CANADA'S TRADE BALANCE

That there is nothing wrong with Canada, but a great deal wrong with the world's money markets is the statement of Sir Edmund Walker, one of our leading financial authorities. It is one, too, which should exterminate the pessimism, misgivings and criticisms of those who have purchased, despite the financial stringency, glasses of an unmistakable blue hue. Canada, being one of the most prominent borrowers overseas, was naturally the first mark of critics in a time of war and of a slim supply of capital. The tight money period through which we are passing is inconveniently embarrassing, and in some cases, destructive, but it is only a passing phase, one which we have had before and one which we will have again. It does not affect in any way the strength of Canada's economic foundation.

It is pleasing to note that the Dominion Government, via the pen of Professor Adam Shortt, of Ottawa, has given further official support to the national position, by the issue of an unusually interesting explanation of Canada's balance of trade. Professor Shortt shows that for over a decade past Canadian imports have increasingly exceeded Canadian exports, until for the twelve months ended April 30th, 1913, the returns stand as follows:—

Imports, not including coin and bullion....	$672,880,978
Exports, not including coin and bullion....	385,750,938
Leaving an adverse balance of...........	$287,130,040

At the same time during this period of expanding imports the balance of exchange in gold has not been against Canada, but on the whole in her favor. What, then, is the explanation of what appears to be at first sight an anomalous condition of international trade?

The explanation is simple, though the secondary consequences may be somewhat complex and remote. The great proportionate excess of Canadian imports over exports has at once resulted from, and is offset by the borrowing of outside capital by Canadian Governments, corporations and individuals and by the direct investment of outside capitalists in Canadian real estate, mines, timber and various enterprises. The chief channels through which these investments affect the imports and exports of the country may be summarized as follows: The largest investments of borrowed capital, representing hundreds of millions, have been made by the various public authorities—the Dominion and Provincial Governments and the municipal corporations. The three great railway systems of Canada also account for scores of millions, while many other corporations of a semi-public or purely commercial nature, real estate and other investments aggregate a vast total.

After discussing these factors in some detail, Professor Shortt reminds us that this very natural but nevertheless abnormal advancement of the country has not hitherto resulted in any inconvenience, because its lack of balance has been entirely met by the constant stream of foreign capital borrowed on Canadian account. A comparatively small proportion of this capital, however, has come to the country in the shape of money; almost the whole of it has been taken in the shape of goods. Thus the gap between exports and imports has been steadily widening, and will continue to do so until the construction of railways and other public works and the building of cities fall off. Then will result the inevitable consequence that a large proportion of people—employers and employed—must return to the production of articles for more immediate consumption and export. When this return movement begins the gap between exports and imports will gradually close. Finally, when the principal and interest of the hundreds of millions recently borrowed come to be paid exports will exceed imports with as little disturbance to the exchanges as we have found in the past. Both sides of the movement have been amply illustrated in the trade returns of the United States at various periods during the past century.

A writer in the London Times has also examined the Canadian trade balance. After discussing the various phases, he contends in conclusion, that the total burden of taxes and interest charges on capital borrowed abroad do not come to so large a sum as the cost of government per head on the population of the United Kingdom, and that the productive capacity per head of the population of Canada is certainly not less than that of the population of the United Kingdom. This, he thinks, should "show that the burden imposed on Canada, as a whole, by the present indebtedness of most of her large undertakings to the British investor is by no means so crushing as sometimes seems to be supposed."

ENGLISH AS IT IS WRITTEN

The Monetary Times received for publication an article, in French, on French investments in Canada. It was sent to a translation bureau, who guaranteed excellent work. Here is what was returned:—

"The need of defendind against the ambitions, often provocative, of a great European country, and also of protecting their industry and trade against proceedings of competitors, which want of invention and originality genius compels to flood all the world's markets—space to repeated steps of a broker's army so insinuating than tenacious—of products cleaverly imitated of which defects are only revealed after a certain use, have brought together two countries of which secular rivality printed its mark to each page of History."

We refrain from printing more.

The difference in the tongues of the world is awkward, but international business goes on just the same. *The Monetary Times* received the following letter from Moscow, Russia, the other day:—

"We beg to send us a specimen-number of your journal, having the intention to insert eventually in your newspaper. We also beg to call us the prices for insertion."

That is pretty good English, from Russia, for it obtains what it seeks. It is comparatively better English than some letters received from England recently, addressed, "Toronto, U.S.A.", and one which inquired regarding the whale fishing industry in Ontario!

English is rather roughly handled, and too frequently, in English-speaking countries. To add to the troubles of the Wall Street man forced to spend his summer in the city, says the Wall Street Journal, comes the necessity of employing a substitute stenographer in the vacation season. Wall Street diction is hard enough for the regular stenographer; the substitute finds it next to impossible. The employer of one of the substitutes not long ago tried to be particularly careful and distinct in his dictation. Nevertheless, "comptroller of the currency" emerged as "comptroller of the corn belt." A remark about the "drought district of Kansas" was interpreted as "grouch district in Kansas." Reverting to money matters again, the employer talked about taking bullion into the Bank of England, and the copy showed that bouillon soup had been taken into the bank. One of *The Monetary Times* vacation helps managed to address a letter to the city clock of Vancouver, instead of to the city clerk, while another, taking dictation on the Dominion Steel-Coal fight of some years ago, got it that Mr. Plummer and Mr. Ross were at "lager heads," that being the liquid interpretation of loggerheads.

The name of our paper, *The Monetary Times*, seems to be a prime obstacle for stenographers of all ages, experience and climes. Every week almost letters come addressed to The Momentary Times, while Monetary is spelled in a dozen ingenious ways. The Military Times was another title bestowed upon us. Whether by accident is not known, but The Monotonous Times and The Monastry Chimes are gratuitous titles which we remember but do not appreciate!