

TRADE AND ITS BALANCES.

An ably written article on "The Financial Situation in Canada" appears in the July number of the *Canadian Monthly*. It is replete with useful information, while the statistics supplied are likely to be quite reliable, because the author is in a position which makes it specially easy for him to verify them. What the article lacks is decisiveness. It states facts, but leaves the inferences vague and indefinite. It leaves open and unhurt the prevailing modern fallacies regarding the "balance of trade," although it is hardly to be supposed that its author is ignorant of the truth which underlies the mere outward appearance from which these fallacies are derived. The popular mind grasps most readily the idea that when we have imported, say \$100,000,000 of goods, and only exported, say \$80,000,000, we must have traded unprofitably, because we have still \$20,000,000 to export in order to balance. Yet this is an appearance only. If the Customs returns showed the debtor and creditor sides of each trader's ledger, no doubt this view would be correct. But such is not the case. The balance of twenty millions above-mentioned may, and generally does, mean really, partially at least, profit on the transactions, and partially debt not yet defrayed. The Customs returns show only the entered value of the respective commodities, and furnish no clue whatever to the realized price either of imports or exports. For example, goods which sell here at \$1.50, may be paid for by one bushel of wheat, costing 95 cents, which again may realize at its port of destination \$1.10. Does the difference in both cases cited, less freight and cost of handling, represent a balance of trade against the trader, or in his favour? Does any different line of reasoning apply to \$150,000,000 of goods realized at that price, and paid for by \$95,000,000?

The plain fact in political economy underlying these by no means original, and very antiquated statements, is so very simple as almost to require apology for its re-statement, were it not for the light which its acknowledgment pours upon some of the statistics contained in the article to which reference has been made.

Our total trade for the year 1872, as stated by Mr. Hedley, was :—

Imports.....	\$107,709,000
Exports.....	82,639,000

If there be any truth in the deductions now made, this would show an apparent profit of \$25,000,000 on that year's transactions. While in 1879 we find :—

Imports.....	\$81,964,000
Exports.....	71,491,000

or an apparent profit of only \$10,500,000. Granting that in the first-mentioned year (1872) part of the apparent large profits were not real, but represented increase of debt not yet due, still the same element cannot be wholly discarded from our calculations as regards the results of 1879; and the conclusion inevitably reached is, either that our debts were not so promptly paid in 1872 as in 1879, or else that a less ratio of profit was earned in the latter year. In view of the vast amount of debt piled up the years preceding 1879 which was never discharged at all, as evidenced by the Insolvent list, we modestly incline to the opinion that in 1872 profits were small and undischarged liabilities large, while in 1879 credits were much curtailed, and profits must have been relatively greater to enable us to show even such results as are exhibited by the returns. We think the experience of those interested in Canadian trade will fully bear out these conclusions. It is not in times of inflation that the prudent, careful and honest trader can show the best results as regards profits; yet it is precisely at such periods that the reckless speculator can boast of his enormous "turn-over" and the "prospects" which lie before him, not from the results of his present trade but its future increase.

There is little reason to doubt that our present trade, though much contracted, is sound and fairly profitable, although there is no immediate prospect of any considerable increase in volume. The point for our careful consideration is, how are we investing our profits? The "balance of trade," apparently against but for the most part really in our favour, is generally invested within the country where it is earned. The "N.P." is hardly vigorous or thorough enough to prompt belief in a possible monopoly of this market or to induce investments in manufacturing industries on the strength of it. All it can be expected to do is to temporarily cheer those who have already invested their all in these precarious enterprises which require fostering because they are not the products of superior genius, inventive talent and actual usefulness infused into the articles made. The result, therefore, as regards the public at large is a plethora of hoarded wealth seeking profitable investment and finding itself partially shut out by an ineffective Chinese wall from the channels of the world's trade. Unless we throw down that wall on hoarded wealth, capital will be tempted more or less into eventually unprofitable investment in manufactures which if left free to select, the community could obtain at less cost elsewhere. A decrease and shrinkage of values of all commodities within the country must inevitably ensue which will compel exports at whatever cost and thus decrease the balance of trade against (?) us and quite as really decrease our real profits.

This process is precisely what we have seen acted out before our very eyes by the neighbouring nation, while the wiseacres who constructed one fatally

attractive but delusive "N. P." have been pointing to the balance of trade in favour (?) of the United States although the fact actually showed a dead loss on their trade, as an evidence of prosperity to be copied by us.

It is quite proverbial what fate awaits those who are blindly led by the blind. If we would cease wilfully to blind ourselves with selfishness and choose to see, there is yet time to retrace our steps before the ditch is reached. We might safely trust trade to adjust its own balances free from governmental attempts artificially to construct "national prosperity" out of an "N. P." Government can derive its revenue by direct taxation without much difficulty so soon as it reduces itself to one central governing body. Its present eight auxiliary governments are as useless and far more expensive than the superfluous "tails" of that "Pasha" who rejoiced in so "many." Canada will wake and rub her eyes open some of these days; and neither "annexation" nor "independence" will be her cry, as she begins to see, but freedom from trade nostrums and economy and centralization in the administration of government.

Utilitarian.

THE USE OF ALCOHOLIC STIMULANTS.

So many articles and pamphlets have been published discussing the use and abuse of alcoholic stimulants and with so little apparent effect, that another dissertation in this place may not perhaps awaken any interest. There is no doubt, however, that if a definite conclusion could be arrived at from the evidence which has so frequently been placed before the public, the use of alcohol and its compounds, both medicinally and dietetically, would either diminish greatly, be entirely stopped, or be used to a greater extent. For if those among the respectable portion of any community were convinced of the absolute injury of these liquids they would discontinue their use, and very soon after adopt by general consent some system of checking or stopping completely the use of them among those who have less control over their appetites. On the other hand, if it could be shown that alcohol, pure and simple, or any liquid in general use as a stimulant into the composition of which alcohol enters, was of any dietetic or medicinal value, or of any benefit, greater or less, to mankind as mankind (degenerated physically if not mentally,) is now constituted, they or some of them would be used even to a greater extent than at the present time.

The subject has recently been referred to by Dr. R. M. Bucke, of London, Ontario, before a meeting of medical men held there, and further discussion invited by the issue and circulation of a pamphlet by him, decrying the use of alcoholic stimulants in any way, shape or manner and for any purpose. I do not intend to criticise his views point by point as they occur in his pamphlet, but will controvert some of his conclusions in the course of this paper. The general conclusion that I have come to may be stated in few words; viz :—That used dietetically, alcoholic compounds are of no positive injury to adult persons generally; and medicinally, they have proved themselves to be of no little value. These points I have arrived at from a careful consideration of the data furnished by well-known and able medical men, who from their every-day practice and careful experiments have deduced the facts hereinafter stated; and from the experience of many people around me, some of whom occasionally, whilst others regularly use alcoholic stimulants, and from no little personal experience and observation on my own part.

I will here say in regard to habitual drunkards that I believe no argument can be educed from their circumstances against the general use of stimulants. My sincere belief is that those who use stimulants excessively and to such an extent as to become confirmed drunkards, are mentally and morally incapable of controlling their passions or animal desires in whatever direction they may tend or their bringing up or mode of life has taught them. With such lack of will or control over themselves, they will never become good citizens, and the sooner this class of people die out the better for the community. It is not necessary to say that it is pitiful that such persons should be allowed to continue in their degraded position without an effort being made to rescue them. But what can be done? Their degradation has resisted in many cases every effort; all the money and pains lavished on this cause seems to have failed in accomplishing the ultimate intention of the many certainly good and charitable people who spend their time and wealth in endeavouring to restore the lost to a sense of their manhood. It is a question now whether drunkards are worth the trouble they cause and whether a confirmed drunkard can be reformed at all. The penalty is their own. They place the chain about their necks with their own hands.

It is not justice that a whole nation should be denied what universal use has shown to be useful if not necessary, in order that an insignificant minority may be prevented from excessive indulgence. Useless also it is when even if liquor was impossible to get their evil tendencies would but direct them to another course equally degrading. It is gradually becoming a general opinion, as Dr. Paget remarked in an essay on alcohol, that drunkards and total-abstainers were two small minorities which could be set against each other and disregarded.

It is not my intention to offer any plea for the use of alcohol, or any preparation of it, for it is freely admitted, even by many advocates of its