

THE CLEVELAND - CLIFFS IRON COMPANY

LAND DEPARTMENT

ANNUAL REPORT OF LAND AGENT

YEAR 1942

MS 86-100
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Negaunee, Michigan

February 24, 1943

MAR -1 1943

Mr. E. B. Greene, President

14th Floor, Union Commerce Building

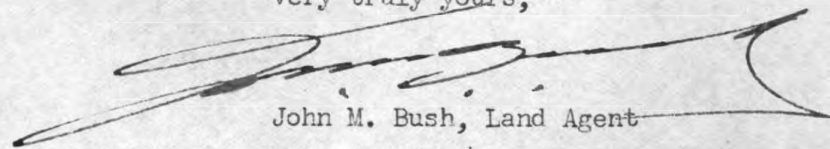
Cleveland, Ohio

ANNUAL REPORT FOR 1942

Dear Sir:

I submit herewith Annual Report of Operations of the
Land Department for the year 1942.

Very truly yours,



John M. Bush, Land Agent

JMB:HW

A N N U A L R E P O R T
LAND DEPARTMENT, NEGAUNEE, MICHIGAN
FISCAL YEAR 1942

THE CLEVELAND-CLIFFS IRON COMPANY

ARCTIC IRON COMPANY

BUNKER HILL MINING COMPANY

THE CLIFFS POWER & LIGHT COMPANY

SUPERIOR REALTY COMPANY

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LAND DEPARTMENT REPORT FOR THE YEAR

ENDING DECEMBER 31, 1942

GENERAL

There has been a change in the method of handling the lands of the company over that which has been in progress during the past years. The company owns the largest acreage of hardwood-hemlock lands remaining in the Great Lakes states, and during the summer of 1941 consideration was given as to whether or not the plan of liquidation which had been in effect should be continued, or whether we should practice a plan of conserving the timber remaining on these lands. Working to that end, Mr. Henry S. Graves was employed to look into the situation and make a report, which was done during the summer of 1941. Mr. Graves recommended that a forester be employed and a more detailed study of our lands be made. Mr. Graves' report was accepted, and his recommendation to employ a forester to make this detailed survey was carried out, and Mr. W. S. Bromley was employed and commenced work January 1, 1942. After Mr. Bromley made this detailed study of our lands his report was made and his recommendations were adopted.

During the year three districts were established—one known as the Marquette area, one as the Munising area, and one as the Grand Marais area; and a corps of men was established at each point. It was decided to introduce selective logging, taking only the larger and mature trees, leaving the balance on the land. Inasmuch as all of our logging is carried on by independent contractors, some difficulty was experienced in getting these contractors to undertake the work of selective logging, and it is going to take some time to get them educated to this work. However, a number of areas are being selectively logged, and the details of this work will be covered in the forester's report, included herein. There is no reason that we can see why we cannot selectively log our lands, especially those that are well grouped. It may be desirable to clearcut isolated descriptions which would not stand alone, and work is being directed along this line. What we want to bring out here is that the policy of the company is now one of conservation rather than liquidation.

Another obstacle in getting selective logging operations under way is due to the present war situation, which makes a shortage of labor in the woods. During the present winter we also had an exceptionally heavy snow fall, which made operations more difficult. We hope these difficulties will be overcome and that we shall experience no great trouble in carrying out the program as planned.

A number of years ago the Woodenware Company sold the veneer plant at Munising to the Atlas Plywood Corporation, carrying with the sale some obligation on our part to furnish that plant with logs, which we have been doing. In addition to selling this company logs for the Munising veneer plant, we have also been furnishing

them logs for their plant at Gladstone, Michigan. In order to conserve the balance of our standing timber in the vicinity of Munising for the Munising plants we prevailed on Mr. Venne, President of the Plywood Corporation, to take over some of our lands in the Grand Marais district under a timber permit on a stumpage basis, and in that way we would not have to deliver to them any logs from the Munising district. This he has done, and during the last half of 1942 they have been actively engaged in cutting and shipping logs from Town 47-11 in the Grand Marais district. This arrangement with Mr. Venne has worked out very satisfactorily, and the timber permit has another year to run after July 1, 1943. It may be possible to get this concern interested in more timber in the Grand Marais district.

The activities of the Land Department consist in a general way of the following units:

1. Supervising and looking after the large land holdings of The Cleveland-Cliffs Iron Company, Arctic Iron Company, Michigamme property, Bunker Hill Mining Company, and Superior Realty Company.
2. Management of the lands of the Michigan Mineral Land Company.
3. Looking after the production and sale of forest products.
4. Operating Grand Island, Game Preserve, and Hotel Williams.
5. Operating Retail Yard at Munising, Michigan.
6. Looking after lots and rented buildings under charge of the Land Department.
7. Looking after the lands of The Cliffs Power and Light Company.
8. Looking after the lot leases in the different cities and towns which are under the jurisdiction of the Mining Department.
9. Careful supervision of company lands, looking for and preventing trespasses of every kind, protecting timber lands and forest products from fire, sale and lease of lots in the various cities and villages, sale of timber land and stumpage, collection of rents and moneys from such sales and leases, and the study of conditions surrounding the communities in which the Company is engaged in business, with a view of encouraging proper improvements, etc.

It is also the duty of the Land Department to look after land titles, and, in particular, it is charged with the difficult proposition of assessments made upon Company lands and the taxes levied thereon, together with the proper payment of taxes when due.

MINERAL LANDS

We continue to carry a large acreage of lands in the mineral area of the Marquette Range for the benefit of the Mining Department, paying the taxes thereon

and otherwise handling them.

WOOD SUPPLY FOR CHEMICAL PLANT

We of course are carrying a large acreage of timber lands and this supply of wood is available to the Cliffs Dow Chemical Company at Marquette, Michigan, and in carrying this land we continue to pay large amounts of taxes and other expenses in caring for them.

TIMBER AND FOREST PRODUCTS SALES

The attached statement shows the sales and shipments of forest products during the year.

RAILROAD TIES

During the year shipments of hardwood ties to the railroads were made through the Munising Wood Products Company as well as ourselves. 27,850 ties were shipped during 1942 from our own operations.

The prices for 1942, as compared with 1941 and 1940, are as follows:

	1942	1941	1940
No. 4 Hardwood	\$1.15	\$1.00	\$.88
No. 3 Hardwood	1.00	.88	.78
No. 2 Hardwood	.85	.75	.68
No. 1 Hardwood	.75	.63	.57
Serviceable Rejects Hardwood	.55	.45	.45

MINING DEPARTMENT

The following statement shows the quantities of the different forest products sold to the Mining Department during the year:

<u>By Our Contractors:</u>			
Hardwood Mine Timber	364,056 feet	\$24.92	\$9,072.41
Hemlock Mine Timber	3,217 feet	22.59	72.67
Spruce Trestle Legs	3,786 lin. ft.	.31	1,173.66
7' Lagging	40,656 lin. ft.	.79	320.32
Hardwood Ties	1,284 pieces	.30	381.72
<u>By Stumpage Operators</u>			
Tamarack Mine Timber	792 lin. ft.	.066	51.93
7' Lagging	307,349 lin. ft.	.84	2,591.52
9½' Tamarack and Spruce Poles	46,202 lin. ft.	1.61	745.11
Tamarack Cribbing	2,304 lin. ft.	.036	82.31

MUNISING RETAIL YARD

We operated the Retail Yard in the City of Munising during the year 1942. The following results are reported:

Total Sales		\$119,174.41
Cost of Products Sold		<u>110,020.91</u>
Gross Profit		9,153.50
Less General Expense	\$2,093.78	
Less Commissions Paid	<u>4,255.16</u>	
		<u>6,348.94</u>
Net Profit before Depreciation		2,804.56
Depreciation		<u>618.67</u>
Profit after Depreciation		2,185.89

Lumber was sawed by portable saw mill owned by the Hancock Lumber Company from logs delivered by contractors. The lumber sawed from the logs delivered and cost, piled in the yard, was as follows:

Specie	Feet	Per M	Amount
No. 4 and Better Hemlock	1,018,952	26.48	\$26,987.31
No. 4 and Better Pine	273,150	32.25	8,807.88
Spruce	27,476	23.48	645.09
Totals	1,319,578	27.62	\$36,440.28

Lumber also was sawed by portable saw mills by Contractors Peura and Sons and P. and L. Gagner from logs from Company lands and the lumber was delivered to the Retail Yard and also direct to the Cleveland-Cliffs mines. The lumber delivered and the cost piled in the yard, as follows:

Specie	Feet	Per M	Amount
No. 4 and Better Hemlock	176,730	22.99	\$ 4,063.40
No. 4 and Better Pine	53,627	29.26	1,568.87
Spruce	8,460	24.47	206.98
Totals	238,817	24.45	\$ 5,839.25

The lumber delivered direct to the mines and the cost, as follows:

Merchantable Hemlock	220,491	25.56	\$ 5,635.87
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We were subject to a great many extraordinary repairs to buildings and machinery at this plant in order to keep it in operation. We were also limited as to the prices we could get for lumber sold, due to the ceiling placed thereon.

On August 13, 1942, the mill belonging to the Hancock Lumber Company and located on our property in the City of Munising was burned to the ground. Since that time no lumber has been manufactured at this point because of no other mill being available and for the further reason that due to shortage of men in the woods our operations have been confined principally to getting out hardwood logs for the several industries.

Planing Mill

The Planing Mill at the Retail Yard was operated throughout the year. The following statement shows the quantities of lumber worked for the current year, with the previous years for comparison:

	1942 Feet	1941 Feet	1940 Feet	1939 Feet	1938 Feet	1937 Feet
Hardwood	158	2,027	1,145	1,600	400	1,470
Softwood	2,495,609	1,509,266	1,506,362	1,846,098	854,796	1,590,646
Custom	20,290	39,713	93,175	128,839	111,754	-
Totals	2,516,057	1,551,006	1,600,682	1,976,537	966,950	1,592,116

The following statement shows the amount of lumber sold through this Retail Yard for the year 1942:

Manufactured Softwood	3,063,457 feet
Manufactured Hardwood	<u>2,934 "</u>
Total Manufactured	3,066,391 "
Purchased	None
Grand Total	3,066,391 feet

CLIFFS DOW CHEMICAL COMPANY

A supply of wood for this plant is being provided by jobbers and the wood is being delivered by rail and truck to the plant at Marquette, Michigan. The Land Department sells stumpage to some of these jobbers, and this stumpage is collected for us by the Chemical Company.

During the year this department furnished the Cliffs Dow, by jobbers, 42,576.64 cords of chemical wood.

30,013.48 cords in 1941

COMPENSATION CASES

As of December 31, 1942, there are six cases upon which we pay compensation. Four of these cases were injuries in the logging operations, one was injured at Grand Island, and one at Negaunee while repairing Company houses. All of these cases were previous to 1942.

The detailed statement made a part of this report shows eight minor non-compensable injuries during the year, one of which is open for delayed medical charge.

The statement also shows an expense of \$3,853.58 during the year 1942, of which amount \$3,838.56 was on previous years' cases, as compared with total expense of \$5,696.62 in 1941.

COMPENSATION CASES (CONTINUED)

The following statement shows the old cases open as of December 31, 1942, and the amount due on each case, based on estimated liability set up on our books, and an explanation of the estimate in each case:

Acc. No.	Name of Injured	Date Injured	Total Liability	Paid to 12/31/42	Balance Due		
					Weeks	Per Wk.	Amount
1789	Eino Karasti	5/21/36	\$ 9,000.00	\$ 6,210.00	155	18.00	\$ 2,790.00
1816	Dan Hall	9/18/36	3,215.52	1,610.08	173	9.28	1,605.44
1841	John M. Maki	11/21/36	760.96	760.96	-	-	-
	do.		2,587.42	1,658.92	150	6.19	928.50
2033	Solomon Makela	11/10/38	638.43	638.43	-	-	-
	do.		1,871.98	646.50	284 ¹ / ₃	4.31	1,225.48
2036	Arne J. Vartti	10/18/39	9,000.00	3,006.00	333	18.00	5,994.00
2048	Frank L. Bashaw	6/11/41	9,000.00	1,458.00	419	18.00	7,542.00
	Totals		\$36,074.31	\$15,988.89			\$20,085.42

Explanation of Balances Due:

- Case 1789. This party received a very severe fracture of the skull. Dr. A. W. Erickson of the Ishpeming Hospital examined him on November 12, 1942, and reported that there had been no improvement in his condition since his examination of him in May, 1940, and stated that his condition must be regarded as stationary and that there will not be any improvement in the future.
- Case 1816. He will never be able to do again the work he was injured at. There has been no improvement. The balance will have to be paid him, if he lives the full period of 173 weeks.
- Case 1841. The balance due him is in accordance with specific agreement entered into with him, and will have to be paid if he lives the full period of 150 weeks.
- Case 2033. The balance as shown is based on 40% disability and there is no doubt but it will have to be paid, if he lives the full period of 284 ¹/₃ weeks.
- Case 2036. He has a broken back, with complete severance of the spinal cord, and is paralyzed from the hips down. He is in good health otherwise and there is no doubt the full balance will have to be paid. This accident occurred at the operation of Larsen and Wikstrom, one of the so-called Lumbering Department's contractors, who had let their compensation insurance coverage lapse prior to the date of the accident. On account of the contractors being unable to take care of this liability, it was ruled that the Company was liable.
- Case 2048. This party had three ribs fractured, also separation of pelvic symphysis and crack in sacrum. We had him examined on January 11, 1943. There does not seem to be much of a chance of improvement in his condition, due somewhat to his 66 years of age, and the doctor considers it a total permanent disability. Therefore, there is no doubt but the balance shown will have to be paid.

FORESTRY AND CONSERVATION

During the year a great deal of attention was given to the matter of forestry and conservation. Your Land Agent attended a great many conferences, the principal business being the question of regulation of the cutting of the remaining forests under laws either by the Federal Government or by States. There are a number of bills in Congress covering this question and during the year a drive was made by the Forest Service of the Federal Government to impose cutting regulations on timber owners through executive order by the President. So far this underhand method has not been successful.

The timber land owners of Michigan have had a number of meetings with the State Conservation Department and also with the Forestry Department of the University of Michigan, with the view—in case we are faced with Governmental regulation—that we would rather have it come through the State than from Washington. A draft of a possible State bill has been under consideration all year, and when it has been whipped into final form it will be decided whether or not to have it introduced into the Michigan legislature. It is just possible that due to the present war situation nothing will be done for the duration.

Your Land Agent is a member of the conservation bureau of the National Lumber Manufacturers Association, and during the year attended a number of sessions of this bureau.

UPPER PENINSULA DEVELOPMENT BUREAU

This organization continues its activity and is doing good work from a public standpoint, as it is the only organization which brings together representatives of all of the fifteen counties of the Upper Peninsula of Michigan.

NORTHERN HEMLOCK AND HARDWOOD MANUFACTURERS ASSOCIATION, NATIONAL HARDWOOD LUMBER ASSOCIATION

Our membership is being continued in these organizations so that we can keep in close touch with timber owners and lumber manufacturers, and during the year a number of meetings were attended. Your Land Agent is a member of the Board of Directors and the Executive Committee of the first named association and is in close touch with its operations.

NATIONAL FORESTS

Very few sales of land have been made to the Federal Government during the year due to war conditions and the money for that purpose not being available.

FOREST FIRES

We have been particularly free of forest fires for a great many years. However, on April 23 a fire started in cutover lands in 46-24 and burned over 1280 acres belonging to the company, and in doing so destroyed the following forest products:

1,004 M Feet	Logs and Mine Timber
3,695 pieces	Ties
290 3/4 cords	Pulpwood
14,679 1/2 cords	Chemical Wood

This has been reported in detail heretofore.

TAXES

This is always a very live subject with this department, due to the fact that we own property and pay taxes in 56 tax paying districts in the Upper Peninsula of Michigan. The record shows that our taxes have been greatly decreased from what they were in previous years, and this is brought about by continual attention being given to the tax spending authorities. Just at the present time we have a bad situation in Alger County, where the county is in debt to the State of Michigan and other people in the sum of over eighty thousand dollars. This matter is now being taken up with the Auditor General and the Attorney General of the State of Michigan with a view of seeing what can be done in the situation.

ALGER COUNTY TAXPAYERS' ASSOCIATION

This association has been operating since 1927 under the management of Mr. J. I. Keeton, and excellent results have been attained. The work is being continued, and the results shown in Mr. Keeton's report and graph speak for themselves. The whole amount of taxes collected in Alger County just prior to the organization of the association was \$678,308.19, and there has been a steady downward dip in collections, and for the year just closed, 1942, the total taxes paid amounted to \$159,291.99. This is a remarkable showing.

CRUISERS

Due to the fact that we are doing some selective logging, the number of cruisers and foresters in the woods was increased as of January 1, 1942. Just at the

CRUISERS (CONTINUED)

present time, in addition to the Company Forester, we are employing three crews of three men each.

HOTEL WILLIAMS AND COTTAGES

We operated this resort during the past season and the number of guests registered was 380, as compared with 545 during 1941. The hotel was under the management of Mrs. John Lezotte of Munising, Michigan.

We have been put to considerable expense for repairs to buildings and equipment at this operation, and during the year the following extraordinary expenditures were necessary:

Repairing Hotel Cabins	\$ 100.80
Construction of Tennis and Shuffleboard Courts	1,448.58
Rebuilding Hotel Dock	504.70
Installing Hot Water Heaters in Hotel and Boarding House	<u>94.35</u>
Total	\$2,148.43

Statements in this report show receipts and expenditures for the year 1942.

GRAND ISLAND

DEER

We have made no shipments of live deer from this game preserve for a great many years and do not plan on making any shipments during the coming year, because of the scarcity of these animals in this area.

ELK

Some of these animals are seen by our men occasionally, but we do not know just how many are still on the Island.

GAME BIRDS

Only a few partridge have been on the Island this year, and very few birds of any kind are noted.

PREDATORY ANIMALS

The trouble with the coyotes is still with us, especially during the winter and spring, and the State Conservation Department trappers are cooperating with us in killing these animals.

HUNTING

The only hunting party on the Island during the hunting season in November was that of Oscar F. Mayer and Carter H. Harrison Sr., of Chicago. No deer were killed by them.

MAPLE SYRUP

During the year we made 765 gallons of syrup, as compared with 365 $\frac{1}{4}$ gallons made in 1941.

ROADS

These roads continue to be a source of expense for up-keep, and considerable work was done on them during the past summer.

DOCKS

During the year we expended a total of \$504.70 on rebuilding the hotel dock and \$22.39 on other docks, in order properly to dock the Motorboat HIAWATHA. Our docks are all old and demand close attention, which means added expense.

BOATS

The Motorboat HIAWATHA was operated from July 1 to September 15 and gave excellent service. We find this boat expensive to maintain--not only for keeping it in condition and operating it, but also on account of the cost of insurance.

AUTOMOBILES

No new cars were purchased during the year, and only operating and maintenance expenses have been necessary.

WORK DONE FOR OTHER DEPARTMENTS

During the year we prepared three contracts and eight bills of sale covering Mining Department houses at Ishpeming and North Lake and two contracts covering sales of houses in The Cleveland-Cliffs Iron Company's Second Addition, Negaunee.

We continued to handle the collection of payments on all of the sales of "New Additions" houses, and also to look after the surface of the Mining Department lands, including those of The Negaunee Mine Company, The Athens Iron Mining Company,

WORK DONE FOR OTHER DEPARTMENTS (CONTINUED)

and The Cliffs Power and Light Company. This includes preparation of leases and the collection of rentals on various leases.

Mr. Brotherton spent some time in making a preliminary examination of the area in the vicinity of the Salisbury and Lake Angeline Locations which it is proposed to include in a formal plat, and also some time with the Mining Department with reference to surveys in connection with the Deer Lake Basin.

MAPS

We are sending you a set of maps showing the lands owned by The Cleveland-Cliffs Iron Company and its subsidiaries as of December 31, 1942.

LOGGING

We have continued the practice of producing our forest products through independent contractors, the same as for several years past. Shipments of logs were made to the Munising Wood Products Company at Marquette and Munising, the Atlas Plywood Corporation at Munising, the Northwestern Veneer and Plywood Corporation at Gladstone, Michigan, and the Goodman Lumber Company at Goodman, Wisconsin. There also have been a number of shipments of logs, ties, and pulpwood to other people.

Included in this report is a statement showing the prices at which hardwood logs are being sold on contract to the different industries.

After reducing all of our forest products to an M foot basis, the figures show that our contractors and timber permit holders produced and delivered 50,716,068 feet during the year 1942.

NORTHWESTERN VENEER AND PLYWOOD CORPORATION

On July 1, 1942, we entered into a contract with this concern, and issued to them a timber permit on certain lands in 47-11, in order to provide them with logs for their Gladstone plant and also to give us some chemical wood for the Cliffs Dow Chemical Company at Marquette, Michigan. This is Conveyance No. 7341, and the details of this arrangement have already been reported to Cleveland.

The permit provides that these lands shall be selectively logged, and only trees that are marked by our foresters are to be cut.

Preliminary work on this operation was commenced in July, and deliveries of logs began in September and continued throughout the year. They are still working.

From the time work was commenced here to December 31, 1942, a total of 1,961,790 feet of hardwood logs was produced and shipped to the Veneer Corporation's Gladstone plant, and 218,509 feet of softwood logs were delivered to the Barrett Lumber Company at Newberry, Michigan.

The stumpage to be paid by the Northwestern Veneer and Plywood Corporation is as follows:

Birch	\$11.00	per M Feet	
Maple	7.00	do.	
Beech	4.00	"	
Basswood	8.00	"	
Ash	6.00	"	
Elm	6.00	"	
Hemlock	4.00	"	(until 7/1/43)
Pine	10.00	"	
Chemical Wood	.14	per ton	

BALANCE SHEET AND PROFIT AND LOSS STATEMENT

Comparative balance sheet and profit and loss statement as of December 31, 1942, and December 31, 1941, are attached.

THE CLEVELAND-CLIFFS IRON COMPANY
LAND DEPARTMENT

COMPARATIVE BALANCE SHEET DECEMBER 31, 1942 AND DECEMBER 31, 1941

	DECEMBER 31, 1942	DECEMBER 31, 1941	INCREASE	DECREASE
ASSETS:				
<u>Current Assets:</u>				
Cash - Hoegaunco	4,395.89	10,500.00	-	6,104.11
<u>Accounts Receivable:</u>				
Manufacturing Wood Products Company	36,499.68	40,413.19	-	3,913.51
Other	84,229.57	91,957.50	-	7,727.93
Total Accounts Receivable	120,729.25	132,370.69	-	11,641.44
<u>Inventories:</u>				
Stock of Retail Yard Products	27,432.14	54,279.42	-	26,847.28
Other	2,730.42	1,154.69	1,575.73	-
Total Inventories	30,162.56	55,434.11	-	25,271.55
Total Current Assets	155,287.70	198,304.80	-	43,017.10
<u>Investments, Advances, Etc.:</u>				
Real Estate, House Lot and Miscellaneous Receivables	216,178.28	212,580.81	3,597.47	-
<u>Property Accounts:</u>				
Real Estate and Timber Lands	5,320,740.52	5,320,358.86	381.66	-
Appreciation Real Estate & Timber Lands	10,511,570.23	10,511,570.23	-	-
Total Real Estate & Timber Lands ..	15,832,310.75	15,831,929.09	381.66	-
Plant and Equipment	227,396.00	229,953.02	-	2,557.02
Total Property Accounts	16,059,706.75	16,061,882.11	-	2,175.36
<u>Deferred Charges:</u>				
Insurance Premiums Paid, Etc.	2,749.10	872.71	1,876.39	-
TOTAL ASSETS	16,433,921.83	16,473,640.43	-	39,718.60
LIABILITIES AND CAPITAL INVESTMENT:				
<u>Current Liabilities:</u>				
Vouchers Payable	6,460.36	10,318.68	-	3,858.32
Accounts Payable	52,817.99	26,464.36	26,353.63	-
Accrued Taxes Payable	73,515.07	79,151.83	-	5,636.76
Total Current Liabilities	132,793.42	115,934.87	16,858.55	-
<u>Deferred Credits:</u>				
Credits Applicable to Future Oper'ns .	6,369.86	6,422.69	-	52.83
<u>Reserves:</u>				
<u>Depletions:</u>				
Land and Timber - Original Cost	1,800,482.23	1,746,708.42	53,773.81	-
Land and Timber - Increment	5,282,310.65	5,174,161.86	108,148.79	-
Total Reserve for Depletion	7,082,792.88	6,920,870.28	161,922.60	-
<u>Depreciation:</u>				
Plant and Equipment	212,708.40	213,736.08	-	1,027.68
Total Reserves	7,295,501.28	7,134,606.36	160,894.92	-
Capital Investment	8,807,513.76	9,056,444.16	-	168,930.40
Profit or Loss - Current Year	111,743.51	160,232.35	-	48,488.84
TOTAL LIABILITIES AND CAPITAL INVESTMENT	16,433,921.83	16,473,640.43	-	39,718.60
SUMMARY OF PROFIT AND LOSS - LAND DEPT. AND SUPERIOR REALTY COMPANY:				
	YEAR 1942	YEAR 1941		
Land Department	111,743.51	160,232.35		
Superior Realty Company	6,403.26	663.91		
TOTAL	118,146.77	160,896.26		

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THE CLEVELAND-CLIFFS IRON COMPANY
LAND DEPARTMENT
COMPARATIVE STATEMENT OF PROFIT AND LOSS FOR YEARS 1942 AND 1941

	YEAR 1942	YEAR 1941
PROFIT FROM OPERATIONS:		
<u>Lumbering and Logging:</u>		
Sawlogs and Miscellaneous Forest Products	195,851.65	224,131.56
Purchased Products	93.30	350.45
Retail Yard and Sawmill	2,804.56	5,688.48
Idle Expense - Logging Operations	1,573.81	415.98
Profit on Sales of Logging Equipment	1,599.55	34,002.21
Personal Injury Expense	6,495.02	11,909.40
Total Profit from Lumbering and Logging	193,427.85	252,679.28
Less: Stumpage	73,720.94	83,545.24
Net Profit from Lumbering and Logging	119,706.91	169,134.04
<u>Other Operations:</u>		
Grand Island and Hotel Williams	12,942.09	14,856.85
<u>Rents Earned:</u>		
Rented Buildings	1,431.29	2,544.67
Lot Rents	18,195.77	18,017.77
Sundry Rentals	33.00	38.00
Land Rents	8,079.56	7,783.19
Total Rents Earned	27,739.62	28,383.63
<u>Miscellaneous Revenue:</u>		
Land Products Sales	979.30	3,085.73
Royalties Received	1,000.00	1,229.40
Uncollectible Accounts (Recovery)	764.65	348.23
Miscellaneous Sales	40.76	525.31
Miscellaneous Earnings	369.28	1,063.16
Total Miscellaneous Revenue	3,153.99	5,555.37
TOTAL INCOME	137,657.93	188,216.19
<u>Less: Administrative Expense:</u>		
Central Office (Prop'n of)	72,208.90	77,046.17
Land Looking	4,988.84	11,441.88
Foresters	16,063.65	-
Other Expenses	6,422.91	3,877.94
Total Administrative Expense	99,684.30	92,365.99
NET INCOME FROM OPERATIONS BEFORE DEPRECIATION	37,973.63	95,850.20
<u>PROFIT FROM SALES OF CAPITAL ASSETS:</u>		
Real Estate, Timber, etc. - Before Increment Depletion	139,583.11	136,877.84
TOTAL PROFIT - LAND DEPARTMENT	177,556.74	232,728.04
<u>OTHER ITEMS:</u>		
Superior Realty Company Profit and Loss	8,847.60	2,709.14
TOTAL LAND DEPT. AND SUPERIOR REALTY (BEFORE TAXES AND DEPRECIATION)	186,404.34	235,437.18
<u>LESS: DEPRECIATION AND TAXES:</u>		
Depreciation	2,467.36	2,337.83
Taxes	65,716.73	72,142.90
Back Taxes	73.48	60.19
Total Depreciation and Taxes	68,257.57	74,540.92
NET PROFIT OR LOSS	118,146.77	160,896.26

(1) Includes \$2,444.34 Taxes paid by Superior Realty Company to 12-31-42 and \$2,045.23 to 12-31-41.

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THE CLEVELAND-CLIFFS IRON COMPANY
LAND DEPARTMENT

DETAIL OF PROFIT AND LOSS ON SALE OF CAPITAL ASSETS

	YEAR 1942	YEAR 1941
<u>REAL ESTATE, TIMBER, ETC.:</u>		
Real Estate and Timber	40,380.35 ✓	42,883.60
Timber Only	75,830.91 ✓	62,453.88
Town Lots	525.00	5,635.00
Trespasses	1,698.95	2,023.60
Miscellaneous Sales of Forest Products	1,700.68	1,160.42
Total Real Estate and Timber Sales	120,135.89	114,156.50
Stumpage - Cuttings <i>Logging contracts</i>	73,720.94	83,545.24
Total Sales of Capital Assets	193,856.83	197,701.74
<u>Less:</u>		
Cost of Real Estate and Timber Sold, (1)	53,773.81	56,148.18
Cost of Town Lots Sold	415.00	3,523.05
Cost of <u>Miscellaneous</u> Real Estate and Timber Sold.	84.91	1,152.67
Total Cost	54,273.72	60,823.90
<u>NET PROFIT FROM SALE OF CAPITAL ASSETS</u>	<u>139,583.11</u>	<u>136,877.84</u>

(1) The above represents the Original Cost of Land and Timber based on adjusted cost values agreed upon with the Natural Resources Division as of March 1, 1913.

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SALES, LEASES, COLLECTIONS, ETC.

(SUPERVISED BY A. J. ERICKSON)

SALES OF LAND AND TIMBER

In line with the policy of conservation only isolated parcels and tracts of timber were sold, and no particular effort was made to follow up inquiries for the larger tracts, except for the eastern end of Luce County.

These sales are shown in detail on the statement accompanying this report.

REAL ESTATE SALES

The total sales were \$40,788.80 and are classified as follows:

	Acreage	Amount
Lands for Agricultural Purposes	1,638.00	\$ 5,640.00
Right of Ways for Highways	2.972	3.00
Easements	=	25.00
Parcels along U.S. 41 East of Negaunee	9.17	1,415.00
Lake Frontage--Summer Cottage Sites	11.51	1,500.00
Lands for Timber Value	557.70	31,575.00
Lands for Hunting Camp Purposes	38.71	160.00
State of Michigan--Game Refuge and State Parks	240.00	380.00
United States of America	40.00	64.80
Township of Fairbanks--Cemetery Site	.91	1.00
Miscellaneous	=	25.00
Totals	2,538.972	\$40,788.80

The Sales for Agricultural Purposes is made up principally of the 1440 acres sold to Louis S. Drake in 47-18. The lake frontage properties sold are all on Johnson Lake, and all of our sites on this lake have been sold. The principal sale for timber purposes was to E. H. Sheldon and Company and covered 437.70 acres in Towns 47 and 48-8. The State of Michigan, Conservation Department, has had some surplus funds from license fees which they are using for the acquisition of lands within game refuge and state park areas.

TIMBER SALES

These amounted to \$27,611.60 and covered 1698.20 acres. Outside of the sale to Ernest O. Baumgarten amounting to \$10,800.00, covering 320 acres in 46-14, these were all small tracts. 114 of these timber permits were active during the year.

STUMPAGE SALES

The total earnings from our so-called stumpage sales for the year were

\$25,555.76, as compared with \$27,022.88 in 1941. These consist of miscellaneous sales of timber suitable for pulpwood, ties, mining timber, chemical wood, and miscellaneous logs.

NORTHWESTERN VENEER AND PLYWOOD CORP.—47-11

The total stumpage earnings under this permit were \$15,168.48. The total deliveries from which stumpage was collected were 218,509 feet of softwood and 1,961,790 feet of hardwood logs.

PULPWOOD PERMITS

The total earnings from sales of pulpwood amounted to \$6,932.20, as compared with \$6,306.41 the previous year. 24 of these permits were active during the year.

SOFTWOOD TIE PERMITS

Only \$562.87 was received from this source, as compared with \$1,013.53 the previous year, and only five permits were active. In addition to the stumpage earnings there was also a profit of \$93.30 in connection with the handling of these deliveries. The deliveries were 2,473 pieces, as compared with 5,323 in 1941.

CHEMICAL WOOD

We had 23 active permits during the year, and the total stumpage collections were \$15,310.25, covering 41,758.53 cords; and these are about twice as much as the year before.

MISCELLANEOUS PERMITS

Earnings of \$10,245.51 were received, as compared with \$19,702.94 in 1941. 17 of these permits were active during the year, and the production consisted principally of lagging, mine poles, and posts, and some softwood and hardwood logs.

MISCELLANEOUS STUMPAGE SALES

These amounted to \$1,700.68 and represent miscellaneous lots of timber for fuel and building purposes.

TRESPASSES

Trespass collections amounted to \$1,698.95.

LAND AND TIMBER NEGOTIATIONS

GROUP 1 LANDS

We had a number of inquiries for tracts of timber in this group during the year and made quotations to George Hyde, Hartman and Wood, and the Michigan Pole and Tie Company on softwood groups in the area north of Newberry, and we also submitted propositions to the Michigan Maple Block Company and the E. H. Sheldon and Company on the so-called hardwood tract located principally in 46, 47, and 48-8. The E. H. Sheldon Company purchased 437.70 acres and is interested in securing additional lands. There were also the usual number of inquiries for individual forties or eighties for camping purposes.

RANGE 24 LANDS

We made a number of quotations on small and large tracts of timber in this group but were successful in selling only one forty in Section 35, 44-24, and the timber left on the cutover area in Section 6-46-24.

MISCELLANEOUS

We had the usual large number of inquiries from small operators for tracts of timber scattered throughout our entire holdings, and in addition a few inquiries for agricultural lands and those suitable for camp site purposes.

LAKE AND RIVER FRONTAGE

The only lake frontage properties disposed of during the year were the remaining cottage sites on Johnson and Bertrand Lakes, and also a parcel sold to the Bay de Noquet Company in Section 29-44-19 which had some frontage on a non-meandered lake, but which according to our reports is not particularly attractive as a camp site.

There is nothing new to report with reference to the Johnson trespass on Gold Lake.

FEDERAL GOVERNMENT

NATIONAL FORESTS

The Forest Service has not been active in purchasing additional lands for several years, as no funds have been available. We have kept the Forest Service office advised of the lands we have available.

The situation with reference to the roadside timber along the Castle Point Road leading north from M-94 east of Munising is still the same, and until funds are available the Forest Service is not in a position to negotiate for this timber.

STATE OF MICHIGAN

The Conservation Department has been quite active in acquiring lands lying within the game refuge and state park areas throughout the Peninsula. The funds they are using for this purpose are those received from the sale of game licenses.

LOT SALES

Our lot sales amounted to \$525.00, as follows:

Theodore Kolehmainen	Lot 6, Block 21, Plat of Gwinn	\$125.00
Norman J. Johnson	Lot 7, Block 21, Plat of Gwinn	150.00
Anne B. Frasier	Lot 17, Block 15, Walbridge Addition, Munising	125.00
Harry O. Knudsen and wife	Lot 5, Block 8, Plat of Gwinn	125.00
Total		\$525.00

HOUSE AND LOT SALES

No sales of this character made during the year.

NEGAUNEE HOUSE SALES

Only two new sales were made, as follows:

Purchaser	House No.	Lot	Block	The C.C.I.Co. Addition	Sale Price	Down Payment
Clarence Brisson & wife	43	1	2	Second	\$3,300.00	\$330.00
John D. Rule and wife	33	4 & part of 3	4	Second	3,750.00	375.00

GWINN TOWN SITE

In addition to the vacant lot sales shown above, the Mining Department sold Lots 15 and 16, Block 12, together with the dwelling thereon, to John Bond and wife for a price of \$1650.00; and the old land contract issued to Carl A. Beckman on August 28, 1919, covering Lot 10, Block 4, was completed and the deed issued to John Stein and wife.

MISCELLANEOUS HOUSE SALES

The contract to Ernest G. Harris and wife covering the so-called Adolph dwelling on Lots 37 and 38, Cleveland Iron Mining Company's First Addition, Ishpeming, was completed, and the bill of sale issued.

The Mining Department sold House No. 2 at the Barnum and House No. 2 in the Second Addition and Nos. 23 and 69 at North Lake; and their contracts covering eleven houses at Ishpeming, North Lake, and Republic were completed during the year and bills of sale issued.

NEW LEASES

The following gives the number, classification, and the rentals of new leases issued during the year:

		Annual Rental	Taxes
9	Residence Leases	\$108.00	\$23.92
5	Camping Leases	5.00	37.27
2	Garden Leases	9.00	-
7	Miscellaneous Leases	17.00	-
23		\$139.00	\$61.19

A number of renewals were made during the year, and there was also the usual number of transfers, the assignment fees collected amounting to \$162.00.

MINING DEPARTMENT LANDS

This department, as heretofore, continued to look after the surface of all of the lands of the Mining Department, which includes those of The Cliffs Power and Light Company, The Negaunee Mine Company, and The Athens Iron Mining Company.

LAND RENTALS

The following is a comparison of the earnings for the years 1942 and 1941:

	1942	1941
Lot Rentals	\$18,195.77	\$18,017.77
Land Rentals	8,079.56	7,783.19
Miscellaneous Rentals	33.00	38.00

LAND RENTALS (CONTINUED)

There is a slight increase in the Lot Rentals; this is due to new leases issued. The increase in Land Rentals is due more or less to collection of rentals that had been closed off as uncollectible in previous years.

ROYALTIES

The royalties on our license to the Advance Industrial Supply Company for the year amounted to \$1,000.00. The actual deliveries for 1942 gave earnings of \$988.10, and the difference to make up the minimum of \$1,000.00 amounted to \$11.90, which has been paid. The total royalties from this operation amount to \$34,271.79 and in addition to this amount the lessee has also paid the taxes each year.

LAND PRODUCTS SALES

Our earnings from this source were \$979.30, as compared with \$3,085.73 in 1941. The decrease is due principally to the curtailment of road construction work by the state and counties. A detail of our earnings is as follows:

Marquette County Road Commission—Sand and Gravel	\$412.53
City of Negaunee—Gravel and Sand	75.00
City of Ishpeming—Rock, Gravel, and Sand	275.94
Alger County Road Commission—Gravel	35.58
Miscellaneous Sales of Gravel, Sand, and Soil	<u>180.25</u>
Total	\$979.30

RENTED BUILDINGS

Our dwellings were all occupied during the year except a few of those at the Central Location and Forest Lake; and House No. 301 at Munising was vacant for part of the year. The earnings amounted to \$6,028.98, as compared with \$6,106.36 the previous year. The maintenance expense amounted to \$3,043.21, as compared with \$1,901.04 in 1941. This increase was due to our ability to secure some carpenters to make necessary repairs to roofs, porches, steps etc. on a number of our houses at Negaunee. The taxes were \$1,408.43; insurance, \$129.51; and location and personal injury expense \$16.54—making a total maintenance expense of \$4,597.69, as compared with \$3,561.69 in 1941, and leaving net earnings of \$1,431.29, as compared with \$2,544.67 in 1941.

COLLECTIONS

The following is a comparison of the Sales and Rental Receivable accounts as of December 31, 1942, and 1941:

	1942	1941
Real Estate Sales Receivable	\$92,599.44	\$74,124.60
Lot Sales Receivable	4,110.20	6,593.46
House and Lot Sales Receivable	4,959.11	5,276.84
Negaunee House Sales Recv.	113,628.56	123,886.85
Timber Sales Receivable	9,211.24	3,123.00
Land Products Sales Receivable	739.18	872.83
Miscellaneous House Sales Recv.	880.97	2,699.06
Land Rents Receivable	22,746.57	23,237.55
House Rents Receivable	744.86	824.36
Grand Island Rents Receivable	150.00	100.00

SALES ACCOUNTS

The usual statements showing a detail of these accounts, with our comments thereon, are in this report. The increase in the Real Estate and Timber Sales is due to new sales.

RENTAL ACCOUNTS

There has been a further decrease this year in the outstanding land and house rent accounts. We are keeping after these very closely, and it is hoped that with the employment conditions prevailing we will be able to effect still further substantial reductions in the outstanding accounts.

SURRENDERED AND CANCELLED CONTRACTS

Only two contracts were cancelled during the year. One was the Henry Craig contract, Conveyance No. 4584, covering forty acres in 44-24; and the other was the cancellation of our right of way deed to the Alger County Road Commission across Sections 17 and 18, 49-14. The Craig parcel was resold to the Conservation Department of the State of Michigan.

CLIFFLAND FARM

This property is a so-called Company farm, which was started by the company many years ago with the idea of demonstrating the fertility of the soil in the vicinity of Rumely, in which the Company owned a very large tract of cut-over land.

After the farm had fulfilled its purpose it was sold to Mr. and Mrs. John H. Koskela on April 1, 1927, for a price of \$15,000.00. These people have occupied

the place since and have kept it up in fairly good shape, but the returns have not been large enough to permit them to make payments on the principal, but they have kept up the taxes, insurance, and made substantial payments on interest each year. During the past year they made payments totalling \$600.00. This couple is now getting along in years, and it looks as though they are not going to be able to complete the contract, and we have therefore been looking around to find someone to take over the property. We spoke to Roy Delongchamp of Champion, who is a potato grower. He is interested in the property and stated that he would consider its purchase during the winter months and let us know definitely in the spring.

BEACH INN

This is a hotel property at Munising which the company acquired from Mr. Samuel Redfern, a former Land Agent, in 1905. For a number of years the company leased the property to various tenants, but this did not work out in an entirely satisfactory manner, with the result that it was decided to sell it. It was sold to C. L. Heckathorn in 1927, and he surrendered his contract in June, 1934, and it was then leased to Bert S. Carr for a year, with an option to purchase, which he exercised, and this contract was surrendered by Mrs. Carr after his death, on December 2, 1940, at which time the sale was made to the present purchasers, Mr. and Mrs. Charles R. Everett, for a price of \$19,500.00, to which was added a supplemental contract for the installation of new bathrooms, amounting to \$2,148.79, making a total consideration of \$21,648.79. Since his purchase of the property he has expended in the neighborhood of \$10,000.00 in improvements and purchase of new equipment. The property is now in considerably better condition than when he took it over. At the present time he is handicapped by economic conditions, but has promised to try to keep the hotel open, provided he will not be required to make any payments on his contract during the winter. A special report covering this matter was forwarded to Cleveland on February 1, 1943.

MANUFACTURERS HOTEL

This is the so-called Russell House, which was acquired by the Company in 1906 and was for some time operated as a boarding house for the benefit of the

MANUFACTURERS HOTEL (CONTINUED)

employees of the sawmill, the woodenware company, and The Munising Paper Company. For a number of years afterwards it was leased and conducted as a second class hotel. It has been closed for about two years, and the only occupancy this year was the rental of the dining room and kitchen by Rupp, Green and Company, the rental amounting to \$179.15.

BELLEVUE AND CLIFFS FARMS

The Bellevue Farm was the original Houston Farm and is located south of Negaunee. At one time it was conducted by the old Iron Cliffs Company as a dairy farm.

The Cliffs Farm comprised several clearings which were used at the time the old furnace at the Iron Cliffs Location (along the Cliffs Drive) was working, and during the time the Bellevue Farm was in operation was used as a hay area.

Both of these places, as farms, were discontinued several years ago. The buildings at both places were sold, and in the case of the Cliffs Farm have all been removed. The dwellings and the dairy building still remain at the Bellevue Farm but were sold and are occupied as dwellings. Both of these farms are within the mineral area.

LOCATION IMPROVEMENTS

The Land Department reimbursed the City of Ishpeming for work done on Barn Street in the Hard Ore Location in the amount of \$359.59.

The expense at the Central Location for the year amounted to \$15.54, and this is included in our rented buildings maintenance.

MISCELLANEOUS

LUNDIN AND BJORK GOLD MINING LEASE

The two semi-annual reports received from the Calumet and Consolidated Copper Company and Mr. E. L. Derby's comments on the operations are included in this report.

GRAND ISLAND SUMMER RESORT

We used the same booklet as the previous year—the one prepared by Edward Dreier—and a very extensive distribution of it was made to individuals, information bureaus, and clubs.

BUNKER HILL MINING COMPANY

LAND RENTALS

The land rentals amounted to \$900.33, as compared with \$883.67 the previous year. The only new lease issued was to Thomas Connors for banking ground purposes, and this covers a portion of the land which was included in the Cleereman Land and Lumber Company lease which was surrendered last fall.

RENTED BUILDINGS

Our dwellings were all occupied during the year, and in addition thereto two of the old buildings were occupied by Thomas Curtis Jr. and Francis E. Kennedy for automobile storage. The total rentals amounted to \$1,002.74, as compared with \$749.04 in 1941. We have undertaken extensive repairs to four of the houses, replacing all the outside doors and windows, including the frames, casings, etc., and also making necessary repairs to porches and roofs. These buildings are 75 or 80 years old, and the windows were in such shape that it was impossible to keep out the wind and rain and consequently the houses were extremely cold. Repairs to the siding are still going on, and we have also secured new storm windows, as the old ones were beyond repair. The maintenance expense, which also includes extensive work done on the roof and porches on House No. 1, was \$2,066.30; and in addition to this item water rates were also included (amounting to \$29.03) as these are included in the rental charged. The houses will require painting next year, and there will also be some additional expenses for interior decoration, due to the fact that it was necessary to repair the plastering around the windows.

MISCELLANEOUS EARNINGS

In addition to the rental items we also collected \$4.00 for assignment fees; \$58.59 for old scrap metal; and the sundry rental charge of \$12.00 for the company barn.

COLLECTIONS

The Receivable Accounts as of December 31, 1942, and 1941, were as follows:

	1942	1941
House Rentals	\$153.94	\$ 38.94
Land Rents	94.00	608.14

UNSETTLED MATTERS

This pertains to the right of way of the Chicago & North Western Railway across a portion of this property, which is occupied by oil companies for station and storage sites under leases from the Railway Company. In accordance with request from the Cleveland office, we are making this a matter of record in our annual report each year, but we understand no further action is to be taken on this matter at the present time.

THE CLIFFS POWER AND LIGHT COMPANY

EARNINGS

These were as follows:

Timber Sales	\$38.75
Land Products Sales	4.75
Real Estate Sales	100.00
Sales of Wild Hay	4.00
Land Rentals	275.91
Sundry Rentals	<u>3.00</u>
Total	<u>\$426.41</u>

The Real Estate item is the consideration for the right of way deed to the State of Michigan for additional width at the Carp River bridge on U. S. 41 in Section 29-48-26. The Land Products Sales represent sales of clay from the NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Section 35-48-25. The Timber Sales item is stumpage on balsam and spruce pulpwood and some 7' lagging cut by Adolph Ollila under his timber permit.

NEW LEASES

Seven new leases were issued during the year--one to Samuel J. Richards for a private road on the SW $\frac{1}{4}$ of NW $\frac{1}{4}$, Section 34-48-27, at \$1.00 a year; a camping lease to Toivo J. Lahti covering a parcel in Section 8-48-26, \$6.00 a year; one covering the Austin camp building to A. W. Erickson et al, Trustees for the Boy Scouts (this is located on Section 29-48-27) at \$1.00 a year; and one with the Arctic Iron Company to Sam Nurmi covering a portion of the SW $\frac{1}{4}$ of NW $\frac{1}{4}$, Section 1-47-26, at \$5.00 a year and taxes, which in 1942 amounted to \$1.33. We also issued three camping leases covering frontage on Mud Lake at a total rental of \$30.00 a year. However, a former lease covering a portion of one of these parcels was surrendered, so that the net additional annual rental will amount to \$24.00.

COLLECTIONS

The uncollected balance on the Land Rents Receivable as of December 31, 1942, amounted to \$365.69, as compared with \$277.85 the previous year. We expect that a large portion of these rentals will be taken care of in 1943.

SUPERIOR REALTY COMPANY

FINANCIAL STATEMENTS

Attached hereto are balance sheet and profit and loss statement, as of December 31, 1942, and 1941.

EARNINGS

These were as follows:

Real Estate Sales	\$ 7,959.34
Cash Sales of Timber	9,415.00
Miscellaneous Stumpage Sales	291.75
Interest	5.06
Profit on Sales of Tax Titles	189.35
Land Rentals	31.50
Miscellaneous Earnings	78.54
Land Products Sales	139.55
Timber Trespasses	56.00
Restoration of Lands Previously Charged Off as Relinquished to State of Michigan	500.00
<u>Total</u>	<u>\$18,666.09</u>

The usual statement covering the sales of land and timber accompanies this report. The cash sales of timber were \$9,415.00, and 21 of these timber permits were in force during the year. The principal sale of timber was to George Hyde and covered 440 acres in 47-9. We also sold timber on 195.36 acres in Section 18-47-30 to Axel Carlson for \$1,000.00. These were lands that had been permitted to go delinquent for taxes, and on account of a tax purchase made by Milton Selander we were in a position to redeem, the redemption costing us \$511.50, so that we made \$488.50 on this transaction. The principal sales of real estate were to the State of Michigan, as the Conservation Department is purchasing whatever lands they can acquire at a reasonable price lying within the limits of the state game refuges and parks. The Land Products Sales amounted to \$139.55, and represent gravel sold to various parties.

SURRENDERED AND CANCELLED CONTRACTS

There were no surrenders or cancellations of land contracts during the year.

QUOTATIONS

We had about the usual number of inquiries for lands of this company, and these were principally for lands that had some timber value, although we did dispose of four parcels for camping purposes and one for agriculture.

NEW LEASES

No new leases were issued during the year.

COLLECTIONS

The uncollected balances of the receivable accounts as of December 31, 1942, and 1941, were as follows:

	1942	1941
Real Estate Sales	\$ 587.14	\$238.29
Timber Sales	1,638.07	58.32
Land Rentals	29.14	10.82

Accompanying this report is a statement showing a detail of the outstanding sales accounts, with our comments thereon.

DELINQUENT LANDS

The only redemption made during the year was 195.36 acres in Section 18-47-30, mentioned above, and the timber on this land was sold to Axel Carlson for a consideration of \$1,000.00, and he is paying the taxes during the life of the permit.

SUPERIOR REALTY COMPANY

COMPARATIVE BALANCE SHEET AS OF DECEMBER 31, 1942
AND DECEMBER 31, 1941

	DECEMBER 31, 1942	DECEMBER 31, 1941	INCREASE	DECREASE
ASSETS:				
<u>Current Assets:</u>				
Cash	8,026.69	20,863.71	-	12,837.02
<u>Accounts Receivable:</u>				
Real Estate Sales Receivable	587.14	238.29	348.85	-
Land Rents Receivable	29.14	10.82	18.32	-
The Cleveland-Cliffs Iron Company ...	1,454.00	2.00	1,452.00	-
Timber Sales Receivable	188.07	58.32	129.75	-
Total Accounts Receivable	2,258.35	309.43	1,948.92	-
Total Current Assets	10,285.04	21,173.14	-	10,888.10
<u>Investments, Advances, Etc.:</u>				
Impounded Funds - Guardian Trust Co. ..	1.00	1.00	-	-
<u>Property:</u>				
Real Estate and Timber	104,495.21	111,681.14	-	7,185.93
<u>Deferred Charges:</u>				
Tax Titles Purchased	1,438.38	1,811.45	-	373.07
TOTAL ASSETS	116,219.63	134,666.73	-	18,447.10
LIABILITIES, CAPITAL STOCK AND SURPLUS:				
<u>Current Liabilities:</u>				
Vouchers and Accounts Payable	1.00	2.17	-	1.17
Accounts Payable - The Cleveland-Cliffs Iron Company	-	6,860.79	-	6,860.79
<u>Accrued Taxes Payable:</u>				
Real Estate Taxes	2,085.02	2,011.27	73.75	-
Federal Capital Stock Tax	100.00	37.50	62.50	-
Federal Income Taxes	1,875.35	-	1,875.35	-
Total Current Liabilities	4,061.37	8,911.73	-	4,850.36
<u>Notes Payable:</u>				
The Cleveland-Cliffs Iron Company	340,000.00	360,000.00	-	20,000.00
<u>Capital Stock and Surplus:</u>				
Capital Stock - 1,000 Shares @ \$10.00 .	10,000.00	10,000.00	-	-
Surplus	227,841.74	244,245.00	-	6,403.26
Total Capital Stock and Surplus ...	227,841.74	234,245.00	-	6,403.26
TOTAL LIABILITIES, CAPITAL STOCK AND SURPLUS	116,219.63	134,666.73	-	18,447.10

JAH:MRP
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SUPERIOR REALTY COMPANY

STATEMENT OF PROFIT AND LOSS FOR 12 MONTHS ENDED DECEMBER 31, 1942
AND 12 MONTHS ENDED DECEMBER 31, 1941

	12 MONTHS ENDED DECEMBER 31, 1942	12 MONTHS ENDED DECEMBER 31, 1941
REVENUE:		
Sales of Real Estate	7,959.34	4,220.80
Sales of Timber	9,415.00	2,208.61
Sales of Stumpage	291.75	-
Trespasses	56.00	89.15
Interest Received	5.06	19.81
Land Rents	31.50	31.50
Land Products Sales	139.55	722.72
Profit on Sales of Tax Titles	189.35	224.75
Miscellaneous Earnings	78.54	5.28
Total Revenue	18,166.09	7,522.62
Less: Cost of Land and Timber Sold	5,618.31	1,781.11
NET REVENUE	12,547.78	5,741.51
EXPENSES:		
Operating Land Department	70.46	27.46
General Expense	83.12	83.72
Expense in Perfecting Title to Lands Reacquired from State of Michigan	92.25	2,728.50
State Franchise Tax and Filing Fee	31.38	31.36
Taxes - Real Estate	2,444.34	2,045.23
Option Payments Taken Up as Land Rent	-	108.33
Federal Capital Stock Tax	162.50	53.00
Total Expenses	2,700.55	5,077.60
Profit or Loss for Period-Before Income Taxes	9,847.23	663.91
Less: Provision for Federal Income Taxes	1,875.35	-
Net Profit and Loss for Period	7,971.88	663.91
Less: Cost of Lands Relinquished to States of Michigan and Minnesota	1,568.62	-
Net Addition to Surplus	6,403.26	663.91
Profit and Loss Surplus at Beginning of Period ...	244,245.00	244,208.92
PROFIT AND LOSS SURPLUS AT END OF PERIOD ...	277,841.74	244,815.00

STATEMENT OF EARNINGS BY MONTHS

	YEAR 1942	YEAR 1941	INCREASE	DECREASE
January	1,227.03	2,296.53	3,523.56	-
February	189.02	621.02	512.00	-
March	3,531.88	174.05	3,705.93	-
April	594.24	884.25	-	290.01
May	1,492.74	1,118.09	-	2,610.83
June	124.40	1,326.65	-	1,451.05
July	66.00	148.58	82.58	-
August	1,829.30	77.57	1,906.87	-
September	28.44	187.33	158.89	-
October	4.82	227.66	222.86	-
November	186.86	860.67	-	1,047.53
December	1,233.08	207.00	1,026.08	-
TOTAL FOR YEAR	6,403.26	663.91	5,739.35	-

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THE NEGAUNEE MINE COMPANY

NEGAUNEE HOUSE SALES

No new sales made during the year.

EARNINGS

These were as follows:

Land Rentals	\$2,083.50
House Rentals	490.80
Real Estate Sales	10.00
Land Products Sales	79.95
Assignment Fees	<u>18.00</u>
<u>Total</u>	<u>\$2,682.25</u>

The Real Estate item is a consideration charged the Michigan Bell Telephone Company for an easement across a portion of the NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Section 1-47-27. The Land Products Sales are made up of sales of gravel, borrow material, and rock to the City of Negaunee.

NEW LEASES

Only one new lease was issued, and this covered a garden parcel at a rental of \$3.00 a year.

COLLECTIONS

The following shows the uncollected balances on the sales and rental accounts as of December 31, 1942, and 1941:

	1942	1941
Real Estate Sales Receivable	-	\$ 1.00
House Sales Receivable	\$17,607.09	20,531.91
Land Rents Receivable	1,294.25	1,127.30
House Rents Receivable	20.00	-
Land Products Sales	19.44	-

The usual statements showing the house sales and house rent accounts, with our comments thereon, accompany this report.

THE ATHENS IRON MINING COMPANY

NEW LEASES

No new leases were issued during the year.

EARNINGS

These were the same as last year—namely, \$33.00—and covered land rentals.

COLLECTIONS

The uncollected balance on the land rentals was \$35.41, and we expect disposition will be made during 1943.

ARCTIC IRON COMPANY

COLLECTIONS

The following were the amounts collected by the Land Department and re-
mitted to the Arctic Iron Company, and cover that company's share of earnings from
various leases, stumpage permits, and land products sales on account of joint owner-
ship:

Rentals (By The C. C. I. Co.)	\$216.83
Timber (By The C. C. I. Co.)	
Stumpage on Various Timber Permits	19.87
Taxes (By The C. P. & L. Co.)	3.33
Land Rentals (By The C. P. & L. Co.)	2.50
Gravel (By The C. C. I, Co.)	<u>2.55</u>
<u>Total</u>	<u>\$245.08</u>

TAX MATTERS AND LAND RECORDS

(SUPERVISED BY H. S. NIGHTINGALE)

SUPERIOR REALTY COMPANY

Tax Title Account January 1, 1942	\$1,811.45	
Tax Titles Purchased 1942	<u>1,367.83</u>	
		\$3,179.28
Redemptions Tax Title Account 1942		<u>1,740.90</u>
Tax Title Account January 1, 1943		\$1,438.38

We purchased tax titles amounting \$1,367.83 at the Annual Tax Sale in Marquette County to protect our mineral interests.

Redemptions during the year amounted to \$1,740.90, leaving a balance of \$1,438.38 in the account.

TAXES

The Cleveland-Cliffs Iron Company's comparative tax statement shows taxes amounting to \$73,612.66 paid for the year 1942. The total taxes paid for 1941 was \$79,329.55. The amount of taxes charged to Accounts Receivable in 1942 is \$6,684.56, and in 1941 was \$5,641.53. Eliminating these items, the result shows a decrease of \$6,759.92 in taxes for 1942.

As is customary each year, during the month of June we attended the various Boards of Review in the townships and cities where we have taxable property for the purpose of checking the valuations. We were able to secure the following reduced valuations, a large part of which were due to sales and timber operations:

City of Negaunee	\$ 1,300.00	(2)
Skandia Township	21,750.00	(1)
Onota Township	880.00	(1)
West Branch Township	1,250.00	(1)
Chocolay Township	2,110.00	(1)
Mathias Township	4,250.00	(1)
Republic Township	600.00	(1)
Sands Township	5,100.00	(1)
Humboldt Township	250.00	(2)
McMillan Township	375.00	(1)
Hiawatha Township	3,700.00	(1)
Burt Township	6,300.00	(1)
Munising Township	42,950.00	(1)
AuTrain Township	<u>1,000.00</u>	(1)
Total	\$91,815.00	

- (1) Timber removed.
(2) Reduction by request.

TAXES (CONTINUED)

In AuTrain Township, Alger County, this year the Board of Review was proposing to increase the valuation \$100,000.00 for the purpose of repairing the school house. We attended this board meeting on June 20, 1942, and protested vigorously, with the result no increase was made.

The fifteenth annual report of the Alger County Taxpayers' Association is attached. Mr. J. I. Keeton continues as manager. A close watch is kept on the expenditures of the various townships, with the result they are all in line with their budgets.

TIMBER EXPIRATION DATES

The attached plats show lands upon which The Cleveland-Cliffs Iron Company owns the timber only and the final dates for the removal of same.

LANDS OWNED AND CONTROLLED AND ACREAGE STATEMENTS

A statement is attached showing acreages as of December 31, 1942, owned by the various companies under Land Department supervision; and Lands Owned and Controlled shows lands under the control of the Land and Mining Departments.

LANDS PURCHASED

There were no Land Department purchases during 1942.

TRESPASSES

The total amount collected for trespasses during the year was \$1,698.95.

DOCUMENTS ENTERED ON LAND DEPARTMENT RECORDS

The following table shows the number of documents passed through the Land Department records during the year, compared with the past five years:

	1942	1941	1940	1939	1938	1937
RECORD OF CONVEYANCES	307	299	493	269	237	268
New	141					
Deeds Issued	45					
Bills of Sale	16					
Surrenders	10					
Extensions	59					
Assignments	27					
Modifications	9					
RECORD OF PURCHASES	22	54	65	21	26	31
RECORD OF LEASES	270	345	535	283	303	399
New	70					
Assignments	165					
Cancellations	8					
Surrenders	27					
RECORD OF MISCL. DOCUMENTS	43	31	55	60	199	51
RECORD OF TAX NOTICES			4			
TOTALS	642	729	1,152	633	765	749

ENGINEERING, SURVEYS, CONSTRUCTION WORK ETC.

(SUPERVISED BY R. A. BROTHERTON)

SURVEYS

A total of 58 surveys was made during the year, to locate land boundary lines, to get required data for descriptions for leases and deeds, to stake lots, to locate and re-set land corners, and to make topographical maps.

MAPS

The following maps were made during the year:

	White Prints		Negatives		Direct Process		Cloth		Prints 14 x 17
	No.	Yds.	No.	Yds.	No.	Yds.	No.	Yds.	
January	46	34	16	12	42	18			36
February	118	63	26	12	48	22			24
March	72	42	28	12	42	18			36
April	56	41	12	16	56	30			42
May	42	20	7	8	48	31			12
June	36	22	12	10	42	28			18
July	42	34	14	8	38	22	4	7	36
August	38	30	16	12	48	28	8	10	42
September	30	20	18	12	52	22	3	2	36
October	38	52	12	18	18	12			42
November	42	60	14	12	22	18			34
December	36	38	15	16	11	10			24
Totals	596	456	190	148	467	259	15	19	382

LAND LOOKING

A total of 15 days was spent land looking, covering an area of 1150 acres; also 60 days were spent checking lands being operated by jobbers and eight days checking timber cut clearing additional right of way on The Cliffs Power and Light Company's transmission lines.

LAKE FRONTAGE

A number of lots were staked in Section 24-45-20 along the AuTrain Storage Basin for lease; also lots were re-staked in both the Johnson Lake and Horseshoe Lake areas. Descriptions and maps for deeds were furnished.

FOREST FIRES

The forest fire situation was very bad during April and May. Many small fires were started but were soon under control, but three crown fires started which were out of control for several days and caused considerable damage.

The most serious of these fires occurred in West Branch Township. It started on April 23 at a point on the west side of Section 17-46-24, east of Big Creek, in the old choppings of Nick Seegan, running northeasterly through Sections 16, 15, 9, 8, 46-24. The cause of the fire is unknown. On Friday morning about 150 men and two bulldozers were unable to check the fire, and all persons living in this area were moved out, and late Friday it reached Gagner's old camp on Section 15, and while it burned all around this camp, the buildings were saved. It burned over about 1280 acres of company land from which most of the hardwood log material had been removed. Some hemlock, mine timber, and cordwood were burned, the amount of which has been reported.

Fire in the vicinity of Echo and Engman Lakes in Sections 5 and 6, 45-24, and 32-46-24, burned over an area of 126 acres but did not reach any company lands.

Fire near our old Camp 196-7 burned over about 400 acres in Sections 24 and 25, 47-18, but all timber of commercial value had been removed from these lands some years before. This fire burned until April 28, when it was put out.

GRAND ISLAND

A new concrete tennis court was constructed to replace the two small clay courts; also two concrete shuffleboard courts were built. The hot water equipment in the bath cars at Camp 12 and Hartho was removed and taken to Grand Island to be installed in Hotel Williams and the Boarding House. Pine lumber to be used for the construction of a new scow 42' x 16' was cut, dried, and dressed, and the scow will be built in the spring to replace the old one, the timber of which is so rotten that it is difficult to keep it afloat. The Grand Island ferry HIAWATHA was pulled out of the water and placed in winter sortage on October 28.

LOGGING

The spring breakup came March 21 this year, as compared with March 27 last year, and all camps were closed. Maps of the area logged during the year are attached.

BOARDS OF REVIEW

I attended the Board of Review in AuTrain, Rock River, Onota, Mathias, Limestone, West Branch, Chocolay, and Skandia Townships; also, with Mr. Nightingale, the Board of Review in Munising, Burt, Seney, Columbus, Lakefield, and McMillan Townships.



FORESTRY AND LOGGING

(SUPERVISED BY W. S. BROMLEY, FORESTER)

PART I. THE INITIATION OF THE FORESTRY PROGRAM IN 1942.

During the past year this company initiated a comprehensive forestry program. This was done by having an intensive study made of its timber and forest land resources, which was completed and summarized in a report. The forestry report was discussed at Cleveland on May 11 and 12, and a general decision was reached to follow its recommendations so far as the war and economic conditions would permit.

At the end of the report six specific recommendations were made as a suggestion to follow in starting a forestry program for this company. These important recommendations and the progress made in following them can be summarized as follows:

RECOMMENDATION NO. 1

"Accept the land use classification of each description of land administered by the Land Department as indicated by the 'Land Use Book' . . . " The Land Use Book recommended the following classification of lands for use or disposal:

194,219 acres — for continuous production of forest products (Classes A and B)
16,682 acres — for recreational use and forest management (Class C)
60,883 acres — for mineral values and forest management (Class D)
67,170 acres — for liquidation of investment in timber and lands (Class E)
89,924 acres — of cutover lands to be examined and placed in one of the above classes (Class F)
38,441 acres — not classified (under lease, etc.)

467,319 acres — Total Area Administered by Land Department (January 1, 1942)

ACTION TAKEN. The land use classification set up in the Land Use Book is now being used as a guide in deciding whether Company lands should be held or sold and how the timber should be cut; and the sales of land and timber made in 1942 conform with all the important features of this recommendation.

467
598
35

RECOMMENDATION NO. 2

"Initiate a selective logging program" ... on a . . . "basis which is in keeping with the important principles of selective cutting all those areas designated as the C. C. I. Forest (Classes A and B) and respecting the maximum allowable cuts indicated by the plan for each district." In short, this proposal stressed the fact that lands classified for selective cutting should be cut that way and not clear cut and the total cut of forest products in each district of the Company's forest lands should be as close as possible to the forest growth capacity of those lands.

ACTION TAKEN. A selective logging program was initiated during the last half of 1942. It has not met all phases of the technical forestry requirements but from a practical point of view has had a satisfactory start. This is evident in the following summary of the timbered areas and volumes cut in 1942:

	Total Area Cut (Acres)	Total Saw Timber Cut (MBM)
Selective Cutting	3,069	5,746
Clear Cutting	3,994	22,607
Totals	7,063	28,353

More area and volume would have been selectively cut in the last half of 1942 if Moote Brothers, our largest contractor, had not insisted on more money per MBM to cut selectively. By the end of the year, however, they asked of their own accord to cut that way at the same price per MBM as they had received for clearcutting, and have at the present writing already cut several hundred thousand feet of Company timber selectively. At the close of 1942 the three jobbers (Carr, Peura, and Nyland) who were cutting selectively were logging at a lower contract price per MBM than the jobbers who were clearcutting.

Selective logging has produced larger logs than those which are developed under clearcutting. This can be noted in comparing the number of logs per MBM produced in the last months of 1942 by typical operators in each district:

DISTRICT	JOBBER	DELIVERY TO	NUMBER OF LOGS PER MBM	
			SELECTIVE	CLEAR
Marquette	Nyland	M. W. P. Co.	10.88	
	Carlson	M. W. P. Co.		12.10
	Gagner	M. W. P. Co.		12.12
Munising	Carr	M. W. P. Co.	9.48	
	Moote Brothers	M. W. P. Co.		12.82
	Moote Brothers	Atlas		12.96
Grand Marais	Northwestern Veneer & Plywood Corp. (Stumpage permit)		9.80	-

The larger logs developed by selective cutting has enabled the loggers to haul 10 to 15% more volume per trip on trucks and tractors than is possible with clearcutting. (The larger logs weigh less per MBM.) This factor offsets the increased cost per MBM of building roads in selective logging. The larger logs obtained by the Northwestern Veneer and Plywood Corporation have lowered the manufacturing cost of this company's plant at Gladstone. This company is paying the Land Department premium stumpage prices for the selectively marked trees in T. 47-11, as can be noted from the following schedule:

Yellow Birch	\$11.00 per MBM
Pine	10.00 " "
Basswood	8.00 " "
Maple	7.00 " "
Ash and Elm	6.00 " "
Beech and Hemlock	4.00 " "

Since the logs under this permit must be truck hauled 32 miles and then shipped by rail to Gladstone, the above prices represent a very good return on the timber involved. If the lands in T. 47-11 were clearcut these high returns could not be obtained. In comparison with the above, the constant stumpage return of \$6.50 per MBM which the Land Department is paid by the Munising Wood Products Company for hardwood logs of all species and sizes seems low for timber which is within a 20 - 25 mile truck hauling distance of the plants. The logs delivered to the Atlas Plywood Corporation at Munising develop much higher stumpage values. Neither of these last named two companies pay the Land Department any more per MBM for the larger logs developed in selective cutting, which have a greater value than clearcut logs. Both

are now getting selectively cut logs but paying no more for them. This situation could easily be provided for by setting up a sliding scale of prices for logs such as that described in the forestry report and discussed last spring. Unless the differential in values between selectively cut and clearcut logs is established all the benefits of selective logging will go to the log buyers and all the additional costs (of marking, etc.) will be borne by the Land Department.

RECOMMENDATION NO. 3

"Establish a Forestry Division in the Land Department under the Land Agent and give it such functions and responsibility as may be required to place this plan into effect . . ."

ACTION TAKEN. This has been done, and the new division now looks after all forestry and field phases of the logging operations, stumpage permits, land examination, trespass, fire protection, and other field work. Procedures have been set up to see that all forest products logged under contract or sold under permit shall be cut and the lands left in a condition which is in keeping with the forest management plan presented last year or the recommendations of the Company Forester.

RECOMMENDATION NO. 4

"Decentralize the field administration of all phases of work in the woods . . ."

ACTION TAKEN. This has been carried out with the establishment of the Forestry Division by locating one man close to a specific body of the Company's land holdings and making him responsible for all the field work in that area. The present organization of the forestry division is as follows:

AT NEGAUNEE			
Forester—W. S. Bromley			
TITLES	MARQUETTE DISTRICT (At Marquette)	MUNISING DISTRICT (At Munising)	GRAND MARAIS DISTRICT (At Newberry)
Land Supervisors	S. Lowney, Jr.	E. J. Brotherton	* R. Ewalt
Timber Cruisers	T. Billings	* R. Radcliffe	* E. Anderson
Timber Markers	P. Sheridan	* E. LeVeque	* J. McLaren

Of the above force, four had been previously employed by the Land Department, and six (*) were hired during 1942 to take care of the additional work (see Table No. 3

attached) of marking timber, check scaling, running lines, and examining land, which is required with a selective logging program. Of the ten men on forestry work, seven are paid by the month, and three, the timber markers, work by the hour.

RECOMMENDATION NO. 5

"Adopt the Scribner Decimal C Log Rule . . . ", which is essentially the same (see Table No. 4 attached) as the Scribner Rule, which the Land Department had been using, except that it reads in tens of board feet instead of board feet.

ACTION TAKEN. This rule has been adopted and applied in all recent logging contracts and stumpage permits. As a result, less time is required in scaling, in writing the scale on logs, and in the scale books, and in adding up the scale figures.

Periodic check scaling and standard scaling practices have been established and enforced to bring about an improvement in the scale rendered on logs coming from Company lands of at least 8 percent. This has resulted in appreciable net savings to the Land Department in the last half of 1942. The results of the check scales made in the past year indicate the progress made and the work to be done in this connection:

PERIOD	PERCENT OF DIFFERENCE BETWEEN MILL SCALE AND CHECK SCALES
First half of 1942	= 14.1%
Third Quarter, 1942	= 5.1%
Fourth Quarter, 1942	= 5.6%

The details of these checks of the scale can be noted by companies in Table No. 5 attached.

RECOMMENDATION NO. 6

"Give the Forestry Division full responsibility for the preliminary examination, timber marking . . . ", check scaling, and checking the adherence of logging contractors and stumpage permittees to the field specifications in their contracts or permits.

ACTION TAKEN. This has been done since last June. Part of this responsibility has been assigned to the men in charge of the three land districts, who make

complete inspections and reports on the jobs in their areas each week. The Company Forester is in this manner left free to devote more of his time on the logging operations and field work requiring special attention, and to the planning and analysis of what is happening on the individual jobs and to the progress of logging on all the jobs combined, and reporting on these matters to the Land Agent.

PART II. THE LOGGING AND MAJOR STUMPAGE OPERATIONS IN 1942.

The year 1942 opened with the logging operations of the contractors going at full production, affected very little by the initial impact of the war and favored by an unusually open and mild winter. By the end of the year the lack of sufficient labor, the difficulty of getting truck and tractor parts and sufficient hired trucks were cutting the production and increasing the costs of all logging contractors. (See Table No. 6 for details.) The jobbers were and are further handicapped by an unusually heavy snowfall (74 inches from September 1 to December 31 at Munising) and the rising costs of food, material, and labor.

Although all the regular contractors and one new sub-contractor (Atkinson) were working at the end of 1942, it was obvious that sufficient logs could not be brought in to build up adequate reserves of logs at the Marquette and Munising plants for the 1943 spring breakup, and that radical steps must be taken to provide the mines with sufficient timbers. While this is a critical situation for the plants concerned, they are not in the position that many sawmills in the north are, of being completely out of logs at the peak of the winter logging season. At Newberry alone three mills getting clearcut logs had to shut down some days in the fore part of February.

It is interesting to note that in spite of the war most of the mills which are running at the present time are getting some selectively cut logs, i. e.:

Ford Motor Company, at L'Anse, Michigan
Northwestern Veneer and Plywood Corporation, at Gladstone, Michigan,
and Rhinelander, Wisconsin
Goodman Lumber Company, at Goodman, Wisconsin
Von Platen-Fox Company, at Iron Mountain, Michigan
Munising Wood Products Company, at Marquette and Munising, Michigan
Conner Lumber Company, Laona, Wisconsin

The important features of logging in 1942, by districts, were as follows:

MARQUETTE DISTRICT

The areas and volumes cut in this district in 1942 were as follows:

LOGGING CONTRACTORS	AREA IN ACRES		VOLUME IN MBM	
	SELECTIVE	CLEAR	SELECTIVE	CLEAR
Nyland	747	=	1,622	=
Peura	47	148	141	967
Carlson	40	325	160	1,912
Sivula-Kivela	=	248	=	1,408
Gagner	=	325	-	1,843
Totals	834	1,046	1,923	6,130

Nyland, Peura, and Carlson, logging contractors in this area, were engaged to work under contract and all began to deliver logs to the Marquette plant of the Munising Wood Products Company and mine timbers to the Mining Department as soon as they could get into production in June and July. Wet road conditions, the impact of labor shortages, coupled with a late start, resulted in deliveries being inadequate to keep the Marquette plant going, and some logs had to be shipped in the early summer from the Munising area to keep the plant running. Gagner had many difficulties in getting started on his logging contract. He did not get to work on his log job in the Marquette area until September. By then the fall snow and rains came and Gagner did not start delivering logs until December. His failure to produce was noted and efforts were made to secure other jobbers, but were not successful. The Marquette plant again ran out of logs and had to be supplied with logs from the Munising area. Although the productive capacity of all the jobbers in the Marquette area has been and is more than enough to supply the plant at Marquette, the deliveries have not been adequate because of the following combination of factors which are unique to the Marquette area (and in addition the general labor shortages):

- Difficulties in getting contractors to log this season.
- A wet month of June.
- Very moist and soft soil conditions on Gagner's and Carlson's operations.
- Gagner's failure to get started sooner.
- A high proportion of hemlock in all areas except Nyland's.
- The changing of the "480 job" from Sivula-Kivela's management to that of Arvid Nyland.

MARQUETTE DISTRICT (CONTINUED)

Two stumpage permits were issued for lands in this area during the last half of 1942 in which a special effort was made to leave healthy trees under 13" on the stump—in removing chemical wood bolts from areas which had been previously clearcut for saw logs.

MUNISING DISTRICT

The areas and volumes cut in this area in 1942 were as follows:

LOGGING CONTRACTORS	AREA IN ACRES		VOLUME IN MBM	
	SELECTIVE	CLEAR	SELECTIVE	CLEAR
Carr	505	20	1,539	100
Mootes	46	2,396	184	13,656
Burrell	=	343	=	1,949
Kraus	=	122	=	692
Totals	551	2,881	1,723	16,397

The loggers in this area, supplying the Munising plants of the Munising Wood Products Company and the Atlas Plywood Corporation, were favored by having sandy soil which dried up so soon that it was possible to deliver over 1,000 MBM during the month of May and to continue deliveries in June in spite of the rains. Some difficulties were encountered in getting Moote Brothers under contract at the end of the summer, but their production did not lag at any time. Frank Carr began selective cutting Section 36-47-16 and has done very well in all respects. In spite of a relatively good summer in the Munising area it was noted in the fore part of August that the total production of all jobbers was beginning to lag. Efforts were made to secure additional production and other logging contractors. The engagement of Guy Burrell to log Company lands in the Beaver Lake Basin in November helped in this respect. Logging in this area has been handicapped more than usual by repeated heavy snowfalls since Thanksgiving Day.

GRAND MARAIS DISTRICT

The areas and volumes cut in this district in 1942 were as follows:

	AREA IN ACRES		VOLUME IN MBM	
	SELECTIVE	CLEAR	SELECTIVE	CLEAR
Northwestern Veneer & Plywood Corp. (Stumpage Permit)	1,684	67	2,100	80

While the Company has no logging contracts in this area, the granting of a stumpage permit which provided for the selective cutting of CCI timber in T. 47-11 forced the Northwestern Veneer and Plywood Corporation to log and supply its Gladstone plant with logs—instead of having the Cleveland-Cliffs furnish the logs from the Munising area. This move has therefore helped materially in solving the logging problems in the Munising area, and also results in conserving the small log supply accessible by truck haul for the Munising plants. This represents the first large operation in the Grand Marais block of Company timber and will help materially in placing these lands under a profitable plan of forest management, and to reduce the assessed values and property tax payments on this timber.

PART III. STATUS OF FORESTRY PROGRAM.

The plan of forest management prepared for this Company last year is flexible enough to meet the Company's needs during the present war emergency. In fact, the present scarcity of labor, the difficulty in getting parts and replacements for trucks and tractors, and the hard winter weather have resulted in such a drop in production that it will be difficult in 1943 to harvest from Company lands a crop of timber that is equal to the growth capacity of its forest resources.

In spite of the difficulties being met in all logging in the North, this Company has been very successful in initiating its forestry program. The area selectively cut in the last half of 1942 corresponds to a reasonable degree to what was recommended in the forestry report last year:

DISTRICT	AREA OF SEL. CUTTING FOR 6 MOS.	
	PROPOSED IN PLAN	ACTUALLY CUT LAST HALF OF 1942
	Acres	Acres
Marquette	735	834
Munising	560	551
Grand Marais	1,958	1,684
Total	3,253	3,069

In addition to the 3,069 acres of timber selectively cut, some 1,227 acres were clearcut in the last half of 1942 that were originally recommended for selective cutting. This clearcutting represents the greatest setback that has been met in placing

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the lands of this Company under a plan of forest management. It automatically reduces the productive capacity of the CCI Forest by more than 1,000 MBM annually. The harm that has been done in this connection is not serious and can be offset by lowering the average annual allowable cut, or by acquiring a similar area of timber from other owners through purchase or exchange and then selectively cutting this in place of the area that was clearcut. Such lands are available within truck hauling distances of Marquette and Munising and should be acquired by this Company at the earliest opportunity before they are bought or cut by other companies.

PURCHASE OR EXCHANGE PROGRAM REQUIRED

It was indicated in the forestry report last spring that the average annual cut of timber in the Marquette area should be 5,408 MBM (of which one-half must be softwoods). During 1942 the total cut was over 8,000 MBM in hardwoods alone. The continuation of this rate of cutting of hardwoods alone would, under the plan proposed, result in the Marquette area being selectively cut in eight years or less, assuming all the Huron Mountain block of timber is selectively cut. Part or all of the latter may have to be delivered on railroad cars to the Marquette plant. This means that the Marquette plant will soon (three or four years) be getting a major portion of its logs by rail, or by a long truck haul, and the cost of logs will be much higher. The same situation prevails in the Munising area, especially if this Company is obligated to supply the Atlas Plywood Corporation plant at Munising with logs as well as that of the Munising Wood Products Company.

It would therefore be to this Company's interest in the long run to buy all the remaining timber within a reasonable truck haul distance (say up to 25 miles) of both Marquette and Munising. This should lower the average cost of logs delivered to the plants in the next ten to twenty years and would facilitate the plan of supporting the wood using industries of these two communities.

There are not many such blocks of timber left. The largest would be that of the Newberry Lumber and Chemical Company in the Chappel Lake area (east of Munising) and that is now on the market for sale. Unless these remaining blocks of

timber are acquired in the next year or two they will probably change hands, and later be clearcut, with no assurance that the Marquette or Munising plants will get any of the logs.

This Company has sufficient timber resources to supply the plants of the Munising Wood Products Company forever under forest management, but some of this timber is located where it will not do the Marquette and Munising plants much good. Some 40,000 to 50,000 acres of such timber in east Luce County can be liquidated. As the Company retrieves its investment in this area it should be able to turn most of it back into the acquisition of what timber is left in other ownerships in the Marquette and Munising districts.

UTILIZATION OF SOFTWOOD TIMBER REQUIRED

To maintain the Marquette plant some means of utilizing the large volume (over 70,000 MBM in the next twenty years) of softwoods in the Marquette area must be found. Most of the timber left in this area has from 20 to 80% (and averages 50%) of hemlock. It should be logged at the same time the hardwoods are taken out to make an economic logging operation and to prevent heavy losses of hemlock. If the Munising Wood Products Company could take up from 1/3 to 1/2 of its volume in hemlock at its Marquette plant, or at a small mill set up in conjunction with it, or at Big Bay, this problem would be solved. Some concrete steps towards the utilization of these softwoods should be taken this year. In the Munising area also softwoods are a problem, but it is likely that the small amount developed can be sold and shipped as logs to markets which are already available. The volume available for next season may not be sufficient to provide the Retail Yard at Munising with sufficient volume to run its planing mill.

MINE TIMBERS

Provisions can be made to get out all the mine timbers required by the Mining Department, provided:

1. The Land Department learns early in the season (preferably by April 1) exactly how much will be required of it.

2. Some means of advising the Land Department how many timbers are on hand within one week of the end of each month is established.
3. The Mining Department pays a fair price for the mine timbers, preferably on a per MBM basis.
4. The Land Department pays the jobbers enough to be sure that sufficient timbers will be cut, sorted, and logged to meet the requirements of the mines.

It is imperative that these conditions be met if the mine timber requirements are to be met efficiently and economically. The present basis of paying for mine timbers by the lineal foot is not on the same basis (per MBM) as that which the logging contractors are paid to log them. As a result the prices for mine timbers have too great a range and fluctuate in such an erratic manner when converted to a per MBM basis that the Land Department cannot tell accurately whether it is losing or profiting on the shipment of mine timbers from specific jobbers until several shipments have been made.

If the mine timbers are paid for on a per MBM basis it must be realized that logging contractors insist on much higher prices (from \$2.00 to \$5.00 per MBM more) to log mine timbers than they do to log saw logs. The Land Department must be paid this differential over the prices it receives for clearcut saw logs, and should also be reimbursed for the loss of potential values in mine timbers which are in most cases made from young trees which have not yet reached maturity in a financial or physical sense.

LOGGING BY CONTRACTORS MAY BE INADEQUATE

It is evident now that the pressure of war measures is forcing many small businesses to close down. Most of our logging contractors might well be classed as small businessmen and they are feeling this pressure at every stage of their operation. In the past six months all of our operators have complained of the mounting tide of Government reports on rationing, priorities; draft problems; and the many regulations dealing with wages, hours of work, compensation, etc. These factors, coupled with the growing scarcity of labor, parts, and food, may be too much for these men to carry on with their limited capital resources. In this case, this Company may be forced to work out some other plans for the cutting and logging

of its timber than are now being used. Some consideration should be given to this and plans should be made to prepare for this possibility before such a situation arises.

EXTENSION OF L. S. & I. RAILROAD STILL DESIRABLE

The timber in the Grand Marais District will have to be truck hauled to a railroad and placed on cars to get it to Munising and Marquette when it becomes necessary to log that area in the near future. It would seem desirable to have those logs hauled over the Lake Superior and Ishpeming Railroad and not the Duluth, South Shore and Atlantic Railway, which would be required at this time. As soon as it is feasible to extend the L. S. & I. into this greatest block of timber left it should be done by building it eastward from Cusino to the Seney-Grand Marais road on a route surveyed in previous years. Such an extension could well be used right now to shorten truck hauling distances. The high cost of labor and the scarcity of steel may require that this extension be delayed until after the war, but the desirability of building it before then should not be overlooked if the opportunity arises. With a long war such an extension might become a dire necessity to keep the Marquette and Munising plants going.

REFORESTRATION AND PINE FARMS

This Company has some of the oldest forest plantations in the Lake States. The "Pine Farm", planted in 1903 on forty acres of land about four miles north of Negaunee, has trees on it thirty to fifty feet high. It is so well stocked that the trees are slowing up in growth and need thinning badly. An effort to have this plantation thinned at a profit to the Company will be made in 1943 or as soon thereafter as possible. Several carloads of pulpwood should develop from such a thinning. The plantations on Grand Island which were made in 1917 on more than 600 acres have not been examined closely as yet. This will be done this year and a report on their condition and recommendations as to their treatment will be made at that time.

This Company has so much forested land on which trees can be harvested and continuous forest crops maintained (by natural reforestation) without the need for artificial reforestation such as planting, that the latter will not be a very

important part of its forestry program. However, there may be special areas or situations which will require tree planting in the future. Such a possibility might be desirable in the case of tamarack (or larch), which is used as lagging and poles in the mines. This species is becoming so scarce that this Company may well consider the need for and feasibility of growing its own tamarack lagging and poles on Company lands near the mines. This will be considered more thoroughly in 1943.

DUKES FOREST EXPERIMENT STATION LANDS

No timber was cut on the half section of timber which this Company deeded to the United States Forest Service in 1926 with the provision that the latter could mark the timber for cutting as it desired, for experimental purposes, the proceeds of the cuttings reverting to the Company. This area is the N $\frac{1}{2}$ of Section 35, 46-23, and is located about 25 miles southeast of Marquette. Some twenty acres are now marked and ready for selective cutting a second time. An effort will be made, in cooperation with the Station, to have this timber cut in 1943.

FOREST FIRE PROTECTION

Special efforts are being made in the fore part of 1943 to see that adequate fire protection will be given to all forested Company lands. This will be done through the nine men located in the three land districts and through the local Federal and State forest fire organizations. Intensive attention will be given to the areas which have and are being selectively cut and to all recently cutover Company lands.

LOGGING PLANS FOR THE 1943-4 SEASON

Complete details of plans and estimated costs for logging by districts and jobbers during the 1943-4 season have been completed and are summarized to some extent in Tables Nos. 7 and 8 attached. The extent to which they are carried out will hinge to a large degree on the Marquette plant using at least one-third of its cut in hemlock, the availability of new jobbers, and the ability of all logging contractors to produce under the present difficult war conditions.

Under the new numbering, there is

NO Page 45.

(Supplement to Mr. Bromley's Report)

TABLE NO. 1

STATUS OF LOGGING AT CLOSE OF 1942

Plant	Expected This Season	DECEMBER		SINCE JUNE 1, 1942	
		Quota Expected	Actually Delivered	Quota Expected	Actually Delivered
	MBM	MBM	MBM	MBM	MBM
Marquette (M. W. P. Co.)	9,500	1,235	701	5,890	3,705
Munising (M. W. P. Co.)	8,000	1,040	915	4,960	4,262
Atlas Plywood Corporation	7,067	919	692	4,382	3,732
Mining Department	712	93	35	441	141
	25,279	3,287	2,343	15,673	11,840

TABLE NO. 2

LOGS ON HAND AT KEY PLANTS AT CLOSE OF 1942

	This Year	Last Year
	MBM	MBM
Munising Wood Products Co.		
Marquette Plant	176	559
Munising Plant	383	678
Atlas Plywood Corporation	594	558
	1,153	1,795

WSB:LT-4
2/22/43

(Supplement to Mr. Bromley's Report)

TABLE NO. 3

SUMMARY OF FIELD WORK BY DISTRICTS FROM JUNE 1 to DECEMBER 31 1942

Class of Work	MARQUETTE	MUNISING	NEWBERRY	Total
	S. Lowney, Jr.	J. Brotherton	R. Ewalt	
Marking - Area marked, acres	1,532	905	2,393	4,830
Logging - lines run, miles	61	31	69	161
- logs scaled, MBM	124	143	210	563
- reports submitted	210	93	147	450
Examination - area covered, acres	3,080	1,440	4,176	8,696
Trespass - reports submitted	27	9	2	38
Permits - " "	117	45	4	166
Sales - " "	34	9	3	46
Miscellaneous " "	296	59	25	380

This record includes some work done by the company forester, particularly on scaling and marking. This was done primarily in connection with the selection, training, checking and standardizing of the work of the men in the field. Work of the above nature completed from January 1 to June 1, 1942 is not covered by this summary. Messrs. S. Lowney, Jr. and R. J. Brotherton have, therefore, more work to their credit for 1942 than is indicated by this report.

(Supplement to Mr. Bromley's Report)

TABLE NO. 4

COMPARISON OF LOG RULES
(Using 16 foot Logs)

D.I.B.	Typical Log Distribution	SCRIBNER		SCRIBNER DECIMAL C	
		Vol. per Log	Total Scale	Vol. Per Log	Total Scale
9	No. 232	42	9,744	40	9,280
10	291	54	15,714	60	17,460
11	303	64	19,392	70	21,210
12	296	79	23,384	80	23,680
13	239	97	23,183	100	23,900
14	206	114	23,484	110	22,660
15	138	142	19,596	140	19,320
16	87	159	13,833	160	13,920
17	64	185	11,840	180	11,520
18	24	213	5,112	210	5,040
19	15	240	3,600	240	3,600
20	6	280	1,680	280	1,680
21	2	304	608	300	600
			171,170		173,870
					- 171,170
					2,700 bd. ft.
			Difference in Rules		
			" " % Using Scribner as base = 1.6%		

The above computation is shown to refute the claim of the Munising Wood Products Company to the effect, that they are losing 3 to 4% in scale by shifting from the Scribner to the Scribner Decimal C Log Rule.

The small difference of 1.6% is based on gross scale and this would be completely wiped out in actual scaling practice because the deductions for defect on small logs when using the Decimal C rule are always made to the nearest 10 board feet. This tends to cut the Decimal C scale to a greater degree than the Scribner and should give the same net scale as the Scribner. The Decimal C rule was designed to give the same net scale and for all practical purposes it does.

The above run of logs were from a clearcut job having a high proportion of small logs. Selective logging produces larger logs and might in some instances result in the Decimal C Rule giving a lower gross scale than the Scribner rule.

(Supplement to Mr. Bromley's Report)

TABLE NO. 5

SUMMARY OF CHECK SCALING IN 1942

	FIRST HALF 1942	THIRD QUARTER	FOURTH QUARTER
	Board Feet	Bd. Ft.	Bd. Ft.
ATLAS PLYWOOD CORPORATION			
Check Scale	20,440	60,861	48,417
Mill Scale	17,898	56,097	46,115
Per Cent of Difference	-12.5%	-7.8%	-4.8%
MUNISING PLANT (M. W. P. CO.)			
Check Scale	19,860	22,358	12,285
Mill Scale	16,732	21,359	12,068
Per Cent of Difference	-15.8%	-4.5%	-1.8%
MARQUETTE PLANT (M. W. P. CO.)			
Check Scale	-	43,769	6,280
Mill Scale	-	41,996	6,453
Per Cent of Difference	-	= 4.1%	+ 2.8%
NORTHWESTERN VENEER & PLYWOOD CORPORATION			
Check Scale	-	42,390	122,340
Mill Scale	-	41,260	114,040
Per Cent of Difference	-	- 2.7%	- 6.8%
TOTALS			
Check Scale	40,300	169,378	189,322
Mill Scale	34,630	160,712	178,676
Difference	5,670	8,666	10,646
% Difference	-14.1%	- 5.1%	- 5.6%

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3/18/43

(Supplement to Mr. Bromley's Report)

TABLE NO. 6

CONDITION OF LOGGING EQUIPMENT & STATUS OF LABOR OF LOGGING CONTRACTORS

(as of February 18, 1943)

Logging Equipment	*Condition of Equipment			Total
	Poor	Fair	Good	
Log-hauling Trucks and Trailers	13	19	3	35
(No. of Hired Trucks in Above Figures)	(3)	(9)		(12)
Log Skidding Tractors	3	6	7	16
Bulldozers - for Road Building	2	3	4	9
Mechanical Loaders	-	-	-	8
Pickup Trucks				8
Buses or Trucks for Hauling Men				4
Teams for Skidding				15

STATUS OF LABOR

Number of Sawyers 95
Number of other workers 135
Total working at Peak
of Season 230

Additional Workers Re-
quired to give full
production 117
Total Required 347

TIRES AND GASOLINE

No serious difficulties in getting either at this time.

TRUCK, TRACTOR PARTS AND REPAIRS

Serious difficulties and delays are being encountered by at least half the jobbers in this respect. All garages are overloaded with work, and enough good mechanics and truckdrivers are not available.

POWER SAWS

Only half the jobbers are at all interested; the other half feel they will not be necessary or practical.

(*) Poor - good for 1 year or less; Fair - should last for 1 to 2 years;
Good - Practically new, in excellent condition.

(Supplement to Mr. Bromley's Report)

TABLE NO. 7

PROPOSED PLAN OF LOGGING FOR 1943-44

*** DISTRIBUTION OF PRODUCTION TO PLANTS AND MINES

Contractor	*Estimated Average Monthly Production	**Estimated Average Yearly Production	Selective Logging		Clear Cutting		Total Production 1943-44		Marquette (M.W.P.Co.)		Munising (M.W.P.Co.)		Atlas Plywood Corporation		Mining Department		## Peura Mill		Other Mills or Markets	
			Hardwd	Softwd	Hardwd	Softwd	Hardwd	Softwd	Hardwd	Softwd	Hardwd	Softwd	Hardwd	Softwd	Hardwd	Softwd	Hardwd	Softwd	Hardwd	Softwd
Nyland	320	2,560	2,160	400	-	-	2,160	400	2,000	300					160	100				
Carlson	240	1,920	500	500	500	420	1,000	920	850	770					150	150				
Peura	120	960	100	267	293	300	393	567	350	567					43					
New Job A	(Gagner Job to be taken by Carlson if possible; the latter's production shown above)																			
New Job B	445	3,560	2,170	1,390	-	-	2,170	1,390	2,073	1,090					97	300				
TOTAL MARQUETTE AREA	1,125	9,000	4,930	2,557	793	720	5,723	3,277	5,273	2,727					450	550				
Carr	320	2,560	1,200	160	1,000	200	2,200	360	-	-	1,360	640			200					360
Burrell	200	1,600	-	-	1,200	400	1,200	400	-	-	1,000	200								400
Moote Bros.	1,000	8,000	3,000	200	4,500	300	7,500	500	-	-	4,640	1,280			1,580	100				400
# New Job C	(To be assigned to Carr if possible; his production shown above)																			
TOTAL MUNISING AREA	1,520	12,160	4,200	360	6,700	900	10,900	1,260	-	-	7,000	2,120			1,780	100				1,160
# New Job D	485	3,880										3,880								
TOTAL NEWBERRY AREA	485	3,880										3,880								

(*) Using 20 day haul per month.

(**) Using an 8 month logging year (i.e.-160 hauling days).

(***) Dependent upon needs of plants and policy to be adopted. Figures shown are merely estimates and suggestions.

(#) Required if we must supply Atlas Plywood Corporation with logs under a new contract.

(##) Peura's mill might be moved to Munising area if Marquette plant would use hemlock developed in Marquette area.

(Supplement to Mr. Bromley's Report)

TABLE NO. 8

ESTIMATED COSTS OF LOGGING FOR 1943-44 (BASED ON WHAT JOBBERS
MAY INSIST ON, NOT ON CALCULATED COST ESTIMATES)

Contractor	General Location of Job	Type of Cutting	Truck Haul Miles		Estimated Logging Cost		Truck Haul to R.R. Siding		Loading at	Est. Logging Cost Per M	Est. Freight per M Feet	Total Likely Saw Log Logging Cost			Estimated Cost per M to Put Mine Timbers	
			Woods	Good	To	Per M	Woods	Good				Per M	Volume	Total	At Mines	On Cars
Nyland	East of Negaunee	Sel.--heavy cut	1	8	Marquette	\$16.50	-	-		-	-	\$16.50	2,800	\$ 37,950.00	\$21.50	-
Carlson	Southwest of Dukes	Clear and sel.	1	21	"	18.00	1	3	Vicks Spur	\$18.00	(\$3.70)	18.00	820	14,760.00	23.00	\$22.00
Peura	Southwest of Deerton	Sel. and clear	2	24	"	17.00	1	2	Deerton	16.50	3.70	17.00	917	15,589.00	22.00	20.50
New Job A (Carlson)	East of Yalmer	Selective	3	21	"	19.00	3	4	Yalmer	18.00	3.30	21.30	3,163	67,372.00	23.00	22.00
New Job B	Northwest of Marquette	Selective	3	7	"	17.00	-	-		-	-	17.00	800	13,600.00	22.00	-
Total Marquette Area												8,000	149,271.00			
												Marquette Area Average Cost per M Feet		18.66		
Carr	East of Melstrand	Sel. and clear	2	18	Munising	16.25	-	-		-	-	16.25	1,000	16,250.00	-	20.25
Burrell	Beaver Lake	Clear	10	18	"	18.00	7	7	Williams Crossing	18.00	4.00	20.00	1,200	24,000.00	-	22.00
Moote Bros.	Buck Hill Tower	Clear and sel.	2	21	"	19.00	2	7	Williams Crossing	19.00	4.00	21.00	5,920	124,320.00	-	23.00
New Job C			2	7		16.00	-	-		-	-	16.00	1,000	16,000.00	-	20.00
Total Munising Area												9,120	180,570.00			
												Munising Area Average Cost per M Feet		19.58		
New Job D	North of Seney (Newberry Area)	Selective	1	12	-		2	10	Seney	17.00	6.50	23.50	3,880	91,180.00		
												Seney Job, if Any, Average Cost per M Feet		23.50		

ESTIMATED ADDITIONAL COSTS TO GET SUFFICIENT QUANTITIES OF MINE TIMBERS
DELIVERED ON SPECIFIC QUOTAS BY QUARTER YEAR PERIODS

- To Deliver Mine Timber Direct to Mines by Truck \$5.00 per MEM above the price to deliver saw logs to Marquette by truck.
- To Deliver Mine Timbers and Load Them on Cars 4.00 per MEM above the price to deliver saw logs to Marquette, Munising, or to load saw logs on cars.
- To Deliver Mine Timbers to Yard of M. W. P. Co. Plant at Munising Mixed with Other Logs 1.00 per MEM more than saw log prices.
- To Deliver Mine Timbers to Yard of M. W. P. Co. in Truckloads of 18' Timbers 2.00 per MEM more than saw log prices.

NOTE: If the Prices recommended in Items 1 and 2 are paid it may be possible to eliminate the need for any further loading of these timbers at Munising, and Items 3 and 4 would not be used in that case.

