

not so accessible, at from \$2.50 to \$5 per M. The assessed value of the timber in the State of Washington averages \$2 per M, and this is always considerably below the sale value.

That these differences will be eliminated in the near future is certain. One of the chief reasons is that the supplies in the East are diminishing rapidly, and the centre of timber production is moving west. The cut of white pine in the United States has been reduced from 7,742,000,000 b.f. in 1900 to 3,900,000,000 b.f. in 1909; of hemlock, from 3,421,000,000 b.f. to 3,032,000,000 b.f., while that of Douglas fir has increased from 1,737,000,000 b.f. to 4,856,000,000 b.f. and Washington has jumped from sixth place to first as a lumber-producing state. Another reason is that so much of the British Columbia timber is located directly on protected arms of the sea, that logging operations and shipping can be carried on at all times of the year. The increased railway facilities furnished by the Grand Trunk Pacific and the Canadian Northern and the completion of the Panama canal, will remove a handicap which British Columbia has suffered in competing in eastern markets. Then, again, the size and quality of the British Columbia timber cannot be obtained elsewhere except in the Pacific States. The damp climate and broken topography of the country renders the fire risk less than it is with almost any other timber in North America.

From the standpoint of the investor, the tenure under which the bulk of the timber is held is very attractive. The owner may now hold the licenses in perpetuity, or as long as there is merchantable timber on them, or they are not required for agricultural purposes. Settlers are not allowed to homestead, purchase or squat on licensed lands, thereby eliminating one of the greatest sources of trouble and loss from

which Eastern Canadian lumbermen suffer. An annual ground rent of \$140 is charged for coast timber, \$115 for interior timber, and this amounts on the average to, approximately, one cent per M. The largest part of the taxation is reserved until the timber is cut, as it should be. This gives the Government an interest in the timber to the extent of 50c per M, and is a great stimulus to Government co-operation in forest protection. This reservation of the 50c royalty is practically a loan to the investor of that amount of money without interest for an unlimited time. On an average stand of 20 M per acre, this loan amounts to \$10 per acre, and the interest saved to the investor at 6 per cent is 60c per acre, or about three times as much as the ground rent. The lumbermen of Washington are trying to have their taxation arranged in this way, on the ground that high annual taxation forces early and wasteful logging.

The only practical way of studying stumpage values, however, is by comparing the net values after deducting the cost of manufacture from the prices of lumber. This may be called the absolute stumpage value. Canadian data on this point have not been collected, but in Bulletin 122 of the U. S. Forest Service the report of a careful investigation of prices between the years 1899 and 1906 is given. In spite of the increased efficiency of logging machinery, there is no doubt that the cost of labor is increasing, and the timber logged is less accessible, so that \$2 to \$2.25 should be allowed for increased cost of manufacture during that time. It was found that the average mill value of fir increased from \$8.67 per M in 1899 to \$14.20 per M in 1906, which, after deducting \$2 for increased cost of manufacture, shows a net increase of \$3.53, or an average of 50c per annum. Cedars increased in the same time from \$11.68 to \$19.27 per