

at prices per lineal foot or per piece. In the province of Quebec prices are based on 100 cubic feet.*

Prices paid for Crown timber are frequently made up of two different kinds of charges, which we may classify as Crown Dues and Stumpage, although different names are used in different provinces.

Crown Dues are rates of payment for timber, established by statute or by order in council, and apply uniformly throughout whole provinces or in large regions. Different rates are set for different species and, in British Columbia, for different grades of logs of the same species. They are, in effect, minimum prices below which the administration may not sell Crown timber. The rates of dues are not affected by such factors as extra good quality of timber or very easy accessibility, which might justify higher prices for particular stands.

Note - Payments of the kind described as "Crown Dues" in this chapter are officially called "royalties" in B.C. and "stumpage" in N.B. Charges described as stumpage are known in Ontario as "bonus dues".

Stumpage, (as we are using the word here) when paid for Crown timber consists of charges additional to Crown dues. Such charges reflect the difference between the real value of a particular stand of timber and the Crown dues rates. This additional value may arise from exceptionally high quality, easy accessibility, and a number of other factors. Stumpage charges may not be finally determined until a sale is completed. For example, the government of a province where Crown dues for white pine are set at \$2.50 per M ft. b.m. may consider that a certain lot of better-than-average timber located near a good road is really worth at least \$5.00. The block may then be offered for auction at an "upset price" of \$5.00, made up of \$2.50 for Crown dues and \$2.50 for stumpage. If the timber is put up for auction and no bid as high as the upset price is received, there will be no sale. On the other hand, competition amongst bidders may force the final price up to \$8.00. We could then say the selling price represents Crown dues of \$2.50 and stumpage of \$5.50.

There are a number of different ways of disposing of Crown timber which we can review briefly under the names of timber berths, pulpwood berths, timber sales, and permits.

Timber berths are areas of Crown timber lands held by operators under lease. Nowadays it is customary to make berths renewable for a specified number of years, although many of the older berths carry no time limit. Annual renewals are granted if the holder takes out an annual license to operate, pays his ground rent and timber charges, and observes the conditions re methods of operation, filing of returns, etc., under which the berth was granted. In several provinces the maximum size of a single berth is limited by law. Timber berths are disposed of by public competition, the successful bidder usually paying a lump sum for the berth. Crown dues are payable as the timber is cut. Boundaries of timber berths are described in the leases.

* Timber dues in Newfoundland are paid only on timber sawn into lumber for sale. The pulp and paper companies pay a stipulated sum annually on their holdings.