

FOREST FINANCE

HERMAN H. CHAPMAN



Pr. 535 gr. 381/39

# FOREST FINANCE



BY

HERMAN HAUPT CHAPMAN, M. F.

*Harriman Professor of Forest Management  
Yale University*

SECOND EDITION

ALBANY, NEW YORK  
J. B. LYON COMPANY, PUBLISHERS

1935

GIFT FROM UNITED YUGOSLAV  
RELIEF FUND OF AMERICA

★ 1947 ★

## INTRODUCTION

---

This text supersedes *Forest Valuation* published in 1914. The contents have been entirely rewritten and considerably enlarged. The same general method of treatment has been retained, namely, to present in the introductory chapters a short discussion of elementary economic principles as they apply to forestry. In determining either value of property or the rate which can be earned on forest investments it is necessary to understand such elements as the forces which determine prices, the law of marginal values and the true character of interest. The first eight chapters are devoted to these discussions, with especial reference to the economic difference between a going concern and one in the formative period as this question affects the treatment of interest. The subject of the rate of compound interest in all its bearings on the industry of forest production has been given special consideration.

Appraisals of property are dealt with under the three heads of cost value, capital value and market value. The methods of determining the rate earned by forest investments have been brought up to date.

In the two chapters on appraisal of damages the principles of such appraisals have, it is believed, been clarified and rendered more serviceable for application in damage cases.

The subject of stumpage value appraisals has been expanded to three chapters, in the last two of which considerable material has been borrowed directly from the Circular of Instructions for Appraising Stumpage on National Forests, U. S. Forest Service, 1922.

The chapter on taxation of forest property represents the author's conclusions as to the ultimate form which this policy should take, and sets forth the economic problem involved and the methods of determining the comparative burdens of taxes borne by forest enterprises during their development and as going concerns.

The last two chapters are devoted to forest insurance in an effort to make generally available the existing information on