

foreign. For a nation that takes pride in being a maritime power, this is an unpleasant fact.

But the remedy is freedom, not restriction; the removal of all unnecessarily impediments, including the right of vessel owners to buy vessels where they can get them cheapest; and, as far as sailing vessels are concerned, we do not think Canada can be beaten in facility of construction and lowness of price. This state of the French mercantile marine ought to be favorable to the success of the negotiations on which Sir A. T. Galt has been commissioned to enter.

THE FINANCES AND COMMERCE OF CANADA.

The parliamentary reports which throw most light upon the state of the finances and the commerce of the Dominion, are the public accounts and the trade and navigation tables. Both of these have come promptly to hand, and contain a vast amount of valuable information bearing upon the transactions of the past fiscal year. We cannot do more in a single article than glance at the general results, and must leave the diversified and interesting details of the commerce of 1878 for future analysis.

The receipts into the Dominion treasury were slightly in excess of those of 1877, being \$22,375,011 as against \$22,059,274. The increased revenue was chiefly derived from customs, the receipts from excise and bill stamps having slightly declined. This will be seen by putting side by side the returns of the last two years:—

	1876-77.	1877-78.
Customs	\$12,546,987.99	\$12,782,824.36
Excise	4,941,897.91	4,858,671.63
Bill Stamps.....	209,088.92	200,442.21
	\$17,697,924.82	\$17,841,938.19

Whilst the revenue, therefore, fell off \$91,822 as regards excise and stamps, it increased by the sum of \$235,836 from customs, on duties levied on foreign importations. It must not be supposed from this, however, that our import trade increased during 1878, as we shall see further on that there was a moderate contraction as compared with the twelve months preceding.

The expenditure of the Dominion, during 1878 was \$23,503,158, being a reduction of \$16,143. As similar causes have affected the government revenues to those that have been so disastrously felt by all branches of business in the last few years, it may be instructive to give a statement of the total receipts and expenditures of the Dominion during the last eight years, which were as follows:

	Receipts.	Expenditures.
1871.....	\$19,335,560	\$15,823,081
1872.....	20,714,818	17,589,468

1873.....	20,813,469	19,174,647
1874.....	24,205,092	23,316,316
1875.....	24,648,715	23,713,071
1876.....	22,587,587	24,488,372
1877.....	22,059,274	23,519,301
1878.....	22,375,011	23,503,158

It is not surprising to find that the public debt continues to increase. Sparsely populated, with great but largely undeveloped resources in its fields, forests, fisheries and mines, it is absolutely necessary for expensive public works to be undertaken by the Dominion, and this cannot be done out of the ordinary revenues of the country. So long as the works are calculated to open up the country, and benefit our commerce and domestic industries, and, what is more important, not unduly increase the public burdens, there is no necessity to view the increase of our debt with alarm, although the danger of its becoming excessive should be carefully guarded against.

On the 30th June last, the gross amount of the public debt was \$174,957,268. From this sum has to be deducted assets set down in the returns as of the value of \$34,595,199, which leaves the net amount of our indebtedness \$140,362,069. The net amount at the same date in 1877 was \$132,235,309, so there must have been an increase of a trifle over eight millions of dollars during the twelve months.

The total volume of our commerce during 1878 was \$170,523,244. This is one and a half millions less than the previous year, and the lowest point touched since 1871, during which year the inflation was already sensibly felt. The expansion reached its widest limit in 1873, when the value of our commerce reached \$217,304,546, and it has annually shrunk since that time until it reached \$170,523,244 last year, as already stated. The contraction has been \$46,781,302 in five years, or an average of over nine millions per annum. The returns for the several years covering the expansion and contraction, are so suggestive to all interested in the trade of the country that we make room for them with pleasure:

Year.	Imports.	Exports.	Total Trade.
1871..	\$86,947,482	\$74,173,618	\$161,121,100
1872..	107,709,117	82,639,663	190,348,779
1873..	127,514,594	89,789,922	217,304,516
1874..	127,404,169	89,351,928	216,756,097
1875..	119,618,657	77,866,978	197,505,636
1876..	94,733,218	80,966,435	175,699,653
1877..	96,300,483	75,875,393	172,175,876
1878..	91,199,577	79,323,667	170,523,244

Dividing the value of our total commerce in 1878 into imports and exports, as exhibited above, the former is shown to have been \$91,199,577 (leaving out coin and bullion) and the latter \$79,323,667. There was a decrease of 06.3 per cent. in goods entered for consumption, and an increase of 04.5 per cent. in articles exported.

Turning to the different nations with

whom we make exchanges, we find that there was, as compared with the returns of 1877, an increase from \$81,139,708 to the sum of \$83,372,719 in our transactions with Great Britain. This was, however, entirely in our exports, and was doubtless attributable in some measure to the profitable live cattle trade carried on during the last twelve months. Our shipments to the mother country increased from \$41,567,469 to \$45,941,539, whilst our importations declined from \$39,572,239 to the comparatively small amount of \$37,431,180. These importations are the smallest purchased by us from Great Britain since 1869, and are not much more than one-half of the value of the goods imported when the expansion was at its height, our purchases in 1873 having been \$68,522,776.

Our transactions with the United States were in all \$73,876,637, of which \$25,244,898 were exports, and \$48,631,739 goods entered for consumption. This is a falling off to the extent of \$3,211,277. As the aggregate trade between the two countries was \$77,078,914 in 1877. The decline was chiefly in our purchases of American goods, which fell from \$51,312,669 to the sum of \$48,631,739, as already given.

There are no striking changes to note in our trade with other countries. Very little alteration is noticeable in our exchanges with them from year to year. Our trade with Newfoundland fluctuates very little, and keeps up well. We are sorry we cannot say as much in regard to the British and Foreign West Indies. There was a moderate decline in our dealings again last year, except with the French West Indies, but our transactions with them are but trifling. Of continental nations, we do most with France, and if the mission of Sir A. T. Galt should prove successful, we may confidently count upon the annual trade between us being at least doubled before many years pass over. A treaty with Spain might not very much promote our trade with that nation itself, but if it opened wider to our productions the markets of Cuba and Porto Rico, it would prove of much value to the interests of this country.

Before concluding, we desire to call the attention of our readers to the following suggestive figures, which show (1) the value of the foreign goods re-exported by Canada each year since 1870, (2) the excess of imports over our total exports during the same period, and (3) the per centage of excess of imports over exports:

Year.	Foreign goods Re-exported.	Excess of Imports over Exports.	Percentage of excess of Imports.
1871....	\$9,853,033	\$21,919,853	29.5
1872....	12,744,125	28,790,864	34.8
1873....	9,405,910	38,221,359	42.5