

considerably increased if the value of the pulpwood, naval stores, fuel and other products were added.

An idea of the potential forest assets of each state may be obtained from the column showing the total forest areas. This data is taken from the "Capper Report" prepared by the Forest Service pursuant to Senate Resolution 311 (66th Congress, 2nd session). It should be noted that Oregon, Arkansas, and Minnesota have the largest forest areas and that half of our states have forests covering over ten million acres.

The interest of various states in the forest situation cannot be gauged entirely by the value of the annual products or by the acreage of the forests. In many of the smaller states a considerable proportion of their areas is classified as forest lands—for example, Delaware, 23 per cent; Rhode Island, 35 per cent; Connecticut, 46 per cent. In fact over half of the states devote at least a third of their lands to forests while two-thirds of Maine, New Hampshire, and Arkansas are put to this use.

YIELD TAXES AND OTHER METHODS OF ENCOURAGING FORESTATION

The "yield tax" is a method of raising revenue designed to be fair to the growers of forests. Its advantage lies in its tendency to bridge the non-productive growing period by lifting the burdensome annual tax from the shoulders of the grower, permitting payment of his share for government maintenance when he harvests his mature trees, and has the money to pay with.

Other methods of encouraging forestation are by bounties, by exemptions from taxation, and by limiting the tax valuations.

In the following paragraphs are given the principal elements of the systems of forest taxation with examples of the application in representative states.

Purposes

Yield and similar taxes have been enacted for a variety of reasons. Usually, the aim is to put to some useful purpose lands which at present are producing nothing and which are even in some cases a liability and danger. Other objects are, to provide forest areas without putting the state to the expense of buying the ground, such areas serving to protect the watersheds and headwaters of streams;