The average annual loss of merchantable timber attributable to forest fires during the ten-year period 1939-48 amounted to 228,000,000 cu. ft., with a stumpage value of \$2,092,000 (see Statement V). An average of 5,288 fires annually burned about 2,900 sq. miles. These figures give a valuable but incomplete account of the gravity of fire losses. The devastation and impoverishment of forest soils, the damage to water run-off control, and to recreational, tourist, and wildlife values cannot be appraised reliably in terms of dollars although they are of great economic significance. The forced closing of mills whose raw materials have been destroyed results in additional loss. Repeated fires through a given area frequently create a permanent wasteland.

V.—AVERAGE ANNUAL VOLUME OF MERCHANTABLE TIMBER BURNED, TEN-YEAR PERIOD, 1939-48

Province	Sawlog Material	Smaller Material	Stumpage Value
	M ft. b.m.	Cords	\$
Prince Edward Island		_	_
Nova Scotia	2.798	609	20,368
New Brunswick	936	60,976	174,731
Quebec		416,049	624,073
Intario	93,134	397,784	561,316
Manitoba	3,864	207, 165	90,263
Saskatchewan	10,119	77,924	51,857
Alberta	125,235	524,725	340,172
British Columbia	165,212		201,454
Other Federal Government lands ¹	9,173	41,826	27,790
Canada ²	410,471	1,727,058	2,092,024

¹ Includes National Parks, Indian lands, Forest Experiment Stations, etc. the Northwest Territories and Newfoundland,

Satisfactory estimates of losses caused by insects or disease are almost impossible to make. This is due largely to the enormous area of Canadian forests and the consequently high cost of assessing these losses. Complicating the problem of preparing suitable records of damage are the beneficial effects following the removal by insects and disease of decadent old trees, so that such trees may be replaced by young vigorous saplings. The annual depletion of the forests by disease and insects is tentatively estimated to-day at 500,000,000 cu. ft. of merchantable timber.

There are at present no means of appraising the losses resulting from such climatic factors as wind, ice, snow and sleet.

Finally, further losses have resulted from the lack of planned forest management. Cutting has been carried out without any other thought than the liquidation of merchantable supplies with the result that the land has sometimes been left in a condition which favoured the spread of fire, attack by insects, and erosion by wind and water. In many instances areas have failed to restock satisfactorily, nearby stands of timber have been exposed to damage by wind, wild life values have been impaired, and the areas have remained an economic loss for decades.

Productive Capacity of the Forests.—These data on depletion of forest products give rise to the following pertinent questions. Are Canada's forest resources capable of supplying indefinitely the amount of wood at present being utilized by her forest industries? Can the forests provide more wood than this, thereby allowing the forest industries to be expanded? These are fundamental economic questions and upon the answers to them depend, in large measure, the policies

² Excludes Yukon,