

facturers or operators. If we succeed in suppressing forest fire the benefits to you will be ten fold greater than the small tax you are assessed for that purpose.

I will call your attention to a part of the report of Mr. Foster, assistant chief of co-operation of forestry service of the United States of May, 1910: "The holdings of the present operators are almost invariably heavily bonded, in some cases for as much as \$2 on every thousand feet of lumber manufactured. As a consequence it is necessary for the manufacturers to cut regardless of the present low prices of lumber in order to pay the interest on these bonds which is usually from six to eight per cent. There has been no great profit in the manufacture of yellow pine lumber since the drop in prices in the business depression of 1907; and with the additional drain of interest on timber bonds, the loss of interest on capital tied up in standing timber, the deterioration of mill plants and equipment, the annual taxes, the net returns are small. The usual regulation of the supply to meet the demand does not hold in the yellow pine industry; the production at present is at least two or three times as great as the market normally requires. It would be a good thing for the forests if all the mills could be run on half time until the present over-supply was reduced, and the prices of lumber advanced to a degree which would yield a fair profit. But the yellow pine companies are less fully organized for such a purpose than any of the other lumber manufacturers, and even if they succeeded in reducing the cut temporarily, the higher prices which would follow would immediately increase the cut again, and the result would be a continuation of present conditions. The financial pressure upon almost every lumber company compels the exploitation of the timber as fast as possible, and as long as the operating expenses and interest are met. This condition is general among the large companies. Small companies and individuals free from debt are able to manufacture at a fair profit, and if necessary close their mills for short periods during the year, while the bonded companies must run night and day. The consequent effect on the forest of over-production and low prices is deplorable. Many companies are actually compelled to leave on the ground to decay as much as 2,000 board feet per acre in tops and logs partially affected with red heart, because there is not profit in manufacturing low grades in lumber. The tendency is to haul to the mills only such portions of the trees as will make high grade material. It seems inevitable that the reckless exploiters must continue as long as there is sufficient virgin timber to keep in operation the extensive establishments of the present time. When the big mills have passed, as they are rapidly doing in Alabama and Mississippi, small saw mill plants will be organized on a more permanent basis."

I would like to have every lumberman read the

full and comprehensive report of Mr. Foster on forestry in Louisiana, and at an early date we expect to publish it in book form with other matters of interest. But to sum up the report of the United States forestry bureau.

1. You are producing too much lumber.
2. You are making no profit.
3. You are leaving a large per cent of your timber to decay on the ground.

What is their advice? Cut less lumber—run mills half time. Raise prices so that you can make a profit. Utilize your lower grades.

Now the state of Louisiana does not wish to see her forests needlessly destroyed—you are entitled to make a fair profit. It is your fault if you do not. The state of Louisiana objects very seriously to your cutting only upper grades and leaving ten to twenty per cent of lower grades to decay in the woods. You say that you would like to follow the advice of the forestry bureau of the United States and of the Conservation commission of Louisiana, but if you do you will be charged with forming a trust and the attorney general of the United States will put you in jail even though you have been good for sixty years. The state of Louisiana has passed a law that will put a man in jail if he wastes our mineral resources, so what is to prevent us from passing a law to put you in jail for wasting 2,000 feet to the acre of our timber resources. You have your choice.

Now, speaking seriously, you know that the forestry bureau of the United States has described conditions as they actually exist, and have suggested a remedy. Why not profit by it? When there is an over-production of cotton, corn, wheat and other agricultural products, and low prices are the result, the order goes forth, plant less acreage and reduce the output. The steel mills, the car shops, the oil refineries, the cotton factories, all have a way of curtailing their output when there is over-production. Have you less privileges than these corporations?

The man who invests in pine timber has a right to expect a reasonable profit therefrom, and the man who erects a sawmill and manufactures that timber into lumber has a right to make a profit. My figures show that it costs \$10 to grow timber and make a reasonable profit. Should you not realize as much for your virgin timber? Unless our manufacturers, our farmers, our railroads prosper, the people cannot prosper. Why not meet the issue fairly and squarely. If it costs \$9 per thousand feet to manufacture lumber and it costs \$10 to grow timber, why should you not have a selling price of \$19 instead of \$13. Your profits would not put you in the millionaire class at that.