

materials for the facilitating of this development would far exceed the sales of products. Such imports are in the nature of capital expenditure. The situation is comparable to that of a single industry commencing to exploit some natural resource. The sales in the first few years would fall very short of meeting the capital expenditures."

Gap Between Imports and Exports.

The excess of imports over exports, therefore, is not in itself a serious feature. The factors contributing to what is called our adverse trade balance are natural incidents in nation-building. The gap between imports and exports will not lessen until the Dominion's manufacturing industries have expanded to a point when the home market can be supplied fairly well within the country.

These facts do not, however, constitute any legitimate reason for undue extravagance, a failing which is sometimes apparent in Canadian business spheres. Prosperity cannot always be founded on borrowed capital. While the so-called adverse trade balance is not alarming, efforts should be made to increase production, both agricultural and industrial. Mr. D. R. Wilkie the other day referred to what he thought an extraordinary fact, that notwithstanding all the country has done to build up manufacturing industries in our midst, manufactured goods of the value of \$348,500,000 were imported during the past year as against exports of the same class amounting to only \$35,800,000. At the same time, the increasing demands for manufactured goods of the home market must be borne in mind.

Two Countries on One Continent.

In connection with this subject, an interesting point has been raised by a prominent Canadian financier in reply to the article of Mr. Macaulay quoted above. "Countries," he says, "are gradually becoming less and less financially independent. This is particularly true of the three great English-speaking countries—England, the United States, and Canada. The barrier of language is rather effective in preventing other countries from having as complete a knowledge of the financial operations going on elsewhere, but that barrier does not exist between the three named, and there is a strong tendency, further, for these three to segregate themselves more and more from the rest of the world. Canada, in particular, is less independent financially than either of the others.

"Our relations with the United States are very close, and becoming closer all the time, while our financial relations with England are also becoming increasingly close, and Canada, in fact, is becoming the chief outlet for British surplus capital. If there were no boundary line between Canada and the United States you would have no figures for the section of the continent which we call Canada. The movement of goods from the United States proper to Canada would not be recorded at all, and the great excess of imports from the United States would not be noticed.

Three Countries as a Whole.

"In other words, Canada occupies a position somewhat analagous to the section west of the Mississippi when that section began rapidly to develop a few decades ago. If we had had, at that time, figures showing the imports and exports of the section of the United States west of the Mississippi, we would have found that the imports frightfully exceeded the exports, but as the Mississippi River was not a boundary line, this phenomenon passed unnoticed.

"My point," concludes the financier, "is that the territory of Canada must be viewed as being in reality rather the outer and most rapidly growing fringe, or new section, of the one great Anglo-Saxon triumvirate of countries, so to speak, and that Canada's relations to these two countries are so close that we must view the three countries as a whole, and not merely consider Canada alone."

FARMERS BANK DEPOSITORS

Government Will Grant Them Relief Next Session—Is a Unique Case, Says Premier

The depositors who suffered by the Farmers Bank collapse will be granted some relief at the next session of parliament. Mr. Lanctot the other day put the following question to the Government: "Is it the intention of the Government to reimburse the depositors of the Farmers Bank? If so, does the Government propose to act in like manner with the depositors of the Bank St. Jean and the Bank Ville Marie?"

What the Commissioner Found.

Mr. Borden replied as follows: "It appears from the report of the Commissioner appointed to investigate the matter of the failure of the Farmers Bank: (a) that the issue of the certificate of the Treasury Board authorizing the bank to commence business was produced by false and fraudulent representations, on the part of the promoter and subsequent general manager of the bank, W. R. Travers; (b) that in the Commissioner's opinion, it was incumbent upon the Treasury Board before issuing its certificate to have investigated certain charges made to the Department of Finance that the amount required by the bank act to be paid up in respect of subscriptions had not been so paid, and (c), that if the true facts had been disclosed the certificate of the Treasury Board would not have been given, and thus the bank under the management of Travers would not have been authorized to commence business.

Is An Exceptional Case.

"The case is of exceptional and indeed unique character both with regard to the fraudulent means by which the certificate was procured and in respect of the results which followed, involving the ultimate loss of all moneys placed in the bank by the unfortunate depositors. The man who fraudulently procured the certificate in the name of the bank was enabled to abstract those deposits by the unwarranted assumption of powers in violation of plain statutory conditions. While the direct subsequent cause of the loss was the fraud and dishonesty of the bank's manager in the administration of its affairs, there is nevertheless a certain connection between the loss and the power and status with which he became invested upon the granting of the certificate.

Depositors Are Entitled to Relief.

"Having regard to these considerations the Government considers that the depositors are entitled to a reasonable measure of relief, which will be provided by legislation to be introduced at the next session of parliament.

"The case of the other banks mentioned is in no wise similar, and the action which the Government proposes to take in the case of the Farmers Bank will afford no warrant or precedent for reimbursing their depositors."

MAY COBALT ORE SHIPMENTS

The following are the shipments of Cobalt ore during May:—

Mine.	Tons.
Beaver	31.2
Buffalo	32.9
City of Cobalt	37.7
Cobalt Comet	80.4
Cobalt Lake	92.7
Cobalt Townsite	239.2
Coniagas	253.5
Dominion Reduction	126.5
Hudson Bay	62.6
Kerr Lake	30.1
La Rose	195.6
McKinley-Darragh	227.6
Nipissing	126.7
Nipissing Reduction	25.8
O'Brien	32.4
Pennsylvania-Canadian	25.4
Peterson Lake	30.3
Temiskaming	30.1
Trethewey	66.9
York, Ontario, Silver Mining	20.0
Total	1,767.6

Swastika—Gold Ore.

C. A. Foster

New Liskeard—Silver Ore.

Casey-Cobalt

Iroquois Falls—Nickel Ore.

Alexo Mine

(Omitted from April Statement).

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