terms from those who supply the importations. The retail dealers—flushed by the good times, which a too-liberal bank-issue always falsely stimulates—push their trade, and give credit freely. There is plenty of money amongst people. They have no fear of getting their payments. Recklessness and prodigality naturally become the order of the day, till the reaction—the day of reckoning—comes round, which it does as surely as showers succeed sunshine. The alarm generally comes first from the banks, whence came the incipient cause of danger. They have been over-issuing to the country; and, to supply their customers, have overdrawn upon other countries. When they have to make good their excess of foreign drafts, they find it necessary to restrict their home issue. They hold their circulating notes when returned. Money soon becomes scarce. Debts begin to come in more tardily. And it is just at the stage when an addition of capital is most required in the country, that the credit system only aggravates the prevailing destitution. The capital outstanding on credit has mostly been spent in excesses of one kind or another, and is not now available. Importers now are deprived of their usual bank-accommodation. They must push their customers, and, if they have not unemployed capital to fall back upon, must compel them to pay, or be themselves defaulters. Their creditors, the foreign merchants, learning that the country begins to be pinched, are more stringent. The retailers, in their turn, are down upon their customers; but everybody feels the scarcity of cash, and few can pay their accounts when due. If the country is now to be accommodated through the credit system, it must be at a heavy sacrifice. When credit has come to such a pitch, it must be purchased dearly. From the importer to the consumer, each will have to pay his heavy quota for the capital supplied by the credit system. It is lavish in its aid when prosperity is abroad. It swells the amount of excess which brings the chill of reaction. But to mitigate that reaction—to rally embarrassed trade, it has no redeeming quality. It is well known that these excitations and reactions in trade, will have their vicissitudes, so long as we have a paper currency, partially represented by specie; and a new country like Canada, from the general scarcity of capital, is peculiarly liable to fluctuations in trade. Long credit, as has been shown, greatly aggravates the excesses of these vicissitudes; and to say that under such circumstances, it is a benefit to the country, is merely a delusion. By complicating and deepening the embarrasments of these stagnations in trade, it goes far to damage the credit of the country, and deter foreign capitalists from investing their funds in our public and private enterprises. In this way it deprives the country of one of the best safeguards against those reactions and stagnations. A sufficient supply of foreign capital, on fair and reasonable terms, would greatly modify the extremes of the vicissitudes referred to, and lend a steadily accelerating impetus to the development of our country's resources. Any benefit supposed to be derived from long credit, is altogether illusory.

It is, no doubt, true that a large majority of our producers—and, in particular, of the farmers—have, by traditionary usage, been led to count upon their credit with the country merchants for all the borrowed capital they have sought to obtain. They have been in the habit of drawing this capital in the shape of all necessary furnishings, which they obtained on their parole to pay the value, then agreed upon, without interest, whenever they should find themselves in a position, and be disposed, to part with the money!