

By the reciprocity treaty of 1854 (by which time the trade was in any case again expanding), it obtained free entry into the United States and exports consequently increased. The Crimean war breaking out in the same year provided additional impetus. In 1857, there was the usual post-war depression which did not altogether disappear until the commencement of the American Civil War, when demand once more became keen and exports grew. It was during this period that the value of the exports of forest products to the United States for the first time surpassed that of exports to Great Britain. It was not until many years later that this became invariable.

Confederation affected the lumber industry but little, since each province had charge of its own forests. The history of the industry, indeed, from 1867 has been largely the history of the various provincial forestal policies. Thus Nova Scotia has followed the American practice of disposing of its public lands in fee simple, and at the present moment has little control over its forests. Ontario, on the other hand, has consistently attempted to avoid alienating its timber lands and has worked them very successfully as a public estate. Some of the various devices for raising revenue from the forests, such as the leasing of timber limits, stumpage, ground rents, bonuses, sales by auction, etc., appeared under the old province of Canada and, in a limited way, even before the Act of Union in 1840; they have all been elaborated and improved upon since Confederation. The timber policy of the other provinces has tended to resemble that of Ontario, differing mainly in detail. In all, the revenue derived from the forest has been of first importance.

After the termination of the Reciprocity treaty of 1854, tariff relations with the United States became of importance. The general policy of the American government was to encourage the free entry of the raw material—the saw-log—but to tax the manufactured product. This country had very little effective reply to this, but an attempt to equalize matters was made by imposing export duties on saw-logs. These duties continued until 1890, when they were removed on the understanding that the United States would reduce its duty on sawn lumber from \$2.00 to \$1.00 per thousand. The American government re-imposed this duty in 1897. The Dominion had only the weapon of export duties to use and feared retaliation. However, the province of Ontario, from whose Georgian Bay territory most of the export was going on, stepped into the breach and prohibited the export of saw-logs cut on Crown lands. This move settled the question and the export of saw-logs all but ceased. Later, the prohibition became of marked effect in the matter of pulpwood.

In the course of a century, decided changes have taken place in the industry. Quebec, for instance, long had a monopoly, first of all the trade and then of all the English trade. This she has lost. Of the soft woods, pine alone used to be cut, and of this red pine was much preferred to white, bringing about 50 p.c. more in the British market. Much native oak was exported. The making of squared timber dominated the situation. It was not until after Confederation that the export of sawn deals by sea exceeded that of timber. The timber trade reached its zenith in the sixties, gradually declined and has now nearly disappeared. The reasons were many—"lumbering" grew into a vocation rather than a speculation or an occupation for a farmer's otherwise idle winter; much capital was invested; large mills were built near the source of supply and economies of transport effected. Chiefly, however, the waste of good wood involved in squaring timber became,