

"But it is notorious that all the purchases made by Canada in the United States are not paid, no more than are all the purchases made by the United States. There are such circumstances as commercial failures and assignments, and sometimes there are no payments made at all; and in exact proportion as a merchant buys beyond his capital, or beyond his ability to exchange the purchased article into other things, he incurs the risk of being unable to pay his way. Suppose then, that a Canadian merchant has bought excessively in New York, and is unable to pay his notes when these mature, whether has Canada or the United States profited by the operation? Is it any advantage to Canada to receive merchandize which has not to be accounted for, and any advantage to Canadians to buy imported bankrupt stock below its value? The advantage is equivalent precisely to the market value of the goods, no matter what the goods have sold for. So much has been added to the general stock of useful products, without equivalent being taken in exchange, and to the extent that Canada has gained, the United States have lost.

"A glance at the January report of Douglas' New York Commercial Agency, for the years 1856 and 1857, shows that the Canadian failures for the period have been considerable, and as a consequence, have added materially to the wealth of the Province; one half or more of the liabilities, no doubt being due to New York. The statement is as follows:

*Failures in Canada from Dec. 26, 1855. to Dec. 25, 1857.*

CANADA WEST.

Places.	Present number of Stores.	FAILURES.	
		Number.	Liabilities.
Toronto,	389	25	£2,714,000
Province,	3,444	109	2,172,000
	<u>3,833</u>	<u>134</u>	<u>£4,886,000</u>
		Totals, - - -	

CANADA EAST.

Places.	Present number of Stores.	FAILURES.	
		Number.	Liabilities.
Montreal,	909	15	£523,000
Province,	1,764	15	1,267,000
	<u>2,673</u>	<u>30</u>	<u>£1,790,000</u>
		<u>134</u>	<u>4,886,000</u>
		Totals, - - -	<u>£6,676,000</u>

"Taking in connection with these figures, that while the exports of the United States to Canada, are in the main sold on time, those of Canada, to the United States, are in the main sold for cash, the conclusion is irresistible that Canada has the butter pretty much on its own side, and ruin under such circumstances is absurd. If Canada, as a general thing, does not give credit, but as a general thing takes it, and is delinquent to the above named extent, in the space of two years, it is inconceivable that present prostration there has anything to do with importations from the United States, or from other parts. Besides, the number of bankruptcies, in two years, only bears the proportion of a sixteenth to the whole number of existing stores, a relation which even were the number of bankruptcies a proper test of the condition of a country, would not account for the condition in which the Province is. Some other connection of effect and cause must be, therefore, looked