PME EVALUATION OF THE CAT LAKE FORESTRY OPERATIONS

CAT LAKE, ONTARIO

(INDIAN-ESKIMO AFFAIRS)

E78.05 C35 no.3(L) 1972

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(INDIAN-ESKIMO AFFAIRS)

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Program Management Evaluators:

B.E. MacDonald E.A. Wilson (Team Leader)

CONFIDENTIAL

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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 Cat Lake settlement located at Cat Lake, Ontario.
  - 2. The Indians located at Cat Lake are of the Osnaburgh Band, but their settlement is on Crown land, located approximately 75 miles northwest of New Osnaburgh, Ontario. Cat Lake, Ontario is approximately 110 miles north northeast of Sioux Lookout (see Appendix "A"). The Cat Lake settlement has a population of approximately 215 people. The settlement is completely isolated except by service from float or ski equipped aircraft and by a winter road over which a cat train brings in supplies from Pickle Lake 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. The PME Team was advised that in January 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 years 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 Cat Lake in order to establish its efficiency and effectiveness as a basis for future policy planning and decision making. The emphasis has, there-fore, 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 Cat 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 Cat Lake on September 15, 1972. During this visit the Team was accompanied by the departmental Development Officer located at Pickle 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 Cat 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

 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 Cat 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. An average square mile of area consists of 60% productive forest, 10% non-productive land, and 30% water.

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Of the 60% productive forest, white and black spruce comprise 60% 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% is covered with white and black poplar. The remainder consists of small stands of birch and fir. Of all of the above species, 98% of the trees cut by the Indians is mature spruce; the other 2% 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 although the Indians now have to go approximately 6 miles distance from the mill to obtain it.

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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

The sawmill at Cat Lake was turned over to the Band in January 1. 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 at the Cat 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 Cat Lake from Red Lake or Pickle 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 Cat Lake is approximately \$298.60 per M f.b.m., of this \$89.60 is transportation charges.

- 2. At the time of the visit of the PME Team to Cat Lake, it was obvious to the Team that those persons engaged in the sawmill operation were completely unaware of the management of the sawmill or how the mill was to be financed. The Indians did not appear to be aware that the Department was prepared to finance the mill operation for only the first year and that subsequent years would be the Band's responsibility. Men complained to the Team that they had worked in the bush cutting logs, but the Department had not paid them for their labour. The Team was advised that about 200 logs had been cut and were still in the bush where they would remain until the men had been paid.
- 3. Subsequent examination of the records of the Sioux Lookout Offices disclosed that \$1,580.00 had been paid to the Band as wages for the forestry operation and that \$134.52 had been spent for oil and gasoline (exclusive of transportation charges) for the sawmill operation. These funds would indicate that approximately 700 to 790 hours of labour had been expended for the forestry operation and that the amount of gasoline purchased would have permitted the sawmill to operate for approximately 12-15 days.
- 4. An examination of the mill site by the PME Team disclosed that only 1800 f.b.m. of 2X4's, 2X6's and 1X6's were rough sawn and stacked to dry at the time of the visit. Approximately 25 logs

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were at the site awaiting sawing. On enquiring whether more lumber had been sawn than was on site, the Team was advised that this was the total amount. Apparently the belt driving the sawmill had broken and the new one was too long for the carriage. They did not seem to have the technical knowledge which would permit them to shorten the belt and make the sawmill operational.

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Based on the above information, the productivity of this saw-5. mill leaves much to be desired. In approximately two months of operation the mill has produced 1800 f.b.m. of rough cut lumber valued at \$521.28 (rough lumber plus transportation costs = \$289.60 per M f.b.m.). The 200 logs cut but not hauled from the bush to the mill represents approximately 7,000 f.b.m. or \$280.00 worth of labour. For an additional \$150.00 these logs could be hauled to the mill, and for an additional \$325.00 the logs could be sawn into rough lumber raising the value of the product to \$2,027.20. As the Department has already spent \$2,225.08 for which it is in a position to receive a product worth \$521.28, it would appear to the PME Team that an additional outlay of \$475.00 would permit the Department to obtain an additional 7,000 f.b.m. of unfinished lumber worth \$2,027.20. The Department would be purchasing the 8,800 f.b.m. of lumber for approximately \$2,700.08 instead of \$2,200.00. However, the

net result of purchasing the 8,800 f.b.m. of lumber from the Cat Lake sawmill instead of transporting the lumber from outside sources would result in reducing the loss to the Department to \$151.60.

6. It is the opinion of the PME Team that the stoppage of the Cat Lake sawmill production is both an administrative and a technical problem, and that the Superintendent of the Sioux Lookout District Office should take action to rectify this situation by providing the Band with the necessary financial support and the technical and administrative assistance.

#### 2.3 Facilities

- The sawmill is located on the shore of the Lake. The head saw and carriage are not protected from the weather, although a rough, but adequate building protects the motor (see Appendix "C").
- 2. The items of plant equipment consist of the following:

| (a) | Head Saw &<br>Carriage : | Belsaw Machinery Co. (New)<br>Current Value \$1,500.00          |
|-----|--------------------------|---|
| (b) | Motor:                   | Wisconsin Model VF4H (good condition)<br>Current Value\$ 545.00 |
|     |                          | \$1,545.00  |

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3. As the sawmill is new this year, an annual production has not been determined.

2.4 Markets

- 1. There are no outside markets for any lumber produced by the mill. Suitable finished lumber is used in house construction, the remainder is used for the construction of docks, sheds, fences and boardwalks. At the time of evaluation there was an estimated 1,800 f.b.m. of unplaned lumber undergoing seasoning. There were approximately 25 logs at the mill site awaiting sawing, and an additional 200 logs in the bush awaiting hauling to the mill.
- 2. An average of two houses are being constructed each year at Cat Lake settlement and the District does not expect this number to increase in future years. This would indicate a total market of 15,000 f.b.m. per year.for house construction. There is also approximately 5,000 f.b.m. required each year for other Band needs.

#### 2.5 Finance

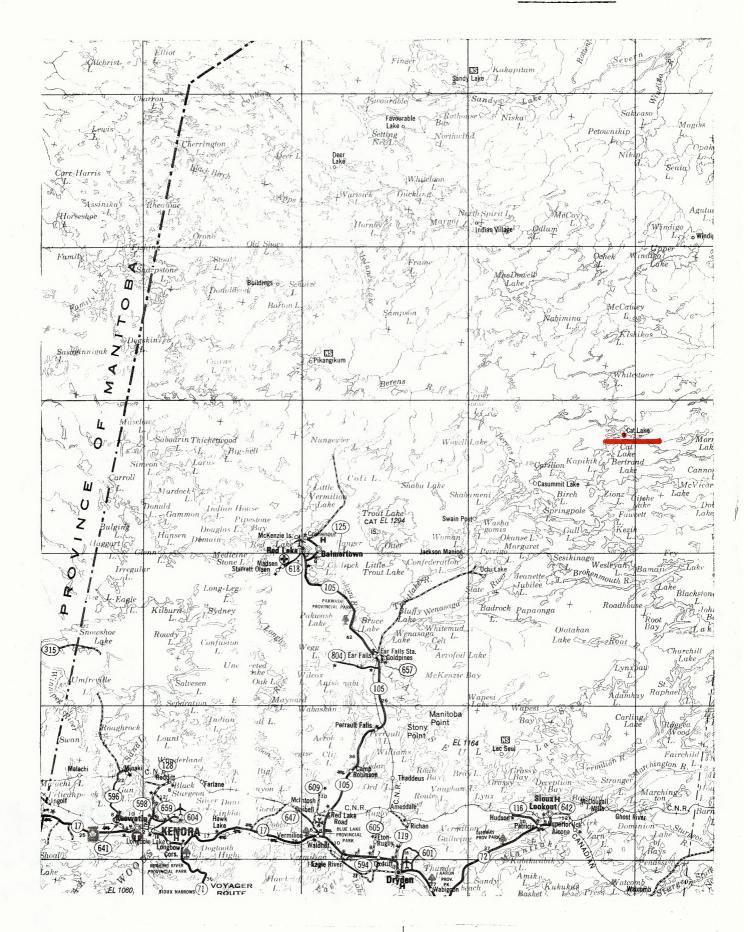
 The following financial information is all that was recorded against the cost of operating the Cat Lake sawmill for the 1971-72 fiscal year:

| Wages                         | \$ 1,580.00 |
|-------------------------------|-------------|
| Repairs to Sawmill            | 2.50        |
| Gas                           | 134.52      |
| Transportation of Gas and Oil | 175.20      |
| •                             | \$ 2,225.08 |

#### III. CONCLUSIONS

- Forest surveys have not been conducted in the Cat 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 next five years.
- 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 requires 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. It is classed as skilled for logging, but only semi-skilled for the sawmill operation. Local management is inexperienced in other than small enterprises.
- 4. The lumber currently being produced at Cat Lake is good rough lumber, but due to inaccuracies in sawing, the finished material is not always suitable for house construction. Therefore, the Department will have to continue to import lumber from outside sources to make up for whatever cannot be produced at Cat Lake.

- 5. The equipment is in good condition 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 places a severe constraint on the use of mature timber within the close proximity of the mill site.
- 6. An annual market of 20,000 f.b.m. exists at Cat Lake.
- The size of the market does not justify the acquisition of further equipment at this time.
- 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 finished lumber for house construction which meets the specifications of size and seasoning, should continue.
- 10. In order for the Band to continue to operate the sawmill for the 1972-73 fiscal year, the Band needs financial support and administrative and technical assistance.
- 11. The PME Team considers the Cat Lake Sawmill operation to be a non-viable operation.



1<u>0 5 ρ 10 +</u>20 30 4ρ 50 6ρ 7ρ

SCALE OF MILES

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

CAT LAKE, ONTARIO

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

Total Area of Reserve = 538 Acres

#### I. WOOD SUPPLY (POTENTIAL)

#### 1. On-Reserve

- (a) Total forested area ..... 484 acres
- (b) Total accessible forested area ..... 484 acres
- (c) Forest distribution (acres)

| Cover<br>Type | Mature<br>Acres | Immature<br>Acres                     | Young<br>Acres | Total |
|---------------|-----------------|---------------------------------------|----------------|-------|
| Softwood      | 107             | • • • • • • • • • • • • • • • • • • • | 377            | 484   |
| Mixedwood     |                 |                                       |                |       |
| Hardwood      |                 |                                       |                |       |
| Total         | 107             |                                       | 377            | 484   |

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

| Black Spruce               | 45            | % |
|----------------------------|---------------|---|
| Jack Pine                  | 30            |   |
| Balsam Fir<br>White Poplar | 1<br>11       |   |
| Black Poplar               | $\mathcal{J}$ |   |
| White Birch                |               |   |
|                            | 100           | % |

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

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

(f)

|   | White & Black<br>Spruce | Jack<br>Pine | White<br>Poplar |  |
|---|-------------------------|--------------|-----------------|--|
| Age at Maturity                         | 110                     | 70           | 60              |  |
| Height at Maturity                      | 70                      | 70           | 65              |  |
| Mean Annual Incre-<br>ment, cu.ft./acre | 30 cu.ft. per a         | cre (sof     | twoods)         |  |

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

-- No records kept.

(h) Estimate annual cut in past 5 years.

-- Return from Reserves too inaccurate for proper analysis.

(i) Estimate annual cut for next 5 years.

-- As above

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

| (a) | Ownership | <br>Crown   | ALL | square miles |
|-----|-----------|-------------|-----|--------------|
|     |           | <br>Private | NIL | square miles |
|     |           | <br>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.

(c) Total forested area.

- -- 60% productive; 10% non-productive (muskeg, brush, rock, etc.)
- (d) Total accessible forested area.

-- Only accessible to Reserve by water.

(e) Forest distribution (acres)

| Cover<br>Type | Mature<br>Acres | Immature<br>Acres         | Young<br>Acres | Aver<br>Sq. M | age<br>Miles |
|---------------|-----------------|---------------------------|----------------|---------------|--------------|
| Softwood      | Not avail       | lable by acre             | eage distr     | i- 60         | 80           |
| Mixedwood     |                 | Estimated by which 60% is | Ŭ              | • 40          | 22           |
| Hardwood Nc   | ote: Reserves   |                           | -              | 15            | 93           |

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

| Black Spruce | 45  | ø |
|--------------|-----|---|
| White Spruce | 70  |   |
| Jack Pine    | 30  | % |
| Balsam Fir   | 1   | % |
| White Poplar | 11  | % |
| Black Poplar | 3   | % |
| White Birch  | 10  | % |
|              | 100 | % |

(g)

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

| Cover<br>Type | Mature<br>Acres | Immature<br>Acres | Young<br>Acres | Average Net Mer-<br>chantable cords per<br>Productive Acre |
|---------------|-----------------|-------------------|----------------|--|
| Softwood      |                 |                   |                | 18   |
| Mixedwood     |                 |                   |                | 18   |
| Hardwood      | •••••           |                   |                | 18   |
| Average       |                 |                   |                | 18   |

(h)

|   | Black & White<br>Spruce | Jack<br>Pine | Poplar |
|---|-------------------------|--------------|--------|
| Age at Maturity                         | 110                     | 70           | 60     |
| Height at Maturity                      | 70                      | 70           | 65     |
| Mean Annual Incre-<br>ment, cu.ft./acre | 30 cu.ft. per           | acre (soft   | woods) |

- (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.

-- Returns from Reserve too inaccurate for proper analysis \*

(k) Estimate annual cut for next five years.

-- As above

\* Osnaburgh records show that 85,000 f.b.m. was cut in 1971.

#### II. FOREST MANAGEMENT (ON-RESERVE)

|         |   | Completed                 |      | In Process              |    |
|---------|---|---------------------------|------|-------------------------|----|
|         |   | Yes                       | No   | Yes                     | No |
| (a) Pho | oto –<br>econnaissance                      | Yr. Completed 1948 & 1968 | Y    | r. to be Com-<br>pleted |    |
|         | rvey – with<br>ield work                    |                           | XX   |                         |    |
| a       | nagement plans<br>nd/or recom-<br>endations |                           | XX   |                         |    |
| (d) Op  | erating plans                               |                           | XX   | •                       |    |
| (e) Spo | onsoring Agency                             |                           |      |                         |    |
| F       | ed. Govt.                                   | Prov. Govt.               | Band | Private                 |    |

### 2. <u>Silviculture</u> -- past five years

| (a)         |                    | Acres      | Species    | Age     | Year     | Objectives      | Est. Cost   |
|-------------|--------------------|------------|------------|---------|----------|-----------------|-------------|
|             | Treatments         |            | Involved   |         | Treated  | of<br>Treatment | Per<br>Acre |
| ٠           | Seeding            |            |            |         |          |                 | ,           |
|             | Planting           |            |            |         |          |                 |             |
|             | Cleaning           |            |            |         |          |                 |             |
|             | Thinning           |            |            | - N I   | · L      | -               |             |
| ·           | Pruning ·          |            |            |         |          |                 |             |
|             | Fertiliza-<br>tion |            |            |         |          |                 |             |
|             | Other<br>specify   |            |            |         |          |                 |             |
|             |                    |            |            |         |          |                 |             |
| <b>(</b> b) | Sponsoring A       | lgency     |            |         |          | ·               |             |
|             | Fed. Govt          | Pro        | v. Govt.   | P       | rivate   | Band            |             |
| (c)         | Are treatmen       | nts requir | ed on the  | reserve | at the p | resent time?    |             |
|             | N/A                |            |            | •       |          |                 |             |
|             |                    |            |            |         |          |                 |             |
| (d')        | If so, what        | are the n  | riorities? |         |          |                 |             |
|             | N/A                |            |            |         |          |                 |             |
|             |                    |            |            |         |          |                 |             |
| (e)         | If so, what        | is the pu  | rpose of t | his tre | atment?  |                 |             |
|             | N/A                |            |            | ••••    |          |                 | •           |

6.

- (f) Are there any treatments schedules for the next five years? If so, fill out table as in (a).
  - -- NO

| Treatments         | Acres<br>Treated | Species<br>Involved | Age<br>Trees | Year<br>Treated | Objectives<br>of<br>Treatment | Est. Cost<br>Per<br>Acre |
|--------------------|------------------|---------------------|--------------|-----------------|-------------------------------|--------------------------|
| Seeding            |                  |                     |              | · .             |                               |                          |
| Planting           |                  |                     |              |                 |                               |                          |
| Cleaning           |                  |                     |              |                 |                               |                          |
| Thinning           |                  |                     |              |                 |                               |                          |
| Pruning            |                  |                     |              |                 |                               |                          |
| Fertiliza-<br>tion |                  |                     |              |                 |                               |                          |
| Qther<br>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 |                   |

7.

| i | ii) | Markets: |
|---|-----|----------|
|   |     |          |

product research .....

(FIRST PRIORITY)

promotion advertising .....

Other: iv)

please elaborate .....

#### **III.** WOOD PROCUREMENT

1. Questions

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

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

Off-reserve XX distance from point of sale\*

1-6 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: -- Owners - Crown Land

| Owners - Orown Lana           |     |           |
|-------------------------------|-----|-----------|
| Stumpage fees                 | NIL | per annum |
| Tenure (length contract)      | NIL | years     |
| Date commenced                | N/A | mo./yr.   |
| Date to be terminated         | N/A | 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?

9.

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- -- Yes, March and April
- (d) What has been the average number of months in operation over the past XXXX years? one
  - -- Two months
- (e) Do you think that the operation could be improved by further mechanization or modernization?
  - -- NO The operation and market 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:

| iii) | Lack of motivation                |
|------|-----------------------------------|
| iv)  | Unavailable on a continuous basis |
| v)   | Other - specify                   |

#### Management:

|   | i)    | No or poor leadership         | NONE      |
|---|-------|-------------------------------|-----------|
|   | ii) . | No incentives given to labour | <u>XX</u> |
|   | iii)  | No training provided          | <u>XX</u> |
|   | iv)   | No cost control               | XX        |
| - | v)    | No production control         | XX        |
|   | vi)   | Other - specify               |           |

# Equipment: i) Antiquated equipment thus high maintenance costs and low pro-ductivity ..... ii) Non-integrated system .....

#### Logging Chance:

| i)  | Terrain    | FAIR |
|-----|------------|------|
| ii) | Small Wood |      |

11.

v) Other - specify .....

High transportation cost .....

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

-- 20,000 f.b.m.

iii)

iv)

- (j) Is it feasible to eliminate these constraints?
  - -- NO The size of operation and the market does not warrant the procurement of heavy equipment
- (k) If so, what should be done and what would be the approximate cost? -- N/A
- Estimate how this would affect production, operating costs, and employment.

-- N/A

#### IV. WOOD PROCESSING

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

| (77 pro) | On-reserve  |     | % |
|----------|-------------|-----|---|
|          | Off-reserve | 100 | % |

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

| iii) | Lack of motivation                | XX |
|------|-----------------------------------|----|
|      |                                   |    |
| iv)  | Unavailable on a continuous basis |    |
|      |                                   |    |
| v)   | Other                             |    |

#### Management:

I

|   | i)   | No or poor leadership         | NONE   |
|---|------|-------------------------------|--|
|   | ii)  | No incentives given to labour | XX   |
|   | iii) | No training provided          | XX   |
|   | iv)  | No cost control               | XX   |
| • | v)   | No production control         |  |
|   | vi)  | Other                         | Mill workers have no<br>idea how they get paid<br>for their work |

## Equipment:

i

| 1)   | Antiquated equipment thus high<br>maintenance costs and frequent<br>downtime | New Head Saw -<br>1971-72 fiscal year.    |
|------|--|---|
| ii)  | Non-integrated system  |   |
|      |  | Lack of Jack Ladder                       |
| iii) | Other  | or system of pulleys and cables to reduce |
|      | manual labour wo   | rks against minimizing                    |
|      |  | production costs.                         |

...14

| i)   | Large wood FAIR           | **** |
|------|---------------------------|------|
| 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.

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

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

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

- (1) Estimate how this would affect production, operating costs, and employment.
  - The Jack Ladder would increase efficiency by 25-50% and reduce operations costs by 10-15%. Small increase in employment. The planer would not increase production but the Band would then have the potential of producing a more useable product.
- (m) What do you think or understand were the objectives of setting up the operation in the first place?
  - -- To provide local source of rough sawn lumber. Training in sawmill operation provide local employment.

- (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?
  - -- No the sawmill has been set up at this Reserve, but there is no management, nor is there a clear understanding of the Band's responsibilities with regard to the cutting of logs or the sawing of lumber. Men have cut logs but have not been paid for
- (q) Are there other opportunities which would employ as many or their work. more people at the same level of capital investment? Please elaborate.
  - Fishing, trapping, guiding, BHC, Provincial Ministry of Resources.
- (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 - This 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.

nn N/A

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

- Provide the Band with managerial help for a year or two so that they can learn to operate the mill, or take the mill out of the Reserve.

How is the present operation organized? (a) cooperative ..... i) partnership ..... ii) IA&ND paid for 1st year's iii) government supervision - yes ..... operating expenses. (specify who and - no ..... sources of funding) entrepreneurial (people working iv) for and paid by a leader other than a government official) ..... other (specify) ..... Band owned & operated v) (b) What are the motives of present management? i) maximize profits ..... supply domestic needs ..... XX ii) iii) employ as many people as possible ... \_\_\_\_\_ XX training ..... XX iv) supply open market ..... **v**)

QUESTIONS CONCERNING THE PRODUCTION MANAGEMENT VARIABLE

#### VI. MARKETING

۷.

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

-- NONE

0

- (b) To whom is this sold and at what price per 1,000 f.b.m.?
  - -- N/A
- (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.?

-- N/A

(e) Who are or would be competitors?

--- N/A

(f) Can the proposed operation compete without government subsidization?

-- N/A

- (g) If no, list main reasons why it cannot compete.
- (h) Are there institutional constraints restricting sales off the reserve? If yes, please specify.

-- NO

(i) Do you think local industry would guarantee purchases of wood or timber on an annual or monthly basis?

-- NO

(j) What are the estimated requirements for wood?

|         |       |   | Volume (f.b.m.) |                 |      |
|---------|-------|---|-----------------|-----------------|------|
|         |       |   | 1971-72         | 1973-75         |      |
|         | i)    | Local (reserve or settlements)                                  |                 |                 |      |
|         |       | houses  | 15,000 f.b.n    | n. 15,000 per a | nnum |
|         |       | docks<br>fishing camps<br>other                                 | 5,000           | 5,000 "         | 71   |
|         | ii)   | Other Government Agencies                                       |                 |                 |      |
|         |       | education - schools<br>health and welfare<br>hospitals<br>other |                 |                 |      |
| 4<br>15 | iii)  | Export (off-reserve)  |                 |                 |      |
|         | -     | industry - mines  |                 |                 |      |
|         |       | - mills<br>- tourists   |                 |                 |      |
|         |       | consumer - briquettes,<br>decorations                           |                 |                 |      |
|         | Tota  | l five year requirements – volume (                             | f.b.m.) 2       | 100,000 f.b.m.  |      |
|         | Tota  | l value of requirements (estimated)                             | \$              | 18,750.00       |      |
| The     | follo | wing 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:                                 | CAT LAKE   |  |
|--|--|--|--|
| 2.   | Agency:                                    | SIOUX LOOKOUT  |  |
| 3.   | Total Area:                                | 538 ACRES  |  |
| 4.   | Population:                                | 215  |  |
| 5.   | Number of Family Units:                    | 35   |  |
| 6.   | Number Children Per Family:                | 4  |  |
| 7.   | Labour Force:                              | 35   |  |
| 8.   | Ethnic Origin:                             | <b>OJIBWAY</b>   |  |
| 9.   | Net Income Per Family:                     | \$2,000  |  |
| 10.  | 10. Net Welfare Income Per Family: \$1,800 |  |  |
| 11.  | List the present area of emp               | loyment: Fishing, Rice Picking, Government<br>Work, Guiding, Trapping. |  |
| 12. List the potential areas of employment: As Above               |  |  |  |
| 13. What are the more significant problems of the Band: elaborate: |  |  |  |
|  | Teolation                                  |  |  |





#### Headsaw and Carriage

Shed in left foreground contains power unit and spare parts. Logs in foreground are approximately 14 inches in diameter.



Total Stockpile of Lumber undergoing seasoning. Note logs piled in right background awaiting sawing.