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Stumpage rates to be paid by the Warm Springs Lumber Company, Warm Springs, Oregon, for timber cut under contract since last April 1 on the Schoolie Unit of the Warm Springs Indian Reservation are being increased by approximately 18 percent for ponderosa pine and 44 percent for Douglas fir and other species, the Department of the Interior announced today.

The increases were put into effect through an order signed October 16 by Secretary Fred A. Seaton following an extensive resurvey of stumpage rate adjustments ordered last March 31 by former Secretary Douglas McKay which were protested by both the tribe and the company. Before leaving office on April 14, Mr. McKay indicated in a memorandum to Under Secretary Clarence A. Davis that he had been compelled to issue the March 31 order without time for adequate consideration and recommended a restudy of the entire record.

At current lumber price levels Secretary Seaton's action will increase the tribal income for the year beginning April 1, 1956 by about $125,000 if the company cuts the usual volume of timber during that period.

Under terms of the contract the stumpage rates are pegged by ratio to current lumber prices. In former Secretary McKay's order of March 31 the ratio for ponderosa pine was increased from 30 to 33 percent and for the other species from 8 to 16 percent. Secretary Seaton's more recent order increases the ponderosa ratio to 39 percent and the other ratio to 23 percent.

In giving his reasons for ordering the latest increase, Secretary Seaton pointed to technological developments in the lumber industry and changes in marketing conditions which have made the earlier ratios "completely unrealistic." One of the factors which he specifically mentioned was “the tremendous growth of the plywood industry and the utilization of wood waste in various processes.”

Secretary Seaton also pointed out that the meaning of certain parts of the contract is in dispute and is involved in litigation now pending before the District Court of the District of Columbia. He added, however, that "since the Department precedent as established by Secretary McKay in 1954 takes a liberal view of the right of the Secretary to so fix these stumpage prices as to somewhat conform to current prices of timber, it is my view that such an interpretation should continue unless the litigation now pending should determine otherwise.”