CANADA PACKERS LIMITED

REPORT TO SHAREHOLDERS

The tenth fiscal year of Canada Packers Limited ended March 25th, 1937.

Profit, after Depreciation, Bond Interest, and Income Tax, is $1,522,662.69
Equivalent, on 200,000 Shares, to....$7.61 per Share.
Out of this sum it has been decided to distribute, as Dividends on the Common Shares, during the current fiscal year ....$3.00 per Share.......... $ 600,000.00

The Profit applicable to the Common Shares is substantially higher than in any previous year. Shareholders may feel, in the circumstances, that a larger Dividend might have been justified. This was, in fact, considered, but the decision was against an increase because of the policy of Plant expansion to which the Company is committed.

During the year just closed, Plant extensions were made totalling $1,067,030.72
and for the coming year extensions have been authorized totalling approximately 1,150,000.00

In view of these heavy expenditures the Directors thought it necessary to conserve Working Capital.

Shareholders may inquire whether so large a programme of Plant expansion was necessary. The answer lies in the fact that during the nine preceding years (i.e. since the Company was formed) net Plant expenditures had amounted to only.................... $707,125.68

During all that time the main objective had been to build up Working Capital, which had increased from—
1927 .... $3,617,944.44
to 1936 .... 7,042,457.71

Last year, it was decided to extend operations to the Pacific Coast, and as a first step a Plant was built at Edmonton, Alberta. This Plant cost approximately $1,000,000.00

It is one of the finest industrial Plants in Canada, combining a beautiful exterior with high operating efficiency.

Plans for the coming year include a new Plant at Vancouver, B.C., also extensions and new equipment at several of the existing Plants. When this programme is completed Directors look forward to another period of rest in respect to Plant extension.

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Total Sales for the year were $72,699,519.48
Total Tonnage .... 774,270,797 lbs.
The Net Profit (....$1,522,662.69....) is, therefore, equivalent to:—
2.10% of Sales
or to 1|5c per lb. of product sold

The above figures relate to total operations, including products other than those derived from Live Stock.

On products derived from Live Stock, Profit is equivalent to:—
16.8c per 100 lb.
i.e. 1|6c per lb.

Sales increased from ......$63,586,883.36, year ended March, 1936
to........ 72,699,519.48, year ended March, 1937

that is........$ 9,112,636.12 .... or 14.3%

Tonnage increased from .. 659,706,572 lbs.
to.... 774,270,797 "

that is.... 114,564,224 lbs. or 17.4%

These large increases are due partly to new business deriving from the Edmonton Plant; also to increased exports of Bacon. But all Plants enjoyed an increased domestic volume, reflecting the improved economic conditions in Canada.

That improvement, so far as Agriculture is concerned, is indicated in the following table of prices of farm products.

FARM PRODUCTS
Average Price - Month March
Years 1930-1937

	1930	1931	1932	1933	1934	1935	1936	1937
Wheat—No. 1 Northern Port Arthur	$1.06¼	$ .56¾	$ .63	$ .49	$ .66¼	$ .81⅞	$ .82⅛	$1.40
Cattle—good Steers, 1,050 lbs. down, Toronto	10.20	6.10	5.13	4.21	5.25	5.74	4.90	6.32
Hogs—Bacons—f.o.b. Ontario points	12.75	7.19	4.40	4.61	8.36	7.43	8.15	8.16
Lambs—Good Handy-weights, Toronto	11.86	9.21	7.30	6.42	8.47	7.11	8.92	10.08
Hides—Native Packer Steers, Toronto	.13½	.09½	.06	.05½	.08¾	.09½	.13½	.17
Tallow—Edible, Toronto	.07¾	.05	.03¾	.03¾	.04⅛	.07¾	.05⅞	.06⅞
Wool—Lamb B, Toronto	.29	.17½	.15	.15	.31	.21	.35	.45

Over wide areas, Canadian Farmers are still suffering from a succession of crop failures. But in every other respect Canadian Agriculture has emerged from the depression. The low point of the depression fell in the first quarter of 1933—i.e. just more than four years ago. It is difficult now, even to recall how bleak the outlook seemed at that time. Not only were prices of farm products at or near all-time lows, but there were heavy surpluses for which there seemed to be no external outlet,—at any price. That was particularly the case in respect of Wheat and of Cattle.

All this is now changed. The surplus wheat has gone. At the end of the present crop year the carry-over will be less than in any year since 1926. And the price of Wheat (at Prairie points) is more than three times that of February, 1933.

This disappearance of the overhanging surplus and the rapid advance in the price (and with it in prices of other Grains) was the signal which, to the Farmer, marked the final passing of the depression. But this very event brought with it a complication in the Live Stock field:—particularly that of Hogs.

Hogs are produced from Grains. The cost-of-production of the Hog is in direct ratio to the price of the Grains. Between March, 1936, and March, 1937, the price of Wheat advanced from .... 82c to .... $1.40 per bushel,—and other Grains in similar ratio. But the price of Hogs advanced not at all.

This disparity in movement, as between Grain and Hog prices, presented a problem to the Farmer which he had not had to consider for six years. Would he feed Hogs, or would be sell his Grain? The question became acute just at the beginning of the major breeding season, i.e., September. In that month Grains began a spectacular advance, and Hogs declined.

The following table sets forth these prices,—Wheat and Hogs,—(monthly averages), since March, 1936.

	Wheat per bushel	Bacon Hogs F.O.B. Ontario Country Points, per 100 lbs.
March, 1936	$ .82⅛	$8.15
April	.80½	8.02
May	.76¾	7.81
June	.79½	8.52
July	.92¾	8.71
August	1.02¼	8.89
September	1.03⅞	8.13
October	1.10⅞	7.66
November	1.08¼	7.24
December	1.20¼	7.86
January, 1937	1.24¾	8.18
February	1.27	7.93
March	1.40	8.16

Under such conditions it takes some courage on the Farmer's part to breed sows (the progeny of which will be marketed from 10 to 12 months later), unless he has the necessary feed actually in his granary. Many Farmers,—perhaps most,—are not so situated. Hence there developed a good deal of hesitation, and since September there has certainly been some diminution in breedings. As to the extent of this diminution no statistics are to be had, and the scale of it will not be known until the progeny arrive at the markets, July 1937, forward.

On each farm the decision whether to breed or not to breed is an important one. It determines in advance that portion of farm operations for almost a year. (The litter is farrowed four months after breeding, and the Pigs are marketed six to nine months after birth.) The Farmer who breeds, thereby elects to market his Grain through the medium of Pigs. On the other hand, the decision not to breed, is equivalent to that of selling the Grain for cash. But the important factor to consider is clearly not the relative price of Grain and Pigs at the time the sow is bred. It is the average price of Grain for a period of 4 to 10|11 months forward, in relation to the price of Hogs on the marketing day (unknown) 10|11 months away.*

If, therefore, the Farmer seeks, at breeding time, to determine whether the sows should or should not be bred, he is faced with factors which are not known and cannot be known.

But a study of the past comes to his aid, and enables him to base his decision on other and knowable factors. If a period of years is considered, it is found that, providing feeding methods are efficient, there is an assured Profit in continuously raising Hogs. This is not conjecture, but history. A Farmer cannot know, in the case of any particular litter, whether the Pigs will sell for a greater sum than the value of the Grain required to produce them. Nevertheless, he can be certain that if he feeds Hogs all the time, he will make a Profit, and a good Profit, as against selling his Grain. On the other hand, it is equally a matter of history that the in-and-out feeder generally gets in before a decline and out before an advance.

(In discussions as to the Profit or Loss of producing Hogs, there is sometimes confusion on a most important point. During the last three years Hog prices have been high and stable. The low monthly average price for Bacons, f.o.b. Ontario Country points, has been ....$7.14 per 100 lbs. The yearly averages have been as follows:—
1934 .... 7.85
1935 .... 8.21
1936 .... 8.10

The fundamental fact is that at such prices there is a sure Profit in growing feeds and converting those feeds into Hogs. It may appear that for a certain period prices of Grains may be high; and during that period that Grains would sell for more than the Pigs which those Grains would produce.

In such case the Farmer, if he feeds, would make less Profit. But he would not make a Loss. The feeder who does not grow his Grain, but buys it on the market, would make a Loss. For him the fluctuations of the Grain market are a serious matter. But the Farmer who grows the feeds may continue producing Hogs in the assurance that during the life of the Ottawa Agreement Hog production is the safest activity on the Canadian farm.)

To the Farmer, therefore, who can count on the necessary feed, this conviction makes the problem a simple one. He need not even stop to consider whether he will or will not breed.

But for the Farmer whose crops have failed year after year, it is a quite different matter. Without the Grain he cannot feed. The wide areas of crop failure of the last seven years have appreciably retarded increase in Hog production. Crop failures have in fact been the chief reason why Canada has not yet reached the Quota for Bacon allotted in the Ottawa Agreement of 1932. That Quota was the equivalent of 2,500,000 Hogs per year.

Since 1932 there has been every incentive to increase Hog production. Prices have been high, and the Grain|Hog ratio favourable. And in spite of crop failures production has greatly increased. This is evident from the following table of Hog marketings and Bacon experts:

*In the above discussion no mention is made of the other costs which enter into Hog production, including labour and plant overhead. These items are constants and therefore do not affect the argument, which has to do with fluctuating Grain prices.

HOG MARKETINGS

Month	1935	1936	% Inc.	1937	% Inc.
January	297,325	275,553	— 7.3	320,607	16.3
February	263,005	257,301	— 2.2	345,696	34.0
March	229,822	312,695	36.1	397,213	27.0
April	312,719	267,201	—14.6	337,236	26.2
May	228,556	275,376	20.5		
June	204,540	310,686	51.9		
July	225,586	226,147	.25		
August	173,369	235,708	36.0		
September	192,103	323,146	68.2		
October	287,855	375,081	30.3		
November	252,800	415,141	64.2		
December	301,631	471,463	56.3		
Total	2,969,311	3,745,498	26.1		

BACON EXPORTS (In terms of Hogs)

Month	1935	1936	% Inc.	1937	% Inc.
January	113,378	100,473	11.5	134,864	73.9
February	123,043	92,088	— 3.1	152,965	39.5
March	113,096	109,651	—25.1	138,146	50.0
April	69,549	77,547	—11.4	138,192	37.5
May	103,445	120,642	16.6		
June	92,420	99,207	7.3		
July	87,991	108,776	23.5		
August	68,791	96,128	39.7		
September	51,973	92,014	77.0		
October	54,328	115,818	113.1		
November	95,936	130,495	36.0		
December	62,107	146,902	136.5		
Total	1,036,057	1,289,741	24.5		

These figures give ground for thinking that if feed had been plentiful last Fall, and the Hog|Grain ratio favourable, Canada would now be well on the way towards filling her Bacon Quota in Great Britain.

This question as to whether, (and how soon), Canada will achieve her Bacon Quota is the most important one in Canadian Agriculture. As to whether Canada will fill her Quota, there should be only one answer. For Canada is naturally, a Hog producing country, and this Quota gives her the opportunity, on the most favourable terms, of establishing herself in the greatest Bacon market of the world.

The opportunity lies in the fact that the Agreement permits her rapidly to increase shipments, and at the same time assures her a stable price. Such a situation never obtained before, and is inconceivable except under a Quota plan. At any previous time so rapid an increase in shipments would have brought about a drastic fall in price. But no fall has occurred, for the British plan is to keep the total quantity of Bacon approximately constant. As Canadian shipments increased, imports from other countries were correspondingly cut down. Canada's policy should clearly be to establish herself firmly while these conditions last.

That Canadian Farmers have a grasp of the value of the Bacon Quota, is shown by their efforts to increase Hog production. But there is an element in the situation to which they are likely to give less thought than its importance merits, viz.:—that time is of the essence of the situation.

Canada is assured another three years of the Quota. Within that time it is most important.—

(a) That she take maximum advantage of the opportunity by filling the Quota.

(b) That she keep in mind constantly the time will certainly come again when Canadian Bacon will have to compete, without preference, with Bacon from Denmark and other European countries. What will Canada's position then be?

Will Canadian Bacon be able to hold its place in such a situation?

The answer hinges on a point which has received too little attention. It will depend upon efficiency in breeding and Canadian feeding methods relatively to those of Denmark and other European countries.

How do the efficiencies now compare?

The answer brings us back to the fact that Hogs are produced from Grain or its equivalent. Exact statistics are not available, but the best informed view is that in Denmark, on average, 3¾ lbs. of Grain produce 1 lb. of Pig, whereas in Canada, on average, 5 lbs. of Grain are consumed in producing 1 lb. of Pig. In other words, that the cost of production in Canada as compared to Denmark
is as — 5: 3¾
i.e. as — 20:15
i.e. as — 4: 3

This means that, providing the price of Grain is the same, it costs one-third more to produce Bacon Hogs in Canada than in Denmark.

Applied to the actual data of production the significance of the above facts is as follows:
Canada will produce this year approximately .... 7,000,000 Hogs
They will be marketed at an average weight of approximately .... 200 lbs.
On the basis 5:1 each Hog would take to produce .... 1,000 lbs. of Grain
On the basis 3¾:1, each Hog would take to produce .... 750 " " "

The extra cost of producing Hogs in Canada, expressed in Grain is .... 250 "
An average price of Grain at the Farm may be taken at ....1¼c.... per lb. In other words, the extra cost-of-production per Hog, due to feeding inefficiency in Canada relatively to Denmark is—
1¼c x 250, i.e. .... $3.10 per Hog
on 7,000,000 Hogs $21,700,000

If the relative feeding ratios are correct, there can be no doubt about this figure. And the statement of ratios is based on the best available information in each country.

But to Canadian Hog Producers the figures have still greater significance.

Many Canadian Farmers, both East and West, actually produce Hogs at a ratio ....3½:1. There is no doubt about this. The statement is based on carefully kept records.

Remembering that Canadian average production is 5:1, it follows that on many farms,—thousands of them,—the basis of production can not be better than 6:1. What then is the difference between the high and low cost within Canada? On the basis of 6:1, the quantity of Grain required to produce a 200 lb. Hog is .... 1,200 lbs.
On the basis 3½:1, the quantity is .... 700 "

Therefore, the difference between high and low production is per Hog .... 500 "
at 1¼c per lb. .... $6.25 per Hog

Do these 6:1 Farmers realize that a saving is to be made from improved feeding methods equivalent to more than ....3c.... per lb.?

The argument of the preceding paragraphs may be summarized as follows:

The Bacon Hog is the farm animal which Canada is best endowed by nature to produce. The most suitable feeds can be grown here perhaps more cheaply than in any other country.

To maintain her Agriculture on a sound basis, Canada must produce many more Hogs than she herself can consume.

The great market for the surplus Bacon of the world is Great Britain. In this market Canada at present enjoys a preferred position of the greatest importance.

For the time being the price of Bacon in Great Britain, (and the corresponding price of Hogs in Canada) is such that even on a basis of production 5:1 there is a large Profit in producing Hogs.

But the high price of Bacon in Great Britain is maintained only by a Government plan of restricting imports. (Under this plan Canada is allotted the large Quota of 2½ million Hogs).

Canada is increasing production at a rate which, with favourable crop conditions, will enable her to fill her Quota within two or three years (perhaps earlier).

Canada's volume of shipments to Great Britain will then be almost on a par with those of Denmark. This will afford an opportunity, by improving Canadian product and service, to popularize Canadian Bacon to an extent never before possible.

This can be done only by making Canadian Bacon equal in quality to Danish.

For this the first requisite is to make Canadian Hogs as good as Danish. A substantial improvement has been made in Canadian Hogs in the last 15 years. The best Canadians are still not so good as the best Danish, but nevertheless they are very good. Canada's immediate problem is to bring all her Hogs up to the standard of her best.

But Canada's chief remaining problem is, during this "protected" period, to prepare herself for the time when she will again have to meet Denmark without preference on the British market.

For this the inexorable requirement is to achieve an efficiency in Hog production equal to that of Denmark.

If Canada does achieve such an efficiency she will then have an advantage over Denmark. For feeds can be produced in Canada more cheaply than they can be bought in Denmark.

The achieving of this standard of feeding efficiency is the most important single objective in Canadian Agriculture. On it depends whether Canada will advance to first place in the British market, or will at some future date be driven from that market as has more than once occurred in the past.

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CATTLE:

The record in the Cattle Industry is much more cheerful than in any year since 1930. The pressure on the Cattle market from the year 1930 forward was the difficulty of finding a market for Canada's surplus. That surplus is roughly 200,000 Cattle per year. Exports (live Cattle) for the last 10 years have been:

1927	212,599	1932	25,578
1928	166,874	1933	56,003
1929	160,103	1934	60,193
1930	24,883	1935	109,638
1931	36,308	1936	197,901

The recent relief has come through shipments to United States. Under the Canadian|American Trade Agreement a number of Cattle up to 155,000 may be shipped into United States at a Duty of 2c per lb. This concession was secured from the United States Administration only after prolonged negotiations. It was strenuously opposed by American Cattle Producers.

It is supposed that negotiations are at present under way between Canada, Great Britain and the United States, looking towards an expansion of trade between these three countries. To secure such an expansion concessions will be asked for, and given, by each of the negotiating countries. Canada undoubtedly will be asked to give certain advantages to United States. In return she will expect to receive other advantages. One concession Canada should firmly stand for is in connection with Cattle. If the United States insists on a Quota (as they probably will) she should seek to enlarge that Quota from 155,000 to 200,000 Cattle per year. This the United States can certainly concede as it is only about 1% of the total number of Cattle marketed in United States each year.

But more important still is the rate of Duty. If United States is to admit any stated number of Cattle, it makes no difference to the American Producer whether those Cattle pay a 2c Duty or no Duty at all. This is the great modification that needs making in the Canadian|American Agreement. If Canadian Cattle,—up to the Quota number,—were admitted to United States without Duty, this concession would automatically add 2c per lb. (approximately ....$20.00.... per head) to the value of all the Cattle in Canada. And the concession would cost United States nothing.

In this Report to Shareholders, the Directors again wish to pay tribute to loyal and efficient work of all ranks of Employees. During the year there have been two increases in Plant wages. These are now on a basis substantially higher than the rates of 1929. To an appreciable extent these advanced wages have been offset by higher efficiency, brought about by co-operation of Employees. The quality of products is better than at any previous time in the Company's history. This is due to the pride of workmanship on the part of Plant Employees, fortified by co-operation of all other ranks.

J. S. McLEAN,
President

Toronto, 1st June, 1937.

Extra copies of this Report are available, and so long as they last will be mailed to anyone requesting them. Address to Canada Packers Limited, Toronto.

SUNDAY SCHOOL LESSON

LESSON I.—JULY 4
GOD HEARS A PEOPLE'S CRY
Exodus 1: 1-22; 2: 23-25
PRINTED TEXT
Exodus 1: 6-14; 2: 23-25
GOLDEN TEXT

"Before they call, I will answer, and while they are yet speaking, I will hear." Isaiah 65: 24.

THE LESSON IN ITS SETTING

Place:—The children of Israel lived, for the most part, during their residence in Egypt, in the land of Goshen, located in the eastern part of Egypt, north of the southern point of the Nile Delta.

Time:—B.C. 1643—B.C. 1578.

"And Joseph died, and all his brethren, and all that generation." Joseph was the one through whose prestige in Egypt the Hebrew people were allowed so many favors, strangers as they were in the land of Egypt. With the passing of any great statesman, or captain of industry, or military commander, there comes, sooner or later, necessarily, a change in the circumstances, organization, and leadership over which the deceased once so completely dominated. It is perfectly natural that the statement of the death of all those of Joseph's generation should be followed by a record of a radical change in the conditions pertaining to Joseph's people.

"And the children of Israel were fruitful, and increased abundantly, and multiplied, and waxed exceedingly mighty; and the land was filled with them." In this verse, the writer employs the very expressions "were fruitful," "increased abundantly," which are found in Gen. 1: 22, 28 and 8: 17. "This points to a strictly extraordinary or miraculous rapidity in the rate of increase, though, of course, miracle has its limits of possibility in accelerating the rate of increase through birth. The following are naturally favoring circumstances for such a rapid multiplication: the proverbial fruitfulness of women in Egypt; the peculiar fullness of vitality in the Israelitish race, which still continues; a prosperous settlement in a good land in circumstances fitted for abundant physical life."

"Now there arose a new king over Egypt, who knew not Joseph." "The Hebrew word 'arose' is almost always used to describe a new commencement, as in Deut. 34: 10; the word 'new' occurs in connection with an entire change (as in Deut. 32: 17; Judges 5: 8); while the expression 'knew not' (Deut. 28: 36) is applied not so much to absolute want of knowledge as to the absence of friendly acquaintanceship."

"And he said unto his people, Behold, the people of the children of Israel are more and mightier than we. Come, let us deal wisely with them, lest they multiply, and it come to pass, that, when there falleth out any war, they also join themselves unto our enemies, and fight against us, and get them up out of the land."

There was absolutely no justification for such a suspicious attitude toward the Hebrew people, for, in the first place, they have never been known as a warlike nation, and, in the second place, they were so favorably situated in Egypt, that there would have been no reason for their rising up to unite with Egypt's enemies. Moreover, the Hebrew people had no alliances with the nations around Egypt, and were, of all people in the world, the most independent, i.e., a people who were bound more by their miraculous out-calling by God than they were by any blood ties with other peoples.

"Therefore they did set over them taskmasters." Literally, these were "captains of labor-gangs," the word mas being "the technical term for a body of men employed on forced labor, as in I Kings 5: 13, 14, etc." "To afflict them with their burdens." The word here translated "afflict" means "to bend," "to wear out any-one's strength," and is the word used in the prophecy in Gen. 15: 13 that this would be the actual experience of Israel in Egypt hundreds of years after the prophecy was uttered.

Return of the Hair-Brush

(Toronto Saturday Night)

We view with some gratification the signs of dissension in the ranks of child psychology. We are not insensitive to children—we like children and dogs and old steel engravings—but we have felt of recent years that the importance of the child has been emphasized beyond all reasonable exaggeration. The child qua child has always appealed to us as having possibilities of charm and interest, but we admit to a sensation of oppression when compelled to consort with the little-man-or-woman-in-the-making whom the modern theories of emancipation have bred for us. All the romp and pleasure is taken out of conversation which is reduced to the level of a pedagogical passage-at-arms. And it appears that even the child psychologists are beginning to feel the strain.

Speaking in New York, Dr. Bernard Sachs, director of the Child Neurology Research, expressed the conviction that "vast numbers of children are born normal and would remain normal. . . if it were not for teachers misled by certain false doctrines that have gained a vogue. Under these theories, a little excess of motherly love is called mother fixation. The use of repression and discipline is termed ignorance, and sex education is horribly overdone." There is a note of weariness in this statement of disavowal—echoed in similar statements by other authorities—that seems to indicate a yearning for the old-fashioned simplification of the hair brush. The child is a problem only when it is treated as a problem. There is a starting point for a new school of child psychology, founded on such revolutionary precepts as "Children should be seen and not heard," and "Spare the rod and spoil the child."

125 Years of Tuberculosis

The oldest set of continuous tuberculosis statistics in the world is shown by the New York Tuberculosis and Health Association. The records go back to 1812 and are based on statistics of New York, Philadelphia and Boston.

In the 125 years of the study, pulmonary tuberculosis has taken 700,000 lives in the three cities. Most noticeable in the graph of the study is the sharp break which began about 1882 when Dr. Robert Koch in Germany first identified the tubercle bacillus.

Before Koch's discovery the death rate fluctuated between 300 and 400 for each 100,000 of population. As soon as medical science learned what it was fighting, the story changed.

Isn't the farmer, who works in the fresh air of the country, less likely to have tuberculosis than the city office worker who spends his days hunched over a desk in a stuffy office? No, he isn't. The instance of infection is identical for the two groups.

Offers An Outlet

There ought to be a great increase in the export of Canadian fruit and vegetables to the British Isles if the right co-operation could be achieved, for apparently this country has many food products that would improve the health of Old Country residents.

Miss Zoe Puxley, senior officer, division of public assistance, British Ministry of Health, has been in Canada gathering information of likely utility in her work. She is impressed by the splendid supply of fruit and vegetables evident in this country. She also had quite a lot of enlightenment as to the percentage of such products that goes into the food served in Canada. The prevalence of green vegetables, salads and fruits in the Canadian menu was impressive to the British visitor who said that people in the British Isles seemed to be addicted to meat and pudding so that there was little appetite for the lighter vegetarian foods.

Duke of Kent Urges Developing Timber

LONDON.—The vital importance of conserving and developing the British Commonwealth's timber resources was stressed by the Duke of Kent in presiding at the annual meeting of the Empire Forestry Association.

It is very gratifying to know that inter-empire soft wood trade showed marked signs of progress and that Canada instead of occupying the seventh place among nations supplying forest products to the United Kingdom is now third and that her trade with other parts of the empire has grown in equally encouraging manner," the Duke said.

"The value of the forest resources of the empire is vast but one is prompted to inquire whether these resources are being as wisely exploited as possible. Each part of the empire should take stock of its position and boldly plan such measures as are required to enable it to live within its forest income and develop to the utmost its forest resources."