

improvements, we may safely reckon the cost to the country at eight millions leaving two millions to be divided as profits between the contractors and the storekeepers, farmers, sub-contractors, &c., who furnish various requirements for carrying on the works, so that if the contractor carries off one million he in fact, withdraws from the country one half the entire profits derived from the whole expenditure.

The refusal of our farmers to submit to falling prices in the disposal of their produce, a considerable quantity of which still remains unsold, thus keeping a corresponding amount of money out of circulation; particularly as most of them have running accounts with country merchants, depending solely upon the sale of their grain for liquidation.

The large amount of gold and Bank notes held by farmers and small traders who make no Bank deposits, thus locking up so much capital and diminishing the ability of the Banks to accommodate their customers.

The Government deposits being made principally in one Bank, has, during the spring and fall seasons, an injurious effect upon the money market by giving one Bank an undue advantage over the others, forcing them to reduce their circulation, and of course the amount of their accommodation.

Another cause is the custom of our country merchants giving one and two years credit to their customers. We can easily understand how important this was to the early settler with little means and less credit, but surely there is no good reason why the wealthy farmers of the present day should require such indulgence. Yet so universal has this custom become that it is now quite common to hear of farmers lending their money at ten per cent. interest, and at the same time taking twelve months credit on their store purchases.

Our country is certainly not yet able to abolish entirely the credit system, but the practice so general among our farmers of making large credit purchases and trusting to good crops and high prices to bring them out square, ought certainly to be checked. The inability of many farmers to pay these large accounts has a much more injurious effect on the money market than the unwillingness of those who are able. This is a kind of overtrading which in its turn encourages the overtrading of the retailer and the over importation of the merchant. If country merchants were at liberty to charge a higher rate of interest on all overdue accounts it might have a good effect. Wholesale Houses might also use their influence to restrict the credits given by their country customers to six months, and also to lessen the amount of their sales. It is well known that many country merchants credit their customers to any extent their property will warrant, thus the note follows the open account, the mortgage follows the note, and the farm at last follows the mortgage. This may be very advantageous to the country trader, (in these land speculating times,) while he can renew his own paper at six per cent, but it is certainly embarrassing to the Wholesale Merchant and injurious to the trade of the country.

The removal of these minor causes would materially relieve the money pressure if our country was content to advance in the slow manner of European nations. But if our future advancement is to be estimated by the past, we must, after all, acquire a much larger amount of cash capital to accommodate our trade, assist our manufactures, and develop the resources of the country.