

experimentation. Leadership in this work is being taken by the federal government and the Forest Service is to be given an appropriation of \$25,000 a year for study. The investigation has been placed under the direction of Professor Fred R. Fairchild, of Yale University, an eminent authority. The first activity will be an intensive survey of certain districts in the United States to determine the extent of the tax burden and its effect on the business of reforestation. Following this, studies will be made of the forest tax systems here and abroad. This information will be made available to all interested. But beyond this the federal government cannot go—the taxing of forests being entirely a state matter.

State Activities

Direct encouragement to tree growing has been offered by several states through bounties, exemptions, and limited tax valuations. None of these has been particularly effective, nor has the principle of such subsidies been favorably viewed by the taxpayers. Furthermore the *producer is not requesting bounties or special favors but merely that the handicaps under which he is now laboring be removed.*

In summing up the present status of the forest taxation situation throughout the country, it is found that while nearly half the states in the union have some sort of special laws to encourage the growing of trees, only in a very few instances are those laws accomplishing their purpose. Information which the department has received from various parts of the country indicate that considerable attention is being given this subject in at least twenty-seven states. In twelve, definite movements are under way for the introduction and passage of special forest taxation relief laws. Among these are California, Washington, Minnesota and Louisiana, which have constitutional amendments pending for referendum vote in the coming fall to permit special taxation measures for forests and forest products.

Forest Areas and Forest Tax Laws in the States

The importance of the forests in the various states and the efforts made to improve conditions through tax legislation are shown in the accompanying table.

Washington, Oregon, and Louisiana are the three great lumber states, as judged by present production, but there are a dozen others which each produce annually lumber and timber products valued at over \$30,000,000 according to the 1923 census of the lumber industries. The total of a billion and a half for the whole country would be