

5. The system of disposing of public timber, whether on State forests or elsewhere, should consider the following principles:—

- (a.) The Minister of Forests should prescribe from time to time, on the advice of his Director of Forest Service, the maximum amount of matured and large-growth timber which may be cut, by years or other periods, on each State forest or unit. Up to the limit of this amount the Forest Service should be empowered to dispose of same, but no sale should be made until the approving officer is satisfied that practicable methods of cutting could be prescribed which would preserve the living and growing timber, promote the younger growth, and secure as complete utilization of the various species and grades of material as is compatible with existing market conditions.
- (b.) All merchantable material should be cut on all lands classified as agricultural.
- (c.) All dead, fire-damaged, insect-infested, and badly diseased timber should be sold as soon as possible.
- (d.) The sale of overmature and deteriorating timber should be hastened.
- (e.) *Only those restrictions should be imposed upon operators which are essential to the silvicultural management of the forest, and as far as practicable the silvicultural requirements should be adapted to the established and necessary methods of logging in the region.*
- (f.) Utilization should be required on all sales of such sizes and grades of material as can be practically marketed by an efficient operator.
- (g.) No timber should be sold for less than its appraised market value, and the Director should fix from time to time the *minimum* stumpage prices at which timber shall be appraised.
- (h.) Sales of timber in small quantities should be encouraged by every means possible, and the period allowed for the removal of the timber should be fixed in the agreement.
- (i.) All contracts exceeding five years in duration must contain a provision for the *reappraisal of stumpage prices* at intervals of five years. Generally speaking, additional areas should not be earmarked for any one operator, but agreements may provide that in addition to the timber purchased a specified area may be reserved from sale until the termination of the contract, and then appraised and advertised. As far as practicable the rate at which timber is sold from any unit should ensure a reasonable operating life for new mills constructed in connection with sales. Dominion forest timber should not be administered so as to give particular mills a monopoly, but the amount to be cut from year to year should be regulated so that established plants, if successful competitors for timber offered, can be assured continued operation for reasonable periods.
- (j.) *No sales should be made which endanger the future supply for local use or the maintenance of local industries.*
- (k.) A minimum yearly or periodical cut should be required for each contract.
- (l.) Before any timber is advertised or sold it should be examined and appraised, and the cutting-area described for legal subdivisions or otherwise. The quality and appraisal value of the various kinds of timber on the area should be reported upon. The appraisal should be based upon the character of the timber, the cost of logging, transportation, and manufacture, the investment required, the degree of hazard, the sale value of manufactured products at practicable markets. There should also be reported upon the contract conditions necessary for silviculture, fire protection, utilization, and other Dominion forest interests.
- (m.) The stumpage rates charged should be the actual market value of the timber, and should be based upon the items mentioned in (l).
- (n.) All timber cut from any given area should be scaled and stamped before removal by a licensed timber-measurer.
- (o.) The contract agreement between the Government (as represented by the Forest Service) and the purchaser of stumpage should contain such points as utilization specifications, measurement practice, disposal of slash, precautions against fire, use of tramways by other purchasers, reappraisal of stumpage prices, reservations for scenic or recreational purposes, responsibilities, and penalties. All logging and milling operations should be subject to inspection by the Forest Service, for a most important point of forest administration lies in constant field inspection. It is necessary for the following reasons: (1) To secure a close working co-operation between exploiter and forest officers; (2) to enable the users of timber lands to transact business readily with the Government; (3) to induce adherence to the principles of cleaner logging, encouragement and protection of young growth, and more economical milling, prevention of trespass, &c.; (4) to raise the standard of exploitation to that set by the most progressive and careful operators.
- (p.) Adequate safeguards should be provided for the prevention of monopoly; also statements as to the financial standing of purchasers, provisional bonds, &c.

6. The *standard unit of measurement* which should be established as a statutory rule for the measurement of all timber products is the *solid cubic foot*. All standing timber should be offered and sold on a basis of what the *actual use volume* of the tree is under bark, for it is the log as a commercial product in itself that the State is interested in. Timber should therefore be scaled with the solid contents as a basis, considering, of course, the defects and indications of defects