

supply not only the major part of the requirements of the United Kingdom for forest products, but also increasing amounts to other countries that have been securing supplies from the northern European countries. Exports from the countries on the Baltic Sea have been practically eliminated and the increased freight and insurance rates resulting from the indiscriminate submarine and mine warfare by Germany has seriously dislocated the trade even of those countries that have direct access to the Atlantic. Large quantities of lumber, pit-props, pulp, paper, and other wood products are normally exported from Finland, Sweden, Russia, Latvia, Estonia, and Lithuania not only to the United Kingdom and other European countries, but to the United States, South America, South Africa, Australia, and Asiatic countries.

It is evident that, in this War, material resources will play an even more vital part than in previous wars. It is fortunate, therefore, that Canada possesses such vast supplies of accessible timber and industries that are capable of expanding their production to meet a very considerable increase in the demand for forest products. It is fortunate too that Canadian seaports on both the Atlantic and the Pacific are open throughout the year and, with the convoy system in operation, overseas shipments can be made with comparative safety.

It is of vital importance to Canada that trade in forest products be maintained since it provides a greater favourable balance than the trade in any other class of products. In order that this may be accomplished, total depletion must be kept within the productive capacity of the forests. There is no reason why this cannot be done if the forests are managed on a rational basis.

The abnormal demands of the present conflict should not cause serious inroads on forest capital. The necessity for economy in use, the limitation of shipping space, and rigid control of prices should prevent anything in the nature of a boom developing.

Section 5.—Forest Administration.

Subsection 1.—Administration of Dominion and Provincial Timber-Lands.

In Canada the general policy of both the Dominion Government and the Provincial Governments has been to dispose of the timber by means of licences to cut, rather than to sell timber-land outright. Under this system the State retains ownership of the land and control of the cutting operations. Revenue is derived in the form of stumpage bonuses (either in lump sums or in payments made as the timber is cut), annual ground-rent, and royalty dues collected as and when the wood is removed. Both ground-rent and royalty dues may be adjusted at the discretion of the Governments so that the public may share in any increase in stumpage values, or reductions may be made in the rates if conditions demand them.

The Maritime Provinces did not adopt this policy to the same extent as did the rest of Canada. In Prince Edward Island practically all the forest land has been alienated and is in small holdings, chiefly farmers' woodlots. In Nova Scotia 87 p.c. of the forest land is privately owned; nearly half of this is in holdings exceeding 1,000 acres. In New Brunswick over 50 p.c. has been sold, and 20 p.c. is in holdings exceeding 1,000 acres. The percentage of privately owned forest land in the other provinces, exclusive of National Parks and Indian reserves, is as follows: Quebec, 8 p.c.; Ontario, 3.3 p.c.; Manitoba, 9.1 p.c.; Saskatchewan, 7.6 p.c.; Alberta, 7.7 p.c.; and British Columbia, 8.4 p.c. With the exception of relatively