

government forestry departments is to proceed to constructive forestry.

Provision for New Growth

For an illustration: the Ontario lumberman in white pine tracts usually cuts clean; in Quebec he cuts to a diameter limit. In the first instance, the areas too often grow up in valueless hardwoods; in the second instance, the diameter restriction fails in its purpose of retaining seed trees and leaves a scattering of young trunks to be wasted by windfalls. This clearly indicates the futility of any fixed method blanketing a whole province. Nature defies ramrod regulations, for local conditions must be separately considered. In other words, logging to be carried out with respect for a future growth is a matter of constant technical supervision and can best be done by forest engineers working for the perpetual custodian, the Government.

It is supreme national folly to refrain longer from applying state supervision to the utilization of the public's timber possessions. If there is any other method of shielding the nation from the consequences of timber denudation, five centuries and a dozen nations have not discovered it. New Brunswick, once growing pine like wheat stalks, has now so little of the stock, that lumbermen cut six logs of other species to one of pine. Is this stupid acceptance of what constitutes a commercial blow, a slashing of export trade, a closing of mills, to be allowed to run parallel to all sort of expensive national schemes for reconstruction and readjustment? A basic resource out at elbows, the foundations of a great industrial enterprise being kicked out stone by stone, and as yet no hand lifted to provide the obvious remedy. White pine and spruce forests can be so operated as to maintain the capital stock for all time to come. Probably no man alive can write out a formula for it like a cure for toothache. What might be an excellent method in France or New England may be altogether fantastic for the Coulonge River in Quebec. Market conditions are in themselves a prime factor in practical forestry. Each region must be con-

sidered in its special details; the best method of handling each tree species can best be determined by experimental plots subject to varied treatment. This has been instituted for the purpose of spruce reproduction studies in parts of Quebec and New Brunswick by the Commission of Conservation working with the Provincial Governments and commercial companies. One of the surprises brought out in the preliminary reports is that a spruce tree under present conditions does not reach twelve inches diameter inside of 175 to 200 years. Such facts only go to show the gross shortsightedness of destroying by careless cutting operations the reproductive capacity of this truly wonderful but slow-acting forest organism. What is being done for a better knowledge of spruce reproduction does not apply to pine except for an experiment station started on the Petewawa Military Reserve by the Dominion Forestry Branch.

The greatest single stumbling block in the way of forest conservation in Canada is the inherited notion of our great grandfathers that the forest is a sort of way-station between the primeval wilderness and the ultimate farm. This is fundamentally vicious. Pioneer times are over. There is very little forest, except in the Ontario and Quebec clay belts, that should be cleared for farms, for two-thirds of the whole Dominion is unfitted for agriculture. At the same time, we have enormous areas of lands, cleared by fire or axe, that must be returned to forest. The emphasis, therefore, has shifted to the opposite scale; restoring the forest lands, guarding existing timber from fire, regulating the axe so as to keep the forest paying rich dividends for all time to come.

Sylviculture—the art of growing repeated crops of timber on non-agricultural soils—is not an exotic in Canada. It is long-headed business sense that first came to light in the wake of exhausted virgin forests. It is frugality and caution after a night of prodigal waste. It is keen business foresight, it is love of national freedom, it is reverence for past and respect for future. But above all it is business.

THE STANDARD TRUSTS COMPANY

The report for 1918 of the Standard Trusts Company submitted at the annual meeting held at head office, Winnipeg, January 30th, reflects the fact that the Standard Trusts Company continues to enjoy in a constantly increasing measure the confidence of the financial and commercial public in those centres in which it is in a position to offer its services.

In his address to the shareholders, Mr. Wm. Harvey, vice-president and managing director, made reference to several matters which do not tend to make it any easier for such institutions as the Standard Trusts Company to render the service to its clients that it should. In speaking of the tendency of the provincial governments to increase taxation against trust companies, he said: "Our provincial governments, I note with regret, continue to increase their taxation against all trust corporations, affecting both the lending and the trust sides of their business, making it more difficult for us to give to those clients, often widows and orphans, the return commensurate with their needs. The taxation assuming a double and triple form, since the government imposes originally on the assets brought in for administration a succession duty, then a tax upon the funds as they become again invested, and finally a tax upon the services rendered in the administration by the company itself. We are not alone in our complaints, for other financial, insurance and banking institutions are being similarly taxed, although not quite so severely. Granted that there must be taxation, a more just and equitable method might be effected with less individual hardship. That man would be unpatriotic who would not willingly contribute his share towards the general well-being of his community, but radical and ill-thought-out legislation tending to harsh, unjust and unfair imposition of taxes can but react against the government introducing it."

All branches of the company's business show a very satisfactory development. The trust business showing is

particularly gratifying. During 1918 the company took in 148 estates valued at \$792,000, closed out 131 valued at \$2,059,000, while the total number of estates and agencies now under administration stands at nine hundred and eighty.

As indicative of the strong financial position which the company occupies, it is especially interesting to note that the ratio of assets to the liabilities to the public, including the half yearly dividend, is quite comfortably in excess of two to one. For instance, the company's assets amount to \$2,973,251, while the company's liabilities to the public amount to \$1,367,611, showing a surplus of assets over liabilities of \$1,605,640.

The detailed statement appears on another page of this issue, and is direct evidence of the progressive and careful policy of this representative western institution.

HURON AND ERIE TO DOUBLE CAPITAL

The shareholders of the Huron and Erie Mortgage Corporation of London will shortly discuss a proposal to double the capital stock of \$2,500,000. According to the plan, however, this is to be accomplished without the investment of new capital. The company's reserve is now \$3,300,000, and it is proposed to utilize \$2,500,000 of this in the distribution of new shares. The liabilities to shareholders would then stand at a capitalization of \$5,000,000 and a reserve fund of \$800,000. The par value of each share is now \$50, and presumably \$100 share would be issued for each \$50 share now outstanding. This would be accompanied by a reduction in dividend rate from 12 per cent. to 6 per cent, which would leave the yield to shareholders exactly as before. One of the reasons why this is being proposed is that it will remove the marked complications involved in quoting \$50 shares. It will also enlarge the legal powers of the company to do business.