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ADDRESS  
OF  
CLARK V. SAVIDGE

Commissioner of Public Lands

BEFORE THE JOINT SESSION  
OF THE  
Senate and House of Representatives  
OF THE  
State of Washington

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Extraordinary Session  
December 11, 1925



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*To the Honorable, the Legislature of the State of  
Washington:*

LADIES AND GENTLEMEN:

In presenting this statement regarding the sale of state timber, the State Board of Land Commissioners desires it understood that wherever the Chief Executive is referred to it is not done in a spirit of "fighting back," but solely because it is necessary. This address will seem very long but even so it is not possible to cover completely so large a subject.

#### SALE PROCEDURE.

Timber is sold only on application of some citizen accompanied by a deposit of ten cents per acre, to be forfeited in the event that no sale is made. It is cruised by a timber cruiser; his report is considered by the State Land Board and from the data contained in the report, together with such information as the Board already has, a minimum value is placed upon the timber; it is advertised by means of printed circulars furnished each County Auditor for free distribution and also sent to all citizens who request it, and by advertising for five weeks in some newspaper located in the county in which the land is situated, and then offered at public auction by the County Auditor at the county courthouse. If sold, the full purchase price must be paid in cash and transmitted to the State Land Department with the report of sale. The matter is held in abeyance for ten days in order to give any citizen, who desires, the right to protest the fairness of the sale or to offer an increased price. If, at the end of the ten day period, the Board believes that a greater price could be obtained by rejecting the sale and reoffering the tract, it is done; if not, the sale is confirmed. I stress the point that the sale is held ten days before confirmation because it tends to prove that everything possible is being done to insure that as many bids as possible will be received for the state's timber. Where there is a million feet or more of timber to the quarter section, it is

sold separate from the land and must be removed within five years, provided that an extension for not to exceed five years may be obtained upon the payment of an annual rental of from \$1.00 to \$2.00 per acre. This tends to prevent men of large means buying large amounts of the state's timber and holding it. It appears to us that this method of handling the state's timber is as good as it could be unless it could be proven that it were better to

#### SELL ON A SCALE

as is done by the federal government. I desire to say to you in the beginning that if you will take the responsibility of directing that all future sales of timber shall be on a scale, you will earn and receive our everlasting gratitude, for you will then have taken from us the only shadow that hangs over us continually, namely, the "human" part of timber cruising.

For three years I have tried to bring myself to the point where I could conscientiously request you to direct the State Land Board to sell timber by the scale method but have not been able to conscientiously do so. I may add that I discussed this very matter with some members at the last session of the legislature. The situation to be met is this: To sell by scale, a minimum price per thousand is fixed; the purchaser bids on the price per thousand that he is willing to pay; then a modest deposit is required and when the timber is cut, a scaler must be maintained on the ground to scale the logs as they are cut. The State at this present time has in force more than 400 timber bills of sale scattered over the length and breadth of this great state. When you consider that one scaler could only take care of a very small bit of territory, including possibly three or four operations, and then think of the size of the state and the great number of timber bills of sale in effect, you will readily admit that a very large appropriation would have to be asked for to take care of this feature of the plan.

In addition to this, we must take into account that the state's timber is paid for in cash, the money begins to earn interest within forty-eight hours of the date of sale.



Our timber sales are averaging more than three-fourths of a million of dollars each year. I estimate that it stands on the ground an average of more than two years. In other words, more than a million dollars worth of timber has been paid for and the state's school fund is receiving interest from it, while, by the scale plan, that money would not be paid in until the timber was cut. But this is not all; the moment the state's timber is sold, it goes on the tax rolls and pays taxes to the county and the state; but if sold by the scale, no taxes would be paid during the years that it stood on the ground. It may be mentioned incidentally that in some of the counties where there are no large timber mills, the county would receive practically nothing for taxes, for the logs would be towed out of the county as fast as they were cut.

Thus it is that the certain loss of these huge sums of interest and tax money now being received under our present method, together with the fact that the state would have to carry the fire risk until the timber was cut, has caused me to hesitate to recommend the scale method for fear it would mean in the end a great loss to the state, although I repeat that if you can conscientiously direct the Land Board to sell by scale, please do so.

#### CRUISERS' REPORTS.

The Governor in his special message criticized unsparingly the State Land Board for its refusal to give out the reports of its timber cruisers. I think it only fair to this Board to say that the Governor has never mentioned this matter to us in any way, shape or form. We will all agree that the Governor is within his rights when he makes observations relative to the conduct of the state's business, but it does seem that the same feeling of responsibility should have impelled him to take the matter up with us many months ago. If it has not been good business, why has it been permitted to exist for nearly a year without any attempt to change it? I feel also that it is due to you to say that the State Capitol Committee, of which the Governor is chairman, has exactly the same rule regarding cruisers' reports. The

Governor has been its chairman for nearly a year; he has handled the reports of the cruisers while appraising the timber and has thus far not suggested a change.

Some seem to believe that there has been some change in the department's attitude toward these reports. This is not the case. The same rule has always obtained. I call attention to section 6648 of Remington's 1915 Code, which reads as follows:

"If any state land inspector knowingly or wilfully shall make a false oath concerning the appraisement on said lands, or knowingly or wilfully divulge anything, or give any information in regard to such land other than to the Board of State Land Commissioners, or Commissioner of Public Lands, he shall forthwith be removed from office and be deemed guilty of perjury and subject to the penalties thereof, and it shall be and is hereby made the duty of the Board of State Land Commissioners, or the Commissioner of Public Lands, to prosecute him therefor."

This certainly indicates that the legislature intended that these reports should be guarded carefully for whatever length of time was necessary to insure the state getting the full benefit of them. I make the square assertion that to make them public before the sale would serve no good purpose and would certainly result in a money loss to the state and much trouble for your Honorable Body. The state advertises the timber for sale on a certain description for a certain minimum sum. It guarantees nothing. If the cruise reports were open, no sane man would purchase timber without first having cruised it himself any more than he would buy a bin of wheat without having measured it. Do you know of any large timber concern from whom you were contemplating the purchase of timber that would give you its cruise? No, it would offer you the timber on that certain tract of land for a certain sum of money. Therefore, I conclude that the state's plan is absolutely fair to all. But let us suppose that the cruise reports were open to the public. First, the prospective purchasers who now try to hammer



down our appraisals would be furnished additional weapons in that they could then bring cruises of their own and hammer at our per thousand prices, breakage, grades, etc. In other words, you would take from us the last bulwark behind which we fight. Cruises at the best are partly an estimate. In support of this assertion, I quote no less an authority than the Governor himself. In his special message, he advised that on a tract of timber which he had cruised by three different men, the reports varied 40 per cent. Taking the Governor's illustration for our own, let us suppose that the state had sold it on the cruise of his low man, namely, 40 millions and it was later found that the high man was correct, a difference of 16 million feet, which, at the Governor's own appraisal, would be a loss to the state of \$80,000.00. Do you suppose that the fellow who got this \$80,000.00 would give it back to the state? Not at all, he would say nothing but start to the bank with it. On the other hand, suppose that the state had sold it on the high cruise and when the purchaser cut it, he found that it only cut the low cruise of 40 million, where would he start for? Undoubtedly straight for the senator or representative from his district with the demand that you pass a relief bill to reimburse him in the sum of \$80,000.00. In other words, the fellow who gained when the human cruiser underestimated would say nothing, while the one who lost when the cruiser overestimated would demand an adjustment. Even as it is now handled, we have frequent demands for a re-adjustment when operators lose money on the state's timber prices. Even if the state did not guarantee its cruises, the result would be only a measure of relief, for some would buy on the cruise anyway, and those would most likely be the men of small means who could least afford to take a chance and would feel that an adjustment should be made if they lost. But while cruising is an estimate, yet the great law of averages will take care of the adjustment in the long run, if the same man is employed and he be a good cruiser, for just as he is under today he will be above tomorrow.

Regarding the proposition of making the cruises public after the sale, the same arguments would apply against it until the timber is well off the land.

We now and then have requests for cruises by some one who has purchased tracts of timber, often brokers who take flyers in timber and buy on the state scale, figuring that they can turn around and sell to some one else by exhibiting the state's cruise if they could get it. That is one of the calls that we have after the sale is over.

The charge that it is possible to withhold from the people the facts regarding the conduct of their own business is ridiculous. Do you think that the Land Department would, for a moment, refuse to give your Honorable Body, or any part of it, information regarding the conduct of its affairs? The cruises are open at all times to three elective officials and are handled by employees of the department. In addition, the department cooperates with other official departments such as the courts at all times. And as time goes on, less importance is attached to the protection of the cruises; but when one comes as did the gentleman whom Governor Hartley now says was his agent, playing the role of an investigator in the dark, no wonder that the State Land Board and Capitol Committee exercised their judgment and authority in the premises; and, although it is extremely distasteful to me, yet because the Governor has brought the matter before you, no choice is left to me except to give you a report of the incident as it occurred.

In the latter part of November, 1923, a gentleman came to the office and asked for the records of all timber sales for the past ten years. He was asked his name and gave it as H. W. Hook of Seattle. He was given the volume containing the bills of sale, given desk room and stationery. He worked for a time, then went away for a period and came back and said that it was the timber cruises that he desired. Questioning developed that he did not want them for himself but was getting them for another whose name he declined to give. I advised him that it was not customary to give out the timber cruises



but that I would call the Land Board in special session and also ask the Governor to call the Capitol Committee together and have his request presented to them. Both boards met on November 30, 1923, Assistant Attorney General Tom W. Holman being present to advise them regarding the legal phase of the case.

In addition, the attorney general himself, Attorney General Dunbar, was consulted and confirmed Mr. Holman's advice to the Board that cruises were not complete office records, and that it was at the option of the Board whether or not they gave them out; that they were in the nature of certain other government and state records which are considered to be semi-confidential matters, and that it rested in our hands.

After due consideration, the boards passed the resolution set forth in Governor Hartley's special message to you directing me to adhere to the policy followed since statehood of not giving out the cruisers' reports. On the following day, Mr. Hook appeared at the office for a reply to his request, at which time the State Capitol Committee and the State Land Board met in joint session in my office with Governor Hart presiding. Mr. Hook was invited in and the Governor asked him who desired the cruises and for what purpose? He declined to give the name of his principal, at which the Governor informed him of the instructions that had been given me. He replied that he believed that his principal would take the matter into court, to which Governor Hart replied that if he would do so, we would quickly find out the name of his principal. After the meeting had adjourned, Mr. Hook requested copies of all leases issued during the past ten years.

(I think it opportune at this point to give my word of honor to the members of this joint assembly that I have never had any interest, direct or indirect, in any piece of state lands or anything that grew on it or walked over it.)

I promptly agreed to furnish him all this data which was easily available, for each year we make a complete abstract of the 3,000 leases in force for the use of the

county assessors of the state and keep a duplicate of it. To accommodate him, I agreed that he might receipt for the abstract of the previous year and work at his copying over at the hotel. He went away with the records and was not thought of again for a considerable period of time until I was advised by my chief clerk that the particular record that he had was needed and had not been returned. I took Assistant Attorney General Tom W. Holman with me and went to Seattle, found Mr. Hook in the Colman Building, and in response to our questions, he advised that the records were at his home. We took him in our car, drove to his home, secured the records and receipted for them. I did not give publicity to the incident, although the advantage rested with me, for the simple reason that it was by this time perfectly apparent that his principal was one of the candidates for governor who was moving to scare me into declining to be a candidate for the nomination myself. I felt sure that this questionable move was the result of campaign excitement and did not represent the true character of the man behind it, for which reason I did not desire to learn his identity because my self respect would have compelled me to oppose him openly in the primaries and in the general election had he succeeded to the nomination. I therefore decided to pocket my pride. Mr. Hartley was nominated. At a meeting of the nominees held in Seattle, he personally urged that I be sent out to campaign because of the friends I had. I acceded to the request and did my best. During the nearly a year that he has been governor, I have rendered him as loyal service as I have ever given any governor, trying my best to maintain the cordial relations that make for the best public service, but judging by what took place when he delivered his special message to you last Tuesday, I must have failed miserably.

#### PRICES OF TIMBER.

Gentlemen: This is the heart of what you desire to know at this time, namely what prices are we getting for timber.



So far as prices received for timber are concerned, we are willing to compare them with those received by the government which sells by scale, or by others if they sell on a reliable cruise. I have checked all timber sold during the past three years and the average price received is as follows:

Fir, all grades combined, average	\$3.25 per thousand
Fir, second growth.....	\$2 50
Cedar .....	3 31
Spruce .....	3 46
Hemlock .....	1 15

Add to the above the interest we receive on our cash sales during the time that timber purchased on time stands on the ground, for practically all sales are made on time, and the fir would average close to \$3.50 per thousand, and other species increased in the same ratio.

In connection with this, it is well to consider that the state's timber is broken up into small tracts. The state is seldom in a position where it can afford to lose a fair opportunity to dispose of its timber when called for lest it burn up when the surrounding slashing is fired. When it is favorably located so that the Land Board can stand its ground, we do so; for example, a certain section in Clallam County was offered in 1913 for \$52,677.00. The applicants refused to pay the price. They applied again last year and we raised the appraisal to \$107,950.00. Again they refused to pay the state's price, but we are confident that some one will pay it because it is located where there will likely be other applicants. As further evidence that we are not appraising our timber too low, I call your attention to the fact that at the recent land sale \$281,000.00 of timber was offered but only 50 per cent of it sold, the applicants preferring to forfeit their deposits rather than to pay the prices that we asked.

Under the circumstances, I think it only fair to say that for the timber sold since the Governor has been chairman of the Capitol Committee it has averaged only \$3.00 for its fir; but I also add in fairness that I think the price for these tracts of timber was fair.

Taking up the matter of the list of timber sales given by Governor Hartley in his message, the Governor did not offer criticisms of any in the list given save one. However, Representative Jacobs, chairman of the State, Granted, School and Tide Lands Committee of the House, requested of the Governor the descriptions that we might locate the tracts. For some reason (and this is not said in criticism of the Governor), Mr. Jacobs did not receive the descriptions. A search last evening through the thousands of timber sales located the following which appear to be among the ones cited, at least they correspond in acreage, county and price:

I desire to state that we have worked till we did locate all cited in Mason County. Bear in mind that we cannot guarantee these to be the ones, for we had no description, and in the volume there are literally thousands of land sales recorded.

600 A. in Mason County sold to Simpson Logging Co. for.....	\$19,054 50
May 23, 1918—Fir at \$2.50, Cedar at \$2.50.	
240 A. in Mason County sold to Mason Co. Logging Co. for.....	13,557 50
Oct. 18, 1917—Fir at \$2.50, Cedar at \$2.50.	
320 A. in Clarke Co. sold to Inman-Poulson Logging Co. for.....	47,107 50
Sept. 27, 1913—Old Fir \$2.50, Sap Fir \$2.00.	
526 A. in Pacific Co. sold to Sunset Timber Company for.....	40,836 00
May 23, 1918—Fir at \$2.50, Cedar at \$2.50.	
400 A. in Grays Harbor Co. sold to Natl. Lbr. & Mfg. Co. for.....	62,298 25
Dec. 8, 1922—Fir at \$3.00, Cedar at \$2.75.	
663 A. in Mason Co. sold to Mason Co. Logging Co. for.....	8,138 94
Jan. 5, 1915—Fir at \$2.00.	
320 A. in Mason Co. sold to Mason Co. Logging Co. for.....	5,913 00
Dec. 18, 1912—Fir at \$1.50.	
600 A. in Wahkiakum Co. sold to Mineral Lake Logging Co. for.....	33,089 85
May 6, 1913—Fir at \$2.00, Cedar at \$2.00.	



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The first four listed are Land Board sales; the balance are State Capitol Committee sales. The difference in the amount received computed on an acreage basis between Mason County and the others simply indicates the difference in the productiveness between Mason County and the others, a situation which is thoroughly understood by all who are familiar with the timber situation in Western Washington.

And I add that the timber in that county besides the difference in production, if you could read the reports, is of exceedingly poor quality as compared with the better counties.

Our efforts were, of course centered on finding for you the sale which was criticised by the Governor. It corresponds with the figures given in his report, and I feel sure is the section referred to, it being section 32, township 15 north, range 6 east. I have to advise you that this section was not sold by the State Land Board. It is a Capitol section and was sold by the State Capitol Committee on March 27, 1922. The cruise was made early in January, 1922, almost four years ago. The section sold for \$80,500.00, an increase of \$7,238.00 over the figure for which it was offered, there being competition between two companies in bidding for the section. Each of them knew that the other was bidding, in fact both were present in the Capitol at the same time on the day of sale. The bid of one was \$80,001.00, the purchaser, the D. & M. Company of Tacoma, paying \$80,500.00. From the fact that there was competition, it would seem reasonable to suppose that the parties paid what they thought it was worth. The fir was graded by forties, one forty only being appraised at \$2.00, the balance at from \$2.50 to \$3.00 per thousand; the cedar, of which there was not much and which was not of the good grade, at \$2.00 per thousand; the hemlock at \$1.00 per thousand. The price for which it sold would increase the price received for the fir by 30 cents per thousand. The Governor gives his cruises on this section as 40 million, 45 million and 56 million, a difference of 40 per cent.

The Capitol cruise was 33,600,000, which is 16 per cent under the Governor's cruise. I personally can not agree with the Governor that timber of this character was worth \$5.00 per thousand four years ago; and further, I call special attention to the fact that the Capitol cruise shows 8,835,000 feet of hemlock which was appraised at \$1.00 per thousand, which I contend was fair four years ago. Whatever amount of hemlock was on the tract was certainly worth nearer \$1.00 than \$5.00, and it appears to me that in fairness your attention should have been called to it, for if it was worth but \$1.00 per thousand and there were 8,835,000 feet, it would lower the value of the tract by \$35,340.00. I leave this matter with you, again calling attention to the fact that it was sold by the State Capitol Committee nearly four years ago.

Speaking for myself (for I alone of the Land Board members am a member of the State Capitol Committee), I can not pass without comment the expression contained in the Governor's criticism of the price received for the above section: "The deductions you must figure out for yourselves," for I am conscious of the fact that the deductions of some people are that this sale was not conducted honestly. For myself, I answer with the invitation to your Honorable Body to appoint a committee before whom I will lay my private business affairs in such detail that they will know where every dollar of my savings has come from, and further I will be glad of the chance to make certain that no filthy odors cling to my good name.

#### WILLING TO OBEY.

I ask your especial attention to this for it pertains to the proposition of giving publicity to the state cruises. I ask that particularly my good friends of the Press stress this, for it is the position of the Land Board on that question so far as you are concerned. We have given you our views but we are always willing to accept yours.

The Board of State Land Commissioners desires to express its readiness to carry out to the fullest extent



your wishes in regard to publicity of cruisers' reports. A mere resolution indicating your wishes in the premises will be observed as implicitly as any statute formally passed.

The Board has given you its views on the subject as a matter of duty and awaits from you any instructions that you may see fit to give.

IN CONCLUSION.

Ladies and Gentlemen: The Board of State Land Commissioners desires to express to you its sincere appreciation of your unfailing courtesy and confidence during the years that it has been in charge of the affairs of the State Land Department.

And I emphasize this on behalf of the Board to say that we will be willing to respond to your every request at this or any other time.

Speaking personally, despite the heartaches that this situation has brought to me, I assure you of my willingness and desire to cooperate with the Governor in all things and at all times for the advancement of our State, to the end, that when you come again and study the reports that we shall render to you of our stewardship, you may find no evidence that personal bitterness has interfered with official teamwork.

C. V. SAVIDGE,  
J. GRANT HINKLE,  
W. G. POTTS,  
*Board of State  
Land Commissioners.*

OLYMPIA, WASHINGTON,  
December 11, 1925.