

The crops on plot No. 1, being annual crops and having a net annual value of \$10, it is clear that 10% of the net product goes to taxes. In the case of No. 2, which is planted to trees, 60 years must elapse before the harvest, and therefore 60 annual payments of \$1.00 each. The value of this at the end of 60 years is

$$\frac{1.00}{.05} \times (1.05)^{60} - 1 = \$353.58.$$

Inasmuch as the whole value of the crop is but \$600 at that time, it follows that 59% of the entire yield is consumed in taxes instead of but 10%, as should be the case to make the taxes an equal burden on the production of both classes of products.

The higher the interest rate used in the computation, and the longer the time taken to mature the forest crop, the more startling becomes the comparison.

The following table shows in percental values the proportionate taxation which woodlands, yielding periodic crops, can bear as compared with agricultural lands of similar net producing capacity. Column 1 gives rotations from 40 to 100 years; columns 2, 3, and 4 give the percentages according as money is valued at 4, 5, or 6%, per annum.

ROTATION	4%	5%	6%
40 years	42.1	33.1	24.9
50 "	32.8	23.9	16.5
60 "	25.2	17.0	10.7
70 "	19.2	11.9	6.8
80 "	14.5	8.3	4.3
90 "	10.9	5.7	2.7
100 "	8.1	3.9	1.6

Thus, for example, with a rotation of 70 years, and money worth 5%, the proper proportion for a woodland tax rate as compared with the tax rate for farm lands, would be 11.9 per cent, or in other terms, if the rate for the cleared lands be 15 mills, the rate for the woodlot should be 1.78 mills on a soil value assessment.

The finding, then, of the proportionate tax rate to be applied to woodlands as compared with neighboring farm lands is a purely mathematical consideration, depending wholly on (1) the value of money to the landowner, and (2) the number of years required to bring to maturity an ordinary crop of trees. What rotation and what rate per cent. should be adopted in this province in determining this proportion, admits of some discussion. *Five per cent.* is perhaps a fair return for investment of capital