter road over which a cat train brings in supplies from Island Lake Manitoba, or Red Lake Ontario, during the winter months.
3. The mill was originally owned by the Department and financed through the Economic Development Budget of the Sioux Lookout District. In March 1972, the sawmill was turned over to the

Band as a Band operated venture. An agreement was made between the District and the Band whereby the Department would purchase from the Band whatever amount of useable lumber had been cut to specification, suitable for house construction. The first year's operating expenses were provided by the Department.

#### 1.2 Scope

1. The purpose of this evaluation was to analyze and assess the existing logging and milling project at North Spirit Lake in order to establish its efficiency and effectiveness as a basis for future policy planning and decision making. The emphasis has, therefore, been placed on determining the economic viability of the operation and isolating the significant variables restricting maximum output at minimum cost, rather than attempting to optimize output.
2. The North Spirit Lake settlement is administered by the Sioux Lookout District and this forestry project was evaluated in conjunction with all other mills located in the Sioux Lookout District. The Team made a detailed visit to North Spirit Lake on August 29, 1972. During this visit the Team was accompanied by the departmental Development Officer located at Sandy Lake. Discussions were held with members of the Band who were engaged in the actual lumbering operations. Information concerning the wood supply was obtained from Ministry of Natural Resources, Sioux Lookout, Ontario District Offices.

3. A standard format prepared by the Laurentian Institute, consisting of a questionnaire and model, has been prepared for the North Spirit Lake lumbering operation and is attached as Appendix "B" to this report. Some minor modifications have been made to the format due to the lack of certain statistics and the accounting methods carried out at the site of the operations and at the Sioux Lookout District Offices.

#### 1.3 Acknowledgement

1. The PME Team wishes to acknowledge the assistance provided to it by the Toronto Regional Office, the Sioux Lookout District, the Thunder Bay Regional Offices of the Ontario Ministry of Natural Resources, and the Sioux Lookout District Office of the Ontario Ministry of Natural Resources.

## II. DISCUSSION

#### 2.1 Wood Supply

1. An estimate of the total forested area of the North Spirit Lake settlement within a 10 mile radius of the mill was obtained from the Ontario Ministry of Natural Resources, Sioux Lookout District, based on an average square mile of area for that particular type of terrain (see Appendix "B"). An average square mile of area consists of 60 per cent productive forest, 10 per cent non-productive land, and 30 per cent water. Of the 60 per

cent productive forest, white and black spruce comprise 60 per cent of the forested land, varying from young trees through immature to mature trees. Fifteen per cent of the forest consists of Jack Pine and another 15-20 per cent is covered with white and black poplar. The remainder consists of small stands of birch and fir. Of all of the above species, 98 per cent of the trees cut by the Indians is mature spruce; the other 2 per cent is mature Jack Pine. All timber is on Crown land but no attempt has been made by the Ontario Ministry of Natural Resources to collect stumpage fees. For all intents and purposes the timber is free to the Indians for their use, and the Province has no plans at present to change this situation.

2. Logging is conducted during March and April because of the severe cold weather of December, January and February. A constraint to the logging operation is that by the time the weather is suitable for logging, the snow is usually 5 to 6 feet deep, making it extremely difficult to get the logs out of the bush and down to the frozen surface of the Lake. The Band does not have the heavy equipment which will permit them to haul logs from any great distance in the bush. Therefore, the Band has been forced to cut its timber requirement within 200 to 300 feet of the water's edge. Mature timber is still available along the shores of the Lake at a distance of 3 to 5 miles from the mill. It should also be borne in mind that each year the Indians have to go further away to get the timber they need. In order not to



lose the perspective of the wood supply situation, it should be further noted that good stands of timber, sufficient to satisfy the settlements needs for the next five years, are available within one to three miles of the mill. However, these stands are not accessible to water and therefore they are not considered as an available timber source by the Indians.

## 2.2 Organization and Management

1. The sawmill at North Spirit Lake was turned over to the Band in March 1972, by the Department, with the understanding that if they produced lumber suitable for house construction, the Department would buy the lumber from them. The Department initially financed them in order to carry them through the first year's operation. At the time of this report there was insufficient information available to establish a financial report of the North Spirit Lake Sawmill Operations. The Team was advised by the Sioux Lookout District Offices that all the lumber required for this year's house construction was tendered for through DSS and brought into North Spirit Lake from Red Lake, Ontario, by Cat Train with the exception of some materials flown in by Air Freight. The cost of purchasing and transporting finished lumber to North Spirit Lake is approximately \$353.40 per M f.b.m., of this \$134.40 is transportation charges.

2. The Band has a loose agreement with a Band member to manage the sawmill operation. This Band member in turn is in partnership with two other Band members. The manager of the sawmill learned the sawmill operation through working in other sawmills, and is considered to be semi-skilled in the logging and sawmill operations. However, he has little or no training in the administrative aspects of the operation and as a result no records have been kept with respect to production in either activity. They also do not have a sawyer who is trained in sawing logs and as a result the wastage is higher than normal.

### 2.3 Security

1. One of the major problems in the operation of the sawmill is the complete lack of security of the sawn lumber. Although the Indians who work at the sawmill understand that sawn lumber has to be cured for a year before it can be planed and used in house construction, the majority of the Band members do not appreciate this fact. They see houses being constructed from lumber flown in or brought in by Cat Train and to them the lumber stacked for drying at the sawmill is not required for these houses. Therefore, if an Indian requires some lumber for something he wishes to build, he sees no reason why he cannot help himself to this lumber from the mill. The result is that although sufficient lumber may have been cut initially for a house, by the time construction comes around there may only be

half the required amount of lumber on site. This problem has to be solved before the sawmill operation can hope to become a profitable venture.

#### 2.4 Facilities

1. The sawmill at North Spirit Lake is a brand new mill and was set up at its present site during the fiscal year 1971-72. At the time of the PME Team's visit, only the head saw and carriage and the motor to operate the mill were all that existed at the site (see Appendix "C").
2. It was noted by the PME Team that the carriage and head saw have been set up in such a manner that all logs after being manually pulled out of the water have to be turned around on a platform before they are in position to role onto the carriage in preparation for sawing. When one considers that the logs all have to be man-handled to the carriage, the present position of the mill is extremely inefficient and causing a lot of undue work on the part of the labourers.
3. The above situation was discussed with the Indians engaged in the sawmill operation. Although they realized that the mill now belongs to the Band, they did not seem to understand that they can reverse the mill without getting authority from the District Offices. It is possible, however, that they are lacking in the technical capability to carry out this operation.

4. The PME Team suggested to the Indians that they build a shelter over the head saw and carriage to protect it from the weather. They agreed to do this.
5. The items of plant equipment consist of the following:

(a) Head Saw & Carriage :	Belsaw Machinery Co. (New) Current Value .....	\$1,350.00
(b) Motor:	Wisconsin Model VF4H (New) Current Value .....	\$ 750.00
		Total Current Value ..... \$2,100.00
6. Last years production figures are not known as no records have been kept. However, a small pile of rough lumber being seasoned for next year's construction would indicate that the mill has produced very little lumber during its first year of operation (see Appendix "C").

#### 2.5 Markets

1. There are no outside markets for any lumber produced by the mill. Because the mill is not equipped with a planer, the lumber produced will be difficult to use in house construction. However, it is the intention of the District Construction Supervisor to use all the lumber that is properly seasoned and properly cut. The lumber not suitable for use in houses will be used for sheds, docks, fences, etc. At the time of evaluation there was an estimated 3,000 f.b.m. of unplanned lumber undergoing seasoning. There were 20 to 25 logs at the mill site awaiting sawing.

2. Two houses are being constructed this year at North Spirit Lake settlement and the District expects that over the next five years not more than 12 houses will be constructed. This would indicate a potential total market of 90,000 f.b.m. for houses. The average market for lumber in this area is, therefore, assessed at 15,000 f.b.m. per year for three out of the five years and 22,500 f.b.m. for the remaining two years.

#### 2.6 Finance

1. The establishing of the logging and sawmill operation at North Spirit Lake was financed through the Economic Development Branch of IA&ND and the lumber produced by the mill is to be turned over to Indian housing or to meet other reserve needs. This turnover of materials will be recorded by the District Officer as material is purchased.
2. The following financial information is all that was recorded against the cost of operating the North Spirit Lake sawmill for the 1971-72 fiscal year:

Wages .....	\$ 350.00
Gas .....	150.14
Transportation of Gas .....	200.00
	<hr/>
	\$ 700.14
	<hr/>

3. The amount of lumber cut is not recorded, therefore, since the PME Team was unable to obtain only one side of the equation --

i.e. the cost of production -- it was unable to construct a break even chart for the North Spirit Lake forestry operation.

### III. CONCLUSIONS

1. Forest surveys have not been conducted in the North Spirit Lake area. However, personal observation by the PME Team indicates that there are sufficient stands of good mature white and black spruce within a ten mile radius of the mill site to fill any known requirement of this settlement for the foreseeable future.
2. The Indians are forced to cut logs within 200-300 feet of the water's edge because of the lack of heavy equipment to haul the logs out of the forested areas of the water's edge. This constraint will require the Band to go further afield each year to obtain good timber. Nonetheless, there is sufficient timber along the shoreline of the Lake to fulfill the Band's needs for the foreseeable future.
3. There is an adequate supply of labour but they need to have someone trained in sawmill operations as they do not have anyone experienced in this field at the present time. Local management is also inexperienced in small enterprise operations.
4. The lumber currently being produced at North Spirit Lake is good lumber but due to inaccuracies in sawing and the lack of a planer, will prohibit much of the material from being used for house

construction. Therefore, the Department will have to continue to import lumber from outside sources to construct houses or other buildings on the settlement.

5. The limited amount of equipment they have is brand new and is capable of producing good rough lumber. There is a lack of heavy equipment, especially for the woods logging operation. This results in the heavy use of manual labour for hauling the logs, and will place a severe constraints on the use of mature timber within the close proximity of the mill site as time goes on.
6. An annual market of 15,000 f.b.m. exists at North Spirit Lake.
7. The size of the market does not justify the acquisition of further equipment at this time, although consideration should be given to the provision of a small planer to give them the capability of building with finished lumber when desirable.
8. The mill should be retained at its present level and continue to cut for Band use.
9. The present agreement between the Department and the Band, whereby the Department will purchase all lumber for house construction which meets the specifications of size and seasoning, should continue. However, in order for this arrangement to be successful, the security of the lumber must be overcome.

10. The saw carriage and head saw should be reversed. The District Office should determine whether or not the Band has the necessary technical capability to conduct this operation on their own. If not, a technician should be sent in to carry out the set up.
11. Training of the Indians in logging and sawing operations should be conducted at an early date. Also, training in the administrative aspects of accounting for the sawmill operation should be given to the manager of the mill. The training should be conducted at a larger sawmill so that the Indians can become exposed to labour saving techniques such as the use of jack ladders and pulleys and cables, to reduce manual labour.
12. The PME Team considers the North Spirit Lake Sawmill to be a non-viable operation at the present time.





*NORTH SPIRIT LAKE, ONTARIO*

QUESTIONNAIRE AND MODEL TO ASSESS ECONOMIC VIABILITY  
OF DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT'S  
OWNED AND/OR OPERATED FOREST ENTERPRISES



ECONOMIC VIABILITY OF DEPARTMENT OF INDIAN AFFAIRS  
AND NORTHERN DEVELOPMENT'S OWNED  
AND/OR OPERATED FOREST ENTERPRISES

---

I. WOOD SUPPLY (POTENTIAL)

1. On-Reserve (*Not on Reserve -- Settlement on Crown Land*)

(a) Total forested area ..... acres

(b) Total accessible forested area ..... acres

(c) Forest distribution (acres)

Cover Type	Mature Acres	Immature Acres	Young Acres	Average Total Square Mile
Softwood	<i>Not available by acreage distribution. Estimated by an average square mile.</i>			60 %
Mixedwood				25 %
Hardwood	<i>Note: Bands cutting only Spruce.</i>			15 %
Total				100 %

(d) Species composition -- percentage estimates from mill run if inventory not available.

Black Spruce .....	}	60 %
White Spruce .....		
Jack Pine .....		15 %
Balsam Fir .....		1 %
White Poplar .....		15 %
Black Poplar .....		3 %
White Birch .....		6 %
		<u>100 %</u>

- (e) Cords per acre: estimates using forest distribution table in (c).

Cover Type	Mature Acres	Immature Acres	Young Acres	Of Productive Square Mile
Softwood	Not available by acreage distribution. Estimated only by average sq. mile of which only 60% is productive forest.			60 %
Mixedwood				25 %
Hardwood				15 %
Average				100 %

- (f)

	White & Black Spruce	Jack Pine	White Poplar
Age at Maturity	130	100	80
Height at Maturity	55-60 ft.	55	55
Mean Annual Increment, cu.ft./acre	Less than 15 cu.ft. per acre (softwoods)		

- (g) Estimate in acres any significant losses due to fire, insects, blowdown, etc. and the year of occurrence.

-- Information not recorded.

- (h) Estimate annual cut in past 5 years.

-- No data available.

(i) Estimate annual cut for next 5 years.

--  $15,000 \times 5 = 75,000 \text{ bd. ft.}$

2. Off-Reserve (information based on the average square mile)

(a) Ownership -- Crown ..... ALL square miles  
 -- Private ..... NIL square miles  
 -- Water ..... 30%

(b) Is there a possibility of obtaining cutting rights, and if so, what would be the contractual basis?

-- Yes - Ontario Provincial Government, short-term timber lease of three to five years.

(c) Total forested area.

-- 60% productive per square mile  
 10% non-productive (muskeg, brush, rock, etc.)

(d) Total accessible forested area.

-- Only accessible to Reserve by water.

(e) Forest distribution (acres)

Cover Type	Mature Acres	Immature Acres	Young Acres	Average Sq. Miles
Softwood	Not available by acreage distribution.			
Mixedwood	Estimate given by the average square			
Hardwood	mile 60% productive.			

- (f) Species composition -- percentage estimates from mill run if inventory not available.

Black Spruce .....	}	60 %
White Spruce .....		
Jack Pine .....		15 %
Balsam Fir .....		1 %
White Poplar .....		15 %
Black Poplar .....		3 %
White Birch .....		6 %
		<u>100 %</u>

- (g) Cords per acre: estimates using forest distribution table in (e).

Cover Type	Average Net Merchantable Cords Per Productive Acre	
Softwood	} Not available by age distribution	13
Mixedwood		13
Hardwood		13
Average		13

- (h)

	Black & White Spruce	Jack Pine	Poplar
Age at Maturity	130	100	80
Height at Maturity	55-60	55	55
Mean Annual Increment, cu.ft./acre	Less than 15 cu.ft. per acre (softwoods)		

- (i) Estimate in acres any significant losses due to fire, insects, blowdown, etc. and the year of occurrence.

-- *No records kept*

- (j) Estimate annual cut in past five years.

-- *Records too inaccurate for proper analysis*

- (k) Estimate annual cut for next five years.

-- *As above*

## II. FOREST MANAGEMENT (ON-RESERVE)

### 1. Inventories & Plans

	<u>Completed</u>		<u>In Process</u>	
	Yes	No	Yes	No
(a) Photo - reconnaissance	Yr. Completed	XX	Yr. to be Com- pleted	
(b) Survey - with field work		XX		
(c) Management plans and/or recom- mendations		XX		
(d) Operating plans		XX		
(e) Sponsoring Agency				

Fed. Govt. \_\_\_\_\_ Prov. Govt. \_\_\_\_\_ Band \_\_\_\_\_ Private \_\_\_\_\_

2. Silviculture -- past five years

(a)

Treatments	Acres Treated	Species Involved	Age Trees	Year Treated	Objectives of Treatment	Est. Cost Per Acre
Seeding						
Planting						
Cleaning						
Thinning			- - -	N I L	- - -	
Pruning						
Fertiliza- tion						
Other -- specify						

## (b) Sponsoring Agency

Fed. Govt. \_\_\_\_\_ Prov. Govt. \_\_\_\_\_ Private \_\_\_\_\_ Band \_\_\_\_\_

## (c) Are treatments required on the reserve at the present time?

-- N/A

## (d) If so, what are the priorities?

-- N/A

## (e) If so, what is the purpose of this treatment?

-- N/A



- (f) Are there any treatments schedules for the next five years?  
If so, fill out table as in (a).

-- NO

Treatments	Acres Treated	Species Involved	Age Trees	Year Treated	Objectives of Treatment	Est. Cost Per Acre
Seeding						
Planting						
Cleaning						
Thinning						
Pruning				- - - N / A - - -		
Fertiliza- tion						
Other -- specify						

- (g) In your opinion, what sectors of a forest management plan should receive short term priority?

- i) Growing Stock: (LAST PRIORITY)
- protection ..... \_\_\_\_\_
- regulation ..... \_\_\_\_\_
- silviculture ..... \_\_\_\_\_
- ii) Transportation: (SECOND PRIORITY)
- road development ..... \_\_\_\_\_

iii) Markets: (FIRST PRIORITY)

product research ..... \_\_\_\_\_

promotion advertising ..... \_\_\_\_\_

iv) Other:

please elaborate ..... \_\_\_\_\_

### III. WOOD PROCUREMENT

#### 1. Questions

(a) Where is the wood being cut at the present time?

-- On-reserve \_\_\_\_\_ distance from point of sale\*  
\_\_\_\_\_ miles.

-- Off-reserve XX distance from point of sale\*  
2.5 miles.

(b) If wood is extracted from off of the reserve, what arrangements regarding cutting rights have been made with the owners and who are the owners? What are the terms of the contract in respect of:

*FREE -- ONTARIO GOVERNMENT*

Stumpage fees ..... NIL per annum

Tenure (length contract) ..... N/A years

Date commenced ..... \_\_\_\_\_ mo./yr.

Date to be terminated ..... \_\_\_\_\_ mo./yr.

Renewable options - elaborate .... \_\_\_\_\_

---

\* If wood utilized on reserve, distance will be to mill site.

(c) Is the current operation conducted on a seasonal basis?

-- *Yes - March and April*

(d) What has been the average number of months in operation over the past five years?

-- *Two*

(e) Do you think that the operation could be improved by further mechanization or modernization?

-- *NO - the operation is too small to justify further mechanization.*

(f) If yes, what type of changes would you recommend?

-- *N/A*

(g) How would you expect this to affect employment and production?

-- *N/A*

(h) What in your opinion are the most significant variables working against minimizing production costs on this operation?

Check below: --

Labour:

i)	Skill level - low .....	<u>XX</u>
	- medium .....	<u>          </u>
	- high .....	<u>          </u>
ii)	Low wages or rates .....	<u>          </u>

- iii) Lack of motivation ..... \_\_\_\_\_
- iv) Unavailable on a continuous basis ..... \_\_\_\_\_
- v) Other - specify ..... \_\_\_\_\_

Management:

- i) No or poor leadership ..... \_\_\_\_\_
- ii) No incentives given to labour ... \_\_\_\_\_
- iii) No training provided ..... Need Training
- iv) No cost control ..... XX
- v) No production control ..... XX
- vi) Other - specify ..... The Management requires basic administrative training in keeping records of logs cut and lumber sawn.

Equipment:

- i) Antiquated equipment thus high maintenance costs and low productivity ..... NEW
- ii) Non-integrated system ..... XX

Logging Chance:

- i) Terrain ..... Good lumber in area
- ii) Small Wood ..... \_\_\_\_\_

- iii) Bad environment - specify ..... *Must log at water's edge  
as no equipment to haul  
logs out of bush.*
- iv) High transportation cost ..... \_\_\_\_\_
- v) Other - specify ..... \_\_\_\_\_

- (i) What is your estimate of the potential output per month if the two most significant constraints were eliminated?

-- 20M f.b.m.

- (j) Is it feasible to eliminate these constraints?

-- No - There is no market for the lumber and size of operation does not warrant the procurement of heavy equipment.

- (k) If so, what should be done and what would be the approximate cost?

-- N/A

- (l) Estimate how this would affect production, operating costs, and employment.

#### IV. WOOD PROCESSING

- (a) Where is the wood being acquired for the mill at present?

-- On-reserve ..... %

-- Off-reserve ..... 100 %

- (b) If the wood is acquired off the reserve, from whom is it purchased and at what price?

-- Free - Crown Land

- (c) Is the present operation conducted on a seasonal basis?  
Specify months in operation.

-- *Yes - Two months in summer*

- (d) What is the average number of months worked per annum?

-- *Two*

- (e) Do you think that the operation could be improved by further mechanization or modernization?

-- *Yes*

- (f) If yes, what type of changes would you recommend?

-- *Provide the Band with a small planer.  
A Jack Ladder or system of pulleys and cables would greatly  
- reduce manual labour in handling logs from the water's edge to the*

- (g) How would you expect these changes to affect employment and production? *saw carriage.*

-- *With the acquisition of a small planer, the Band would  
then have the potential of producing a useable produce.  
A system of pulleys and cables would increase efficiency  
by 25 to 50%. Slight increase in employment.*

- (h) What in your opinion are the most significant variables working against minimizing production costs on this operation?

Check below: --

Labour:

- i) Skill level - low ..... XX  
- medium .....  
- high .....  
ii) Low wages or rates .....

- iii) Lack of motivation ..... \_\_\_\_\_
- iv) Unavailable on a continuous basis .. \_\_\_\_\_
- v) Other ..... \_\_\_\_\_

Management:

- i) No or poor leadership ..... No leadership
- ii) No incentives given to labour ..... \_\_\_\_\_
- iii) No training provided ..... Need to train a sawyer
- iv) No cost control ..... XX
- v) No production control ..... XX
- vi) Other ..... \_\_\_\_\_

Equipment:

- i) Antiquated equipment thus high maintenance costs and frequent downtime ..... NEW
- ii) Non-integrated system ..... XX
- iii) Other ..... Lack of use of Jack Ladder and pulleys and cables to reduce manual labour works against minimizing production costs.

Sawing Chance:

- i) Large wood ..... GOOD
- ii) Small wood .....
- iii) Bad environment - specify .....
- iv) Other .....

(i) What is your estimate of the potential output per month if the two most significant constraints were eliminated?

-- 60,000 f.b.m. per month.

(j) Is it feasible to eliminate these constraints?

-- YES

(k) If so, what should be done and what would be the approximate cost?

-- A new planer would cost \$450.00 plus transportation.  
The introduction of a Jack Ladder or system of pulleys and cables would cost \$700 to \$1500 depending on type acquired.

(l) Estimate how this would affect production, operating costs, and employment.

-- The planer would not affect production, but the Band would then have the potential of producing a more useable product. The Jack Ladder would increase efficiency by 25 to 50%, reduce operating costs by 10-15%, small increase in employment.

(m) What do you think or understand were the objectives of setting up the operation in the first place?

-- Local lumber; employment; training.



(n) Do you think these objectives are good or sound objectives?

-- Yes

(o) If no, what do you think the objectives should be?

(p) If yes, do you think that the objectives are being met?

-- *Partly - need training; very little use for the lumber if it is not planed.*

(q) Are there other opportunities which would employ as many or more people at the same level of capital investment? Please elaborate.

-- *fishing, government employment, trapping.*

(r) Do you think that the current operation or investment represents the best opportunity in lieu of the benefits (monetary and social) received by the people involved?

-- *No - the operation is purely a supplement to welfare.*

(s) If answer to (r) is yes, what improvements could be made in the current operation? Please elaborate.

(t) If answer to (r) is no, what alternate investment would you recommend?

V. QUESTIONS CONCERNING THE PRODUCTION MANAGEMENT VARIABLE

(a) How is the present operation organized?

i) cooperative ..... \_\_\_\_\_

ii) partnership ..... \_\_\_\_\_

iii) government supervision - yes ..... \_\_\_\_\_  
(specify who and  
sources of funding) - no ..... \_\_\_\_\_iv) entrepreneurial (people working for and paid by a leader other than a government official) ..... *Loose agreement between Band and Manager of mill. He gets paid for lumber IAND buys, splits profit with two other Band members.*v) other (specify) ..... *Band Owned*

(b) What are the motives of present management?

i) maximize profits ..... \_\_\_\_\_

ii) supply domestic needs ..... *XX*

iii) employ as many people as possible ... \_\_\_\_\_

iv) training ..... \_\_\_\_\_

v) supply open market ..... \_\_\_\_\_

VI. MARKETING

(a) What per cent of total production (annual) is sold off the reserve?

-- *NONE*

- (b) To whom is this sold and at what price per 1,000 f.b.m.?
- (c) Do you anticipate a potential (next five years) market off the reserve?  
-- NO
- (d) If answer to (c) is yes, where and at what price per cord or M f.b.m.?
- (e) Who are or would be competitors?
- (f) Can the proposed operation compete without government subsidization?
- (g) If no, list main reasons why it cannot compete.
- (h) Are there institutional constraints restricting sales off the reserve? If yes, please specify.
- (i) Do you think local industry would guarantee purchases of wood or timber on an annual or monthly basis?

(j) What are the estimated requirements for wood?

	20,000 f.b.m. annual	Volume (f.b.m.)	
		<u>1971-72</u>	<u>1973-75</u>
i)	<u>Local</u> (reserve or settlements)	15,000	15,000 per annum
--	houses		
--	docks		
--	fishing camps	5,000	5,000 " "
--	other		
ii)	<u>Other Government Agencies</u>		
--	education - schools		
	health and welfare		
--	hospitals		
	other		
iii)	<u>Export</u> (off-reserve)		
	industry - mines		
	- mills		
	- tourists		
	consumer - briquettes,		
	decorations		
Total five year requirements - volume (f.b.m.)			100,000
Total value of requirements (estimated)			\$25,000.00

The following questions relate to marketing management.

(a) Has there been any attempt to market the product via advertising, promotion or other commercial media?

-- NO

(b) If yes, what are the approximate costs?

(c) In your opinion, has this promotion been effective?

## GENERAL INFORMATION

The purpose of this section is to yield information on the physical and cultural setting within which the forestry operation exists.

1. Area Name: *NORTH SPIRIT LAKE*
2. Agency: *SIOUX LOOKOUT*
3. Total Area: *NOT ON RESERVE*
4. Population: *140*
5. Number of Family Units: *30*
6. Number Children Per Family: *3*
7. Labour Force: *40*
8. Ethnic Origin: *OJIBWAY - CREE*
9. Net Income Per Family: *1500 - 1800*
10. Net Welfare Income Per Family: *1500*
11. List the present area of employment: *FISHING, TRAPPING, GOVERNMENT WORK, GUIDING.*
12. List the potential areas of employment: *AS ABOVE*
13. What are the more significant problems of the Band: elaborate:  
*-- ISOLATION.*



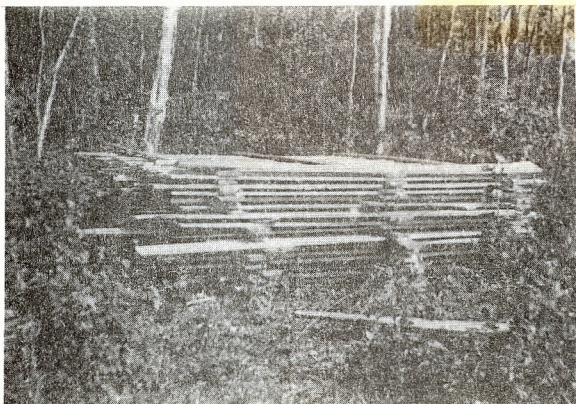
NORTH SPIRIT LAKE, ONTARIO



Headsaw and Carriage. Note: No protection from elements



Sawmill Site from Lake



Rough Lumber stacked to undergo Seasoning



Logs awaiting Sawing. Note size of logs by comparison with boy in foreground. Logs 12' - 14' long.