

CANADA'S TRADE BALANCE

How Import Figures May Prove Misleading—Capital Brought in by Settlers

Discussing Canada's trade balance in the London Financier, Mr. H. K. S. Hemming, a well known Anglo-Canadian financier says:—

"The figures found in the Canadian blue-book are more or less misleading. The important figures, being obtained from the Customs-houses, through which all imported goods must pass, are, of course, complete and correct. The export figures, on the other hand, are collected only for statistical purposes, and as no penalty has ever been imposed for neglect in sending the information to the Government, exporters are well known to have been negligent in their duty. There is little doubt but that the actual values of the exports have exceeded by many millions those enumerated in the Government returns.

Capital from Settlers.

"No serious attempt has been made by the different Governments of Canada to discover the amount of cash brought into the country by incoming settlers (now numbering some 1,200 per day). On the other hand, experienced statisticians have recently made estimates according to which the fresh capital thus brought into the country between the years 1896-1912 has exceeded the excess of imports over exports during the same period. In other words, these excess imports, which go to make up the deficit in the Canadian national balance-sheet, have in reality consisted of goods brought into the country by new settlers and paid for out of their own pockets without the assistance of Canadians or of outside financiers such as the investors of Great Britain.

"Notwithstanding the above two facts, there is another of equal importance as an explanation. Canadians have imported—during the same period of 1896 to 1912—merchandise which they have applied to purposes which might properly be termed a "national capital amount" of a value almost double the supposed excess of imports over exports. By this I mean that that portion of Canadian imports which has been used in the construction of her railways, canals, roads, drains, etc., the erection of buildings and the equipping of mines, farms and so forth, has amounted to double the excess of her imports over exports.

Invest in the Plant Account.

"Some economists will tell us that it is not safe for a country to continue to invest capital in so-called plant account, but so long as immigrants continue to pour into Canada, so long will it be her duty, and, in fact, the duty of this country, as the head of the British Empire, to provide them with houses to live in, roads for travel, railways for purposes of transportation, and the thousand and one other necessities of life and intercourse which in older countries, such as this, are scarcely even thought of, because they have been at hand for generations or even centuries.

"Canada is making solid financial history more rapidly, and with more satisfactory results than has been the good fortune of any other country in the world's past, and the wise man is not he who shakes his head in ignorant fear, but he who goes to the fountain-head for information, and then applies his knowledge to such opportunities for investment as may be placed before him."

COAL PRODUCTION IN NOVA SCOTIA

"Coal production for all the companies in Nova Scotia during 1912 will show an increase of 600,000 tons over 1911," was the statement made by Mr. Alexander Dick, general sales agent of the Dominion Coal Company. The sworn returns of all the companies, he added, are made quarterly, and the fiscal year of the Nova Scotia Government ends September 30th, so that the returns for the calendar year may show a little variation, but these will not be completed till shortly after the new year.

The returns of the companies are as follows:—

	1912.	1911.
Dominion Coal Company, Cape Breton...	4,331,320	4,011,235
Dominion Coal Company, Springhill	420,481	346,964
Nova Scotia Steel & Coal Company	821,000	777,800
Maritime Coal, Railway & Power Company	151,308	126,104
Inverness Coal & Railway Company	289,704	259,315
Acadia Coal Company	439,476	359,252
Intercolonial Coal Company	243,407	211,808
Colonial Coal Company	35,211	30,525
	6,731,907	6,123,093

There was a considerable increase in coal consumption by the steel companies, which absorbed a good part of the increased production.

GREAT NORTH WESTERN TELEGRAPH COMPANY

Election of Directorate—Its Relations With the Western Union and Grand Trunk

The election of Z. A. Lash, K.C., as president of the Great North Western Telegraph Company, gave rise, we observe, to a story that the Canadian Northern Telegraph Company would absorb the former concern. The Monetary Times understands that this matter was not discussed, either officially or unofficially, at the meeting of the Great North Western directorate in Toronto this week. Indeed the likelihood of any such close connection with a railway would seem rather to be with the Grand Trunk. Hitherto the intimate business relations of the Great North Western, so far as railroads are concerned, has been with the Grand Trunk. The two companies have worked together amicably for more than fifty years. The Great North Western lines follow the Grand Trunk tracks in Ontario and Quebec and also in the United States. The telegraph company's lines were also installed, on the advice of the late Mr. H. P. Dwight, formerly general manager and president, in New England, Massachusetts, Michigan, Maine, Vermont, and New York states.

Controls Great North Western.

The Western Union was incorporated in New York in 1851 and has since acquired the stocks of many other telegraph companies operating in different parts of the United States. It has authorized capital stock of \$100,000,000 and a bonded debt outstanding of \$36,726,000.

Among the numerous companies controlled by or affiliated with the Western Union is the Dominion Telegraph Company. This was incorporated in 1868 in Canada to operate in the Dominion and northern New York. It has been leased for 99 years from July 1, 1879, to the Western Union at a rental of dividend of 6 per cent. on the capital stock. The section of the Dominion Telegraph lines west of New Brunswick, is sub-let to the Great North Western Telegraph Company. It has capital stock of \$1,000,000, of which the Western Union owns \$288,300. The stock is listed on the Toronto Stock Exchange. Sir Henry Pellatt is vice-president and a director of the company, as are also several other Toronto men, including Mr. Æmilius Jarvis.

Montreal Telegraph Company.

The Western Union also guarantees the dividend of the Montreal Telegraph Company, which was incorporated in 1847. This concern is operated and maintained by the Great North Western. In turn, the operation and maintenance is guaranteed under a 97 years' agreement from July 1, 1881, by the Western Union. Mr. W. McMaster, is president of the Montreal Telegraph Company, and Mr. W. Wainwright, vice-president.

Election of Officers.

The following officers and directors were elected at the annual meeting of the Great North Western this week:—President, Z. A. Lash, K.C., LL.D., Toronto; vice-president, Adam Brown, Hamilton; other directors, James Hedley, Hon. Senator James K. Kerr, K.C., Æmilius Jarvis, F. B. Hayes, Toronto; J. B. Van Every, Newcomb Carlton, New York; general manager, Geo. D. Perry; secretary and auditor, A. C. McConnell; treasurer, D. E. Henry.

Little information is available regarding the expenses and earnings of the Canadian Northern Telegraph Company. On June 30th, 1911, the Canadian Northern Railway is credited with holding among its required securities \$500,000 of the stock and \$800,000 of the general mortgage 5 per cent. bonds, a total of \$1,300,000, of its telegraph company.

Montreal's retiring Harbor Commissioners amended the contract to J. C. Metcalfe for an addition to No. 1 elevator, at a cost of \$700,000. The addition will increase the storage by 1,500,000 bushels.

Calgary fire insurance men held a banquet recently in the Alexandra Hotel for the purpose of getting together and discussing matters of interest in connection with their work. The toastmaster was Mr. O. E. Tisdale. Among those who spoke were Messrs. Long, Benjamin, Mottley, Middleton, Neve and Hickman. Those at the head of the table were Messrs Rex Neve, Hal Middleton, A. J. Girton, W. J. Mills, J. W. Keith, and H. H. Mottley. Among others present were Messrs. H. A. Benjamin, T. A. Hornibrook, Wilfred Chambers, W. G. Gilbert, C. M. Howell, Herbert Gillis, W. R. Hull, Reginald Long, B. T. Durrel, Arthur Turner, G. E. Sessions, Ed. Mahoney, Charles Nunemaker, W. B. Hickman, James Cleave, H. U. Ross, Harold E. Smith, H. W. Allen, George Beck and C. E. Tait. Mr. B. A. Atkinson, sr., had charge of the arrangements.