

the trade of Canada, whenever through low prices or indifferent crops, we are unable to meet our engagements. The importance of this fact having been frequently urged by the friends of Canadian manufactures, Mr. P. Barry of Chicago has lately published a treatise on the International Trade, in which he endeavours to show that instead of being a sufferer, Canada is really benefitted by the adverse balance of trade which a poor harvest, low prices, or a dull lumber trade, so frequently produces.

In the first chapter of his work (page 28), Mr. Barry says:

“Foreign trade, like domestic trade, has for its object an increase of those utilities which all desire, and how any increase could be made if we were to receive really less than we really gave, is not easy to understand. If we send a thousand dollars’ worth of wheat from Illinois to Liverpool and it nets two thousand dollars, the thousand dollars profit which we would receive, would stand against us if the theory of the balance were to be believed; and in the case supposed, the nearer we approached to receiving nothing we would be the better off. With that doctrine it would be also difficult to reconcile the utility of a fishing expedition to the Southern ocean, which would possibly involve the receipt of one or two hundred thousand dollars worth of oil; or a trading voyage from New York to somewhere else and back, which quintupled the amount of capital originally embarked. Such a theory is therefore quite absurd, and quite unworthy of the intelligence of the present day.”

And again in referring to the causes of our depressed condition, he observes:

“In the first place it is alleged, that present business stagnation in Canada arises from excessive importations of foreign manufactures and from an undue proportion of the population being engaged in agricultural pursuits. In the second place it is alleged, that under the Treaty of Reciprocity with the United States, Canada receives more than it gives, and as a consequence, is carrying on a disadvantageous and exhaustive trade. That last statement is based, of course, on the assumed statement of the soundness of the theory of the balance of trade, and being so, has already been fully answered in the opening chapter. A nation, like an individual, is benefitted by what it gets, and impoverished by what it gives, and if the United States keep Canadian shops and warehouses full to overflowing, and are chary in taking Canadian produce in return, Canada should be the last to be dissatisfied, and to make a noise. Supposing, as is not unfrequently the case, that Canadian merchants, in good standing, buy too freely in New York; in fact, have cottons, wollens, hardware, drugs, groceries and such things, forced upon them to an extent out of all safe proportion to their trading capital, and out of all proportion to the wants of the customers they design to serve. That, says the protectionist, creates a balance against Canada, which balance must be paid, and the New York firm, dealing in such articles, does not touch produce of any kind, but must be paid in coin, or what is all the same; and hence the impoverishment of the people, and the derangement of business matters.