

And this balance of barely \$7,000,000 on forty-one years' underwriting has not been profit; on the contrary, it has gone towards providing the necessary reserve for unexpired risks and for conflagration hazards. So that there can hardly have been very much left out of Canadian business "to build up foreign companies and enrich foreign shareholders." We wonder what building-up and enrichment was done, say, in 1904, when the British companies incurred in losses 110.34 p.c. of the premiums received and the American companies, 110.55 p.c., or in 1900, when, in the same way, the British companies incurred in losses 97.00 p.c. of their premiums and the American companies, 107.17 p.c. As for premiums "taken out of the country" have those responsible for this prospectus never heard of the investments of British and American fire insurance companies in Canadian securities? The paragraph we have quoted carries its own refutation, of course, with those who are conversant with the business of insurance, but with those who are not so conversant, it is another matter altogether, and its publication on that account is a grave error.

THE FORESTS OF BRITISH COLUMBIA.

There has lately been published, by the Government of British Columbia, an important report on the subject of the forests and timber of the province. This report, which has been made by the Royal Commission of Enquiry on Timber and Forestry, consisting of the Hon. F. J. Fulton, K.C., Chief Commissioner of Lands, Mr. A. L. Goodeve, M.P. (Rossland), and Mr. A. C. Flumerfelt (Victoria), embodies the results of a thorough investigation into the question and makes a number of recommendations, regarding the future of British Columbia's forests. The most important recommendations made by the Commission are as follows:—

(1) That a complete cruise of all Crown grant timber lands should be made by the Government, that in future the Department of Forests should co-operate with the assessors and that an annual return should be made of the value of all such timber lands.

(2) That the rates of rental and of royalty upon special license should at no time be fixed in advance for more than one calendar year.

(3) That the present reserve upon unalienated timber be continued indefinitely and that when special circumstances necessitate the opening of any portion of this reserve for immediate operations, licenses to cut timber thereon should be put up to public competition upon a stumpage basis.

(4) That the record of every cruise and survey made by the Government in timbered areas should be accompanied by a report concerning the suitability of the land for agriculture; that the power to compel licensees to cut and remove timber from good land be retained, and that at the time of renewal the same provision be inserted in every timber lease.

(5) That royalty be collected upon all merchantable timber not removed from Crown lands in the course of logging operations.

(6) That operators be required to dispose of debris.

(7) That the protection of forests from fire be undertaken by the Government through the agency of a permanent forest organization upon the lines of the North-West Mounted police and that it be compulsory for all able-bodied citizens to assist in this work when called upon.

(8) That the cost of fire protection be shared between Government and stumpage holders in a manner proposed by the Commissioners.

(9) That the Provincial Government should co-operate with the Dominion Railway Commission; that a vigilant patrol of all railway lines and inspection of locomotives should be established, and that all railway construction should be supervised by provincial forestry officials.

(10) That all operators should be required to make periodical returns concerning forestry operations, to the forestry officials in their district and that the collection of information should be undertaken upon much wider lines than hitherto.

(11) That the Government should at once proceed with the establishment of a Department of Forests.

(12) That royalties upon Crown timber should be paid into a forest sinking fund.

(13) That by suitable changes in the customs' tariff the utilisation of low grade timber should be encouraged.

The Commissioners went into the question of the amount of merchantable timber standing in the province, as thoroughly as possible, and, as far as limited knowledge extends at present, they conjecture that a forest area of 15 million acres within the jurisdiction of the Provincial Government is capable of yielding, under present methods of logging, 200 billion feet of merchantable timber. In addition there is supposed to be in the railway belt, which is under the jurisdiction of the Dominion Government, 40 to 50 billion feet. Restrictions placed upon the present liberty to destroy and waste may increase this amount appreciably.

Surveying the present timber situation the world over, the Commissioners find that in Sweden there has been over-cutting, that Russia is reducing her exports, and that the eastern half of North America is ceasing to possess surplus material for export. The most depressing information has been gleaned concerning forest depletion in the United States, where the present stand is estimated to be less than half the original quantity. The cut from many of the States has been decreasing with startling rapidity and the centre of production has shifted to the south, where settlement and operation combined have waged war on standing timber with the present result that of the southern United States forest, only 50 p.c. is left. Moreover, the opening of the Panama Canal will let loose upon the West the demands of the wood-hungry countries upon both sides of the Atlantic, while there is no hope at present that reproduction may offset the inroads of fire and lumbering upon the forests of the States. The effects, the Commissioners find, are that (1) between 1900 and 1907, the average mill price in the United States of all lumber rose 40 per cent., and average price of all stumpage rose 93 per cent; (2) Canadian statistics show that in comparison with the average for the decade 1860-1900, and in spite of the after effects of financial depression, 1909 prices for eastern lumber showed a rise of 55 p.c., and eastern lumber has risen faster than any other important commodity with the single exception of furs.

"All these facts," proceed the Commissioners, "bear directly on the forest problems of British Columbia. With its 240 billion feet or more of merchantable timber, probably half the stand of Canada, the province faces a rising market—east, west and south, for exhaustion of local supply will cause the southern tariff barriers to crumble gradually away. The bulk of this timber is Crown property; most of it is under Government control; and the rate of growth upon the Pacific coast is twice the average for the United States. To cap the