

RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION

- WHEREAS, for many months last past the Tribal Council has been studying the pros and cons of granting to Western Forest Sales Products, Inc., a 25-year contract, with an option to renew for a like period, which would, among other things, provide that Western would have exclusive right to harvest 25 million board feet of timber from the Fort Apache Indian Reservation, and
- WHEREAS, Southwest Lumber Mills can now, under contract, harvest 20 million board feet of Fort Apache timber, and
- WHEREAS, if the plywood plant proposed by Western were constructed, Western and Southwest would consume ninety-five per cent of the available yearly timber, and
- WHEREAS, the Fort Apache Wholesale Lumber Company intends to increase its production from its present 8 million to 25 million board feet of timber a year, and
- WHEREAS, the Fort Apache Wholesale Lumber Company is a solely owned and operated profitable White Mountain Apache industry which would have to be terminated if the contract for a plywood plant were executed, and
- WHEREAS, the White Mountain Apaches, through their industrial development on the reservation, have exemplified the fact that this is one way to develop the Indians' human resources, and
- WHEREAS, even though it has always been the policy of the Tribal Council to encourage new industry on the reservation, considering the above, the sacrifice necessary to permit the plywood contract to be executed would be too great.

NOW THEREFORE BE IT RESOLVED that the Chairman notify Western Forest Sales Products Company that it is with great regret that the White Mountain Apache Tribe rejects its offer to construct and operate a plywood plant on the Fort Apache Indian Reservation.

The foregoing resolution was on October 15, 1959, duly adopted by a vote of 8 for and 2 against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (i) of the Amended Constitution and By-Laws of the Tribe, ratified by the Tribe June 27, 1958, and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

Lester Oliver
Chairman of the Tribal Council

Diana E. Hughes
Acting Secretary of the Tribal Council

WHITE MOUNTAIN APACHE TRIBE

Whiteriver, Arizona

October 7, 1959

Mr. Loren Haugen
Chairman of the Board
Western Forest Sales Corporation
3319 North Central
Phoenix, Arizona

Dear Mr. Haugen:

A delegation of the White Mountain Apache Tribal Council met with Bureau representatives and the Tribal Attorney on August 6, 1959, relative to your proposal regarding the construction of a plywood plant on the Fort Apache Indian Reservation.

First let me say that it has always been my desire, and I am sure this is shared in by the Tribal Council, that a mutually beneficial arrangement can be consummated resulting in the construction and operation of a plywood plant on the reservation.

It was the unanimous agreement of all present that the operation of a plywood plant demanding for its economic survival 25 million board feet of timber annually, and the operation of the Fort Apache Wholesale Lumber Co. with a projected use of 25 million board feet of lumber, are incompatible. The reason for the incompatibility is very simple - there is not enough available timber.

Prior to the Tribe's first meeting with you regarding the establishment of a plywood industry on the reservation, the Tribe had plans to enlarge the present Fort Apache Wholesale Lumber Co. facilities so as to increase its production from its present annual 10 million board feet to an annual 25 million board feet. A conservative estimate of the net profit to be realized from the increased production was \$10 a thousand board feet or a total of \$250,000. This lucrative business would have to be sacrificed for the plywood venture.

In addition the delegation felt that the Fort Apache Wholesale Lumber Co. is an unusual example of a solely owned,

successfully operated Indian business which eventually would be exclusively manned by White Mountain Apaches. This outstanding example of Indian ingenuity would likewise have to be sacrificed if a plywood industry were established:

Considering the fact that the Tribe's agreement with you would extend over a long period of time, the delegation felt that as spokesmen for some 4,000 White Mountain Apaches they would be shirking their duty as representatives of this group if they did not require a minimum annual guarantee clause in the contract. Therefore it was unanimously agreed that Western would have to consent to a contract proviso requiring it to guarantee the Tribe an annual payment based on market conditions of not less than \$250,000. In addition, present regulations require that all timber be sold on a bid basis. Therefore this would necessitate offering for bid some 625 million board feet of timber. Considering the attitude of Congress and the Secretary of the Interior's past and present policies, it would be inconceivable that the Secretary would waive advertising, or even offer this huge amount of timber in a single advertisement. Furthermore, there would have to be a quarterly, semi-annual or annual adjustment of the stumpage fee to be paid to the Tribe by Western. The contract would provide an index tying the price of stumpage to the published reports of the Western Pine Association.

The delegation further considered the possibility that you might not be agreeable to have incorporated in the contract the above provisions. Therefore, under a new agreement, the tribal delegation is willing to recommend to the Tribal Council that it make available to Western a sufficient area of land to construct and operate a plywood plant and saw-mill including, but without limitation, sufficient area to construct a mill pond. The recommendation would further provide that this land be made available at a nominal cost to Western. Also Western would have the opportunity to bid on approximately 5 million board feet of timber annually, which amount of timber would be surplus to the operating needs of the Fort Apache Wholesale Lumber Co.

With kindest personal regards, I remain

Very truly yours,

/s/ Lester Oliver

Lester Oliver
Tribal Chairman