

with the respect due to the men who after all are the tax-payers' chosen representatives; but it should not and will not be received by the Quebec Legislature as the final expression of the views of the citizens of Montreal. The matter is of such importance to the prosperity of this city, it affects so nearly the pockets, the comfort, and the general well-being of the tax-payers, that they are entitled to be heard directly by the Legislature, and it will be their own fault if they are not.

THE BALANCE OF DEBT.

In our last issue we dealt with the balance of trade as shown by the difference between exports and imports of merchandise. We stated that the generally accepted doctrine of economists in regard to the advantage of imports exceeding imports was, in our judgment, open to exceptions, and promised to give a table showing the imports and exports of the principal countries of the world. This we now do as below. The statistics have been culled from various authorities, chiefly from official returns, for the opportunity of consulting which we have to thank those who extended this courtesy. The table is as follows:

Country.	Imports.	Exports.	Excess of Import.	Excess of Exports.
	\$	\$	\$	\$
Canada.....	118,011,000	121,013	.....	3,002,000
United Kingdom.....	2,146,705,000	1,844,480,000	302,225,000	.....
United States.....	779,724,000	882,607,000	102,883,000	.....
India.....	270,000,000	325,000,000	55,000,000	.....
Africa (all).....	254,218,000	206,139,000	48,079,000	.....
Germany.....	1,088,500,000	874,287,000	214,213,000	.....
France.....	733,267,000	656,393,000	76,874,000	.....
Netherlands.....	657,242,000	537,755,000	119,487,000	.....
Austria.....	252,314,000	309,601,000	.....	57,287,000
Italy.....	226,950,000	203,012,000	23,938,000	.....
Belgium.....	342,903,000	2-3,304,000	55,599,000	.....
Denmark.....	102,895,000	76,086,000	26,809,000	.....
Norway and Sweden.....	157,253,000	123,444,000	33,844,000	.....
Portugal.....	42,692,000	28,203,000	14,489,000	.....
Spain.....	162,810,000	192,325,000	29,515,000	.....
Russia.....	958,024,000	343,750,000	85,726,000	.....
Greece.....	21,154,000	73,931,000	7,223,000	.....
Turkey.....	103,770,000	58,354,000	47,416,000	.....
Chili and Brazil.....	132,540,000	14,506,000	2,675,000	.....
West Indies.....	19,542,000	16,867,000	.....	8,612,000
Hawai.....	7,388,000	16,000,000	.....	6,377,000
Guatemala.....	4,570,000	11,547,000	.....	3,612,000
Argentina.....	112,058,000	115,670,000	.....	.....

It is manifest from the above that the old Mercantile Theory, which regarded an excess of imports as necessarily dangerous and impoverishing, cannot be true. England, for instance, has had what is termed an "unfavourable balance of trade" yearly for over thirty-five years, yet in this period her accumulation of fixed and floating capital has been prodigious; she has become money lender to the world. The balance of trade arising from imports and exports of goods only, as is usually implied, is indeed only one factor in international, commercial and financial relations, from the sum of which there is constituted a Balance of Debt. The problem presented by the credit relations of countries is exceedingly complicated, as, what are on the face of them strictly monetary transactions are often too involved in those of goods, imports and exports to be distinguishable. To the country which makes a loan, that loan may be said to be an export. When Canada borrowed money in England for the construction of public works, the loan, to a large extent, came over here in the shape of plant and other supplies. Our imports, therefore, were swollen in such years by the extent of our loans. The balance of debt against Canada was thereby enhanced, and a large amount of our public debt represents these imports of the materials required for constructing and equipping the works which have been of incalculable advantage to this country. The imports were practically imports of capital necessary for our commercial development, and the payments of interest on such imported capital, and provision for re-payments of principal, have been, and will have to be, provided out of the profits made by this country from business which has been, and will be, created by the transport and other facilities furnished by such capital. Such importations naturally caused, in the years in which they entered, an adverse balance of trade, but it would be unreasonable to call such adverse balance "unfavourable," for those imports were the fertilizers and the seeds out of which the rich crops of Canadian trade have sprung. It is also unreasonable to compare single years one with the other as regards imports and exports being in any one year in excess of the other. Imports arising out of loans are not the obligations of the year in which they were contracted, but of the period when such loan matures, running from 25 to 50 years. It, however, follows that, in those years when capital has been imported, the balance between imports and exports is to that extent a balance of debt, and, as that debt is not due for many years, the amounts of that year's exports is quite irrelevant in considering from what source such excess of imports will have to be paid. The case of securities purchased in a country and sent abroad is somewhat different in financial effect to that of a foreign loan as they may be regarded as exports from the country whence they are transmitted. We here may remark that, in their exposures of the old-time Mercantile Theory, economists have gone too far, as now that gold is held largely for the protection of note