

On Canadian finance too the development has produced a noticeable effect. It checked most decisively the expanding speculation in the Dominion Steel securities which began a couple of weeks ago, and turned the thoughts of financiers and iron men towards a probable invasion of the Canadian market from the south.

Thus it has operated to prevent or hinder the threatened absorption of some of the surplus funds of the banks by the stock exchanges. What effect it will have on the fortunes of our iron industry is yet to be seen.

So far as the setback to stocks is concerned—in Wall Street and in Canada—it is not a matter for very deep disappointment. It will not delay nor prevent the steady march of improvement in industrial conditions; and it rather improves the prospects for an ultimate advance in stock market values, inasmuch as the circumstance precipitating it is of a nature to accelerate the progress towards good times.

FOREST PRESERVATION AND OUR WATER POWERS.

The Dominion Forestry Association, at their closing session in Toronto some time since, decided to urge the appointment of a Royal Commission, rather than of a Parliamentary Committee, to investigate forestry conditions in the Dominion, and report to Parliament.

Among other important matters dealt with it was suggested that the several local Governments controlling Crown lands, not already having done so, be requested to withdraw definitely from location all lands at present open for location as may be found on inspection to be unsuitable for farming purposes. A further point urged was that no town or settlement as yet unopened for settlement be hereafter opened unless, upon inspection, it be found to contain at least 50 per cent. of agricultural land.

Farmers' bulletins of warning and instruction for schools, and the inclusion of elementary forestry in High School courses, and also the preparation of maps and lantern slides for teaching purposes, were discussed. It was finally decided to appoint a committee to consider the preparation of these.

Especially was the association anxious to impress upon the Dominion and Provincial Government the great necessity of placing in forest reserves all lands at the head waters of streams.

Aside from growing domestic demands for direct forest products, the country is dependent upon its wooded areas for the water powers which are more and more being utilized throughout the Dominion. Recent treating with the United States

as to division and conservation of Niagara's power, and the planning of the Department of Public Works to conserve the upper waters of the Ottawa by damming, should alike serve to call attention to the general desirability of present prevention rather than attempted future cure in dealing with our water powers. The "Conservation Bill" which is this session being introduced in the United States Senate goes so far as to say regarding effects of deforestation in that country: "The general increase in floods in our rivers, together with the increasing property loss and annual loss of soils, shows that in some sections we are rapidly approaching to the situation in which China now finds herself. It is not yet too late for nature to restore the forests on the mountains, but the time is rapidly coming when it will be. The question of protecting the forests at the headwaters of the streams is a national problem, as well as a state problem."

Recognizing the existence of a similar problems in Canada the Dominion Government took a decided step for the good when it announced, a year ago, that it would set aside the whole vast area of the eastern slope of the Rockies as a carefully protected forest reserve. British Columbia, too, is now conserving its provincial forest lands to an extent contrasting with its earlier policy.

Speaking to the motion which he recently introduced at Ottawa, Mr. Borden stated his belief that the proper reserving of forest areas would eventually make Canada's water powers a more valuable asset than its coal and all other minerals combined. However extensive a country's "coal crop," it can be garnered only once in a few milleniums; in the light of which Mr. Borden's words are worth more than passing consideration.

CANADIAN BANKING PROFITS: I.

Following its usual custom, THE CHRONICLE today presents the first of a series of statistical tables covering very completely the various phases of the banking operations in Canada in 1908. This article deals with the earning capacity of the different institutions. In the table that follows, all the going banks are included, and their profits, as declared in the annual reports, are given for 1908 and 1907. Then, calculations of the rate per cent. of earnings upon average capital, upon average capital and rest combined, and upon average total assets, have been made and compared with 1907.

The first column of percentages—that showing the rate on average capital—has to do more particularly with the dividend prospects. If a bank is steadily earning a very large amount in excess of its current dividend, the probability of an increased distribution is recognized as being strong. The