value of our exports and leaving a large balance against us in our trade with foreign countries. The excess of our imports over our exports has not alone been caused by the fall in prices, but has been going on during the last five years as the following table will show. Besides the exports given below, the trade returns add a considerable amount as estimated short returns from Inland Ports, but we must place against this the imports entered under value notwithstanding the vigilance of our Custom House officers. While the great majority of our merchants furnish true invoices to the Custom House it is well known that numerous frauds on the revenue are successfully carried out.

	IMPORTS.		EXPORTS.	
1852	£5,071,623		£3,513,993	
1853	7,995,359		5,503,057	
1854	10,132,331		5,312,327	
1855	9,021,542		6,230,861	
1856	10,941,785		7,294,524	Estimate.
		Balance	15,307,871	
	£43,162,640		£43,162,640	

Balance against us £15,307,871.

The above table does not show any large amount of over-importations if we consider the requirements of the country caused by the rapid increase of population, and the amount of foreign capital expended within that time, a great part of which left the country to purchase Railroad Iron, Locomotives, machinery and other articles of English and American manufacture which Canada could not furnish; but it clearly shows that however much we may have increased the internal wealth of the country we have not increased to any great extent its cash capital. Estimating the foreign capital expended in this country within the last five years in the prosecution of various public works, at.................................... £12,000,000

Add extra time purchases abroad, not adjusted 5,000,000

£17,000,000

Deduct 10 per cent profits on £10,000,000 to foreign contractors 1,000,000

£16,000,000.

It will thus be seen that unless by the introduction of foreign capital invested in private enterprises or Bank stock, we have not materially increased the cash capital of the country, *and that if we were to reduce our accounts with foreign nations to the same level we would not have as much as we had five years ago.* Twelve millions at least of foreign capital have been invested in our railroads, canals, and other public improvements, within the above period, but our imports have exceeded our exports during that time by a still greater sum. It would not be difficult to show that in a new country such an influx of foreign capital would necessarily require large importations to meet the increased demands of trade, and that such an expenditure would also diminish our exports by absorbing a larger quantity of our Lumber and