

And this is nearly all we have to meet the balance of over *eight millions of pounds* against us in two years alone. A sum equal to the whole Bank stock of the country with deposits added. Western Canada claims to have consumed two thirds of all Canadian imports, and if such is the case she has two thirds of this vast indebtedness to meet, which helps to explain the reason why times are harder here than in the lower province. There they have relied more upon their manufactures than their crops, and while we have been paying them the same price for manufactured goods, they have only paid half the usual price for our products. They have thus been able from the sale of their manufactures not only to pay us for our flour, but to pay foreign countries for their purchases as well. The utter folly of relying so entirely upon the products of agriculture is thus at once apparent. With such a balance sheet as is here presented, it is folly to say that our merchants generally have met their engagements with promptness. They could only have done so by drawing against our exports or remitting the gold. The latter could not have been done to any extent, and as a simple matter of fact, we can only have remitted some fourteen millions of pounds to meet over twenty two millions. It is true that the merchants of Montreal and Toronto may have sold a part of their Bank or other stocks on foreign account, but this will only add to our future indebtedness by withdrawing a larger amount from the province in the shape of interest.

To provide a remedy for this state of things is a serious question and one that claims the immediate attention of the country and the Legislature. Not only must our exports equal our imports, but exceed them sufficiently to cover past deficiencies before our accounts can be balanced. Our foreign trade may be placed on a better footing either by increasing our exports or decreasing our imports. The former is of course the most desirable but the most difficult to accomplish. We endeavoured to show in our last that the farmer who sent his produce to, and bought his goods in a foreign market, suffered a loss of from thirty to forty per cent., and it is this loss that is constantly increasing the balance against us. The farmer is continually working at a disadvantage, as every effort he makes to increase his exports, demands a greater increase of imports and sinks the country only deeper in the mire. Through the absence of that home trade which gives England her best and steadiest market, the Canadian farmer pays fifty per cent. more for his goods, and receives twenty per cent. less for his produce than his English neighbour. Hence the Canadian farmer soon discovers, yet he cannot tell the reason, that farming in Canada is not like farming in England, that the profits will not pay for assistance, and that as Dr. Franklin said,

“He that by the plow would thrive
Himself must either hold or drive.”

He could at once see the stupidity of carrying his crop to his neighbour's thrashing mill instead of getting mill of his own, but he does not see, and the country does not see, that to send our flour and our wool to another country and bring back the manufactured goods, instead of bringing over the machinery, is equally absurd. Our design in the above remarks is to show, that as a general rule and under ordinary circumstances no amount of agricultural development can alone restore our trade to its normal condition.