

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1847.

AUGUSTA:

Wm. T. JOHNSON,.....PRINTER TO THE STATE

1848.

TWENTY-SEVENTH LEGISLATURE.

No. 15.]

[HOUSE.

STATE OF MAINE.

THE joint standing committee on state lands and state roads, having had under consideration that part of the report of the land agent relating to "the lumbering operations on the St. John and Aroostook rivers, for the year 1846, having examined the books, accounts and papers in the land office, touching these matters, having heard the statements and explanations of the land agents of Maine and Massachusetts, and having received the testimony of several of the persons who were concerned in these operations, and of others who had personal knowledge of some of the facts in relation to this business, ask leave to

REPORT:

That prior to the year 1843, the price of stumpage, for ton timber cut upon those waters, had not exceeded one dollar per ton; but in that year it had advanced to about one dollar and twenty-five cents per ton. Early in the season of 1844, numerous applications were made to the land agents of Maine and Massachusetts, to cut timber on the public lands on those rivers, and as the permits heretofore granted, had been at private sale, and in order to give an opportunity to all, to purchase the right to cut timber, and that both states might realize the most money from the operations, the land agents concluded to dispose of the stumpage at an auction

sale, at a minimum price of \$1 25 per ton, the purchaser to have the right to cut 1500 tons under his permit.

Accordingly, on the 14th of August, an auction was held at the land office, in Bangor. About \$4,000 was paid by the purchasers as a bonus over and above the minimum price of \$1 25 per ton. Permits were granted in the usual form, and bonds taken to secure the payment of the stumpage.

Under these permits, about 80,000 tons of timber were cut which were successfully run to market and sold, and the stumpage amounting to about \$100,000, was duly paid over, according to the stipulations in the several bonds. In 1845, the demand for cutting timber on these waters, had greatly increased, and the land agent understanding that the price of ton timber had advanced in the market at the city of St. John, and in order to defeat any possible combination, that might be made by the lumber-men, to obtain all the stumpage at the minimum price of the last year, the land agent concluded to raise the price of stumpage to \$1 50 per ton.

An auction sale was accordingly held at Bangor, July 10, 1845, numerously attended by persons from New Brunswick, the county of Aroostook, and from other parts of the state. The conditions of this sale were, that the purchaser should at the time of the sale, pay \$50 cash for a team under his permit, should give a good note not exceeding \$1,000, in order to secure an operation, and should also, before the permits were executed, furnish a satisfactory bond to secure the payment of the stumpage. At this sale, the right to cut timber on thirty tracts were bid off at prices varying from \$1 56 to \$4 31 per ton. The conditions were promptly complied with upon the largest portion of these bids, and permits taken. In a portion of them, the terms were not complied with, and such tracts were afterwards permitted at private sale from \$1 50 to \$2 per ton.

On the 11th of July the land agent of Maine sold at auction the right to cut timber on seventeen tracts of land belonging to Maine, upon the same terms and conditions as upon the undivided lands, at prices varying from \$1 77 to \$3 10 per ton, and there was

one bid struck off at \$11 50 per ton. Upon all these bids, the terms were fully complied with, and the permits taken. Upon the Maine lands, there was cut, the ensuing winter, 14,393 tons, the stumpage on which, according to the auction prices, would be \$38,205 39. Upon the undivided lands, there was cut under the permits above mentioned, 44,262 tons, the stumpage on which would be according to the auction prices, \$89,318 38.

Prior to these sales, a verbal permit had been given to one individual, to cut timber on the upper waters of the St. John, upon the undivided lands, in the birth permitted to him the year before, in consideration of the great expense he had been at in opening roads, &c., and on account of having a considerable quantity of timber left behind. Under this permit, 11,602 tons of timber were cut, and this individual has furnished to the land agents his note with a responsible surety, for the stumpage, estimating it at \$1 25 per ton.

The operations for the year 1846, were small. About ten permits were granted on the undivided lands, at \$1 25 per ton, and about half a dozen on the Maine lands, at the same price. The amount cut is not known, the scalers of the timber not having yet made their returns.

Owing to the early freshet in March, 1846, and the succeeding summer drought, the lumbermen upon the St. John were put to extraordinary trouble and expense in running their lumber to market, and succeeded only in getting down about two thirds of the quantity cut. It is supposed the balance will be run down this season. At the time of the auction sale in 1845, some timber sold at St. John, for seven dollars and fifty cents per ton. The price, however, soon fell, and the average price of last year was only four dollars and fifty cents. At the present time there is no sale at St. John, and if a forced sale should be made, the opinion is, that timber would not bring over four dollars per ton. The last advices from England, show that the timber shipped is yarded, there being no sale.

By an examination of the bonds in the land office, it appears,

that fifty-four persons, settlers upon the Aroostook and St. John waters, are operators under the above mentioned permits, and are accountable to the amount of \$57,976 46.

Nothing has been paid on account of these operations, except what was paid for teamage at the time of the auctions, and the greater portion of the timber is still in the hands of the operators or their creditors, unsold. Two cargoes were shipped to Boston from St. John, last season, in order to try the market in the United States, and the sales average only about three dollars per ton. When timber sells for \$6 50 per ton, the fair stumpage is worth about \$1 50 per ton.

The sale of ton timber at St. John, is based upon a standard size of twenty inches square, or girt as it is there called, and upon this size, the sales are predicated in connection with a sliding scale of forty cents per inch.

At the time of the auction sales at Bangor, it was understood by the land agents and the purchasers of the permits, that timber averaging twenty inches, would be cut ; but in point of fact, it is understood, that considerable quantities were cut which averaged less than twenty inches, from the circumstance, principally, of the great depth of snow in the latter part of the winter, and from the early thaw, which confined the operators to such timber as could be found near at hand.

A number of the purchasers at these auction sales were before your committee, and made the following explanations in relation to the circumstances under which these permits were taken.

It seems that for many years prior to the treaty of Washington with Great Britain, but little lumbering had been done upon these waters, as the timber was seized and confiscated by the authorities of New Brunswick, as soon as it came within their jurisdiction. This treaty was supposed at the time, to open the navigation of the St. John to the citizens of New Brunswick and the United States, upon equal terms of advantage. Accordingly, after the ratification of the treaty, the lumbermen both of Maine and New Brunswick,

turned their attention to this quarter, and were desirous of commencing operations.

No restrictions were made by Maine or Massachusetts in favor of our own citizens in granting permits; but it was ascertained, upon application to the crown land office in Fredericton, that the right to cut timber upon crown lands in New Brunswick, was limited to her own citizens. The appearance, therefore, of a considerable number of the citizens of New Brunswick, at the auction sale in Bangor, in 1845, for the purpose of purchasing the right to cut timber in this state, necessarily excited the feelings of our lumbermen, and a spirit was soon manifested to exclude them from the sale by overbidding them.

This feeling was aggravated from the circumstance of an export duty being levied upon all timber shipped from New Brunswick, in such a manner, as operated as a discriminating charge upon Maine timber, and in favor of timber cut upon the crown lands, which act has been declared by the legislature of Maine, as a "fraudulent evasion of the treaty of Washington."

In the settlement of the boundary line under the treaty of Washington, between the United States and the British Provinces, a question of boundary arose between the Provinces of New Brunswick and Lower Canada, and a strip of timber land remained in dispute between them, adjacent to Maine.

At the time of the auction sales in 1845, it was understood that no permits could be obtained to cut timber upon this territory, and this was one of the causes which added to the number of those who came from New Brunswick to obtain permits on lands in Maine.

Sometime in the fall of 1845, permits were obtained to cut timber on the disputed territory, a large amount was made and run to the city of St. John the following season, which added largely to the already overstocked market, and was among the causes which led to so serious a decline in the price of timber.

There was, however, another circumstance attending these sales, far more potent, and which is believed by your committee to be the main cause of these extravagant bids. A person was present at

these sales, who was interested in the large sale of about twenty townships made by Maine and Massachusetts during the two previous years. This person avowed his determination to run the bids up so high on the public lands, that no profitable operations could be made, and by that means compel the lumbermen to operate upon the lands in which he had an interest.

This person either by himself directly, or by others his confederates, bid upon every tract put up, and did not abandon the bidding, until the bid had reached a price which forbid any profitable operation.

Most of the purchasers at these sales, had, the previous winter, made roads in their timber births, had left supplies of hay and provisions at their camps, and had left more or less of timber already made in the woods, which they had been unable to haul out, from the breaking up of the sledding.

These persons were very desirous of occupying their old timber births, and finding themselves bid against by speculators, irresponsible persons, and lumbermen from New Brunswick, came to the determination to bid off the permits, however high they might go, believing, that under the circumstances of the case, the states would in the end, claim of them no more than the actual value of the stumpage. The land agent of Massachusetts being authorized to settle with these persons upon equitable terms, seeks the co-operation of the land agent of this state, and his written communication on this subject is hereunto annexed, marked A.

In view of all the circumstances attending the auction sales at Bangor, in 1845, and of the actual value of timber at that time and since, and the present condition of the same, your committee ask leave to submit the accompanying resolve.

ELIJAH L. HAMLIN, Per order

STATE OF MAINE.

RESOLVE in relation to the settlement of stumpage of ton timber cut on the public lands upon the Aroostook and Saint John waters, under permits granted in the year 1845.

Resolved, That the land agent is hereby empowered
2 and authorized, in conjunction with such person as
3 the governor with the advice and consent of council
4 shall appoint, to settle upon fair and equitable terms
5 for stumpage due the state for timber cut on the
6 Aroostook and Saint John waters, for the Saint John
7 market, under permit given in A. D. 1845, on lands
8 owned by Maine, and also with the co-operation of
9 the land agent of Massachusetts, to settle in like
10 manner where the lands are owned jointly by Maine
11 and Massachusetts.

Provided however, no settlement shall be made for
2 a less sum than one dollar and fifty cents per ton for
3 any timber cut under any one permit, which shall

4 average twenty inches square, nor less than one dol-
5 lar and twenty-five cents per ton for any timber cut
6 under any one permit, which shall average seventeen
7 and one half inches square, and less than twenty
8 inches square.

(A.)

AUGUSTA, June 12, 1847.

HON. LEVI BRADLEY,

DEAR SIR:—I am exceedingly sorry of the fact, that little has yet been paid for the timber cut on the public lands on the St. John river and its tributaries, in the winter of 1845-6; and the prospect is rather dubious of our ever receiving the full amount due from that source, and that you are not yet authorized to co-operate with me in liquidating the accounts.

I was very much astonished at the time the permits were sold at auction in July, 1845, at the extravagant rates for which they were sold, and it was my belief at the time, that very few would pretend to operate. It however appears, that notwithstanding the high price given, they did make large operations, and have become indebted to the states for a large sum.

The spring and summer of the year 1846, there was a severe drought, and there was very small freshet to enable them to drive the timber, consequently a part only arrived at St. John late in the autumn; freights to England were excessively high, and there was no prospect of obtaining remunerating prices, and a part of the timber still remains afloat. It is very obvious, that the lumbermen can never meet their payments from the proceeds of the timber, nor pay so high stumpage, without ruin to themselves. The question then arises, what is best to be done. It appears to me the states will be obliged to make a considerable deduction from the auction prices, and unless we agree to receive of them a fair stumpage, say, such as has been exacted in previous years, (which is probably as much as can with any prospect of success, be equitably demanded,) we shall be in danger of losing much more. I hope, therefore, under these considerations, you will be authorized

to settle with the several permittees, at a fair and equitable price, and such as under all former considerations, we should have been willing to have granted permits, taking into view the places where cut, whether easy of access or otherwise, and the quality and size of the timber.

Very respectfully,

Your obedient servant,

GEO. W. COFFIN.



STATE OF MAINE.

HOUSE OF REPRESENTATIVES, July 2, 1847.

ORDERED, That three hundred and fifty copies of the foregoing report, resolve, and accompanying papers, be printed for the use of the Legislature.

SAMUEL BELCHER, *Clerk.*