

THE CAPITALIST AND ECONOMIC FORESTRY.

An address read at the special meeting held by the American Forestry Association on August 22 and 23, 1899, at Columbus, Ohio.

Purport of Private Forestry.

Gradually people are rising to a better understanding of the term "Forestry." They begin to see that eighty-five per cent. of the woodlands in the United States are owned by private individuals, that the salient point in forestry is the business point, and that forestry does not have a chance to exist in this country unless it pays.

Here and there "fancy forestry" might be practiced for a short while in spite of its unproductiveness, but fancy forestry will never assume large proportions.

What the country needs is forestry on a grand scale, which, however, the country can have only by allowing conservative lumbering to yield returns at least equal to those expected by the capitalist from equally safe investments in other industries.

In Europe investments in forests are considered safer than investments in government bonds. It is therefore that for-sighted institutions, families and individuals are fond of forestry investments abroad. In this country forest property is the only one which is not protected by state authority, with the result, that investments in woodlands are constantly exposed to loss.

Forest Fires.

The main source of losses is fire ravaging the forest. Whilst old trees, protected by their heavy bark, are as a rule only damaged and weakened by conflagration, young trees invariably succumb to it. No wonder, then, that the capitalist is anxious to rather withdraw his money from the forest as soon as he succeeds in selling whatever trees are marketable. For him it means a financial perversity to look forward to a second growth. Why? Because he knows *a priori* that the second growth is unlikely to live. Only a maniac will try and plant beets in the midst of New York street. Five hours traffic will sweep every trace of them away. It is almost as foolish to start tree-seedlings in an American forest continuously swept by fire.

From my experience in the administration of Mr. George W. Vanderbilt's forests I can say, that on large forest estates favorably situated, fires may be controlled to a certain extent only at a comparatively high expense. Still, owing to the high premium to be paid for the safety of the investments, forestry will not be able to pay that interest which the capitalist must require. As long as the people look at fires as an unavoidable calamity like heavy rains and severe draughts; as long as they do not provide for the protection of forests as well as for the protection of any other

property, conservative lumbering must be considered a risky investment.

Forest Taxation.

It is remarkable that the taxes on forest land are high in spite of the fact that the state does not do anything for it. The economic authority for the government, when squeezing taxes out of the pockets of its constituents, lies in the protection which the government promises and bestows on the taxpayer's property. In the case of forests, no protection is given. But that is not all! To crown the foolishness, in many cases the forests are left at the mercy of short-sighted tax assessors, who as a matter of fact compel the owner to either cut his trees or else to endure the plague and annoyance of paying higher taxes than the productiveness and the value of the property justify.

In the case of young forests, no immediate revenue whatever is derivable. The revenue will come only after another 60 or 70 years when the trees have attained log size. Still the county and the state require the owner of such land to pay taxes during the period of unproductiveness. How would the contracting architect or the ship-builder remonstrate if taxes were imposed upon the unfinished house or unfinished craft!

Hon. Verplanck Colvin, Superintendent of the New York State survey, has advanced a new scheme, the plan of allowing the owner of immature forests to postpone the payment of taxes until the time of maturity arrives. The state will acquire—that is Mr. Colvin's idea—a mortgage on the land and trees equal the amount of taxes unpaid; the mortgage shall become due at the moment at which the owner of the forest begins to put the axe to its trees.

Taxes on realties, as every one knows, are sure to hit and therefore relatively high, whilst taxes on personal property are comparatively low, since every taxpayer is allowed to put his own valuation on his own personal property. We all know that this different method of assessment results in a comparative over-taxation of realties, and among realties of forests.

The commonwealth, there is no doubt about it, derives considerable advantage from the mere existence of forests by their influence on public health and on the flow of the rivers, and by the fact that forests form the basis of the lumber industry, one of the best wealth producers of the country. Thus the commonwealth uses the forests for its own purposes, and might be justly held to bear part of the tax burden. But far from assuming this position, the public—nay we ourselves—by unwise taxation and by not offering any protection to the forest, have made forestry the last remunerative business in America.

Forest Pasture.

Another item of considerable importance in the forest budget of many

sections of the country is the fact that forest lands are considered every one's lands as far as their use is concerned. The damage which the berry-picker, the ginseng-man, the moss-gatherer, the hunter, the fisherman and other "intruders" into private property inflict upon the forest, is insignificant. Significant, however, is the harm which horses, cattle, sheep and hogs, driven into the forest and authorized by law to roam about unrestrainedly, carry with them.

As long as pasturing animals are permitted to feed upon the seeds and seedlings, it is impossible to grow forests; and as long as the counties or the states allow such pasturage, a second growth of timber cannot be obtained. It is no more feasible for the farmer to raise vegetables and cattle on the same land, than it is for the forester in the case of seedlings and cattle.

In olden times when forests were property of the states, there was some excuse for the practice of pasturing the forests, the much more so as in many sections no other use could be made of the forests. From the moment on, however, at which the forest became private property, the owner should be entitled to demand that other people be forbidden by the state to use such property for their benefit and to the detriment of the owner, who has paid for the land and who is paying the taxes.

No one will embark in forestry undertakings as long as the production of the forest is endangered by fires, as long as the forests are heavily and unjustly taxed, and as long as all stock-owners are allowed to use the forest alongside with the rightful proprietor.

Miscellaneous.

Less important is the unjust legislation still found in many states which enables the forest squatter by tilling the ground for a few years to acquire property under a colored title; still such laws should not be suffered by a civilized population as they invite theft.

There are other drawbacks of forestry as an investment in the United States.

1st. It is more difficult to dispose of forest realties, if the owner is compelled or desirous to sell, than of any other property. Conservative forestry is a clumsy investment, and does not allow of gains by quick-minded speculation.

2nd. It is not easy for the owner to watch the faithfulness of those in charge of his forestry interests, which necessarily extend over a large area.

3rd. There are no foresters available in America to have charge of the work in the forests.

4th. An annual revenue cannot be derived, unless forestry has been practiced on a large scale for a long time.

5th. It is difficult to separate "net revenue" from "capital withdrawn from the forest," unless stock is taken