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T. JAMES CLAXTON & CO.**No. 39 St. Joseph Street, Montreal.****The Journal of Commerce****FINANCE AND INSURANCE REVIEW.****MONTREAL, FEBRUARY 21, 1879.****A REVENUE TARIFF.**

The opening of Parliament and the approaching publication of the tables of Trade and Navigation for the fiscal year 1877-8 render unnecessary the pursuit of our investigations as to the working of the customs tariff during the preceding year. The principal articles of trade paying 17½ per cent. duty have been the object of our disclosures; the manufactured goods, though perhaps furnishing the most interesting subject for analysis, have escaped examination as owing to the quantity not being stated in the Blue Books, the search for their true value was rendered impossible. There is no doubt that discrepancies similar to those found in the articles hitherto investigated would have been exhibited in manufactured goods and in the articles paying 10 per cent. duty, but old statements are to be left undisturbed, when fresher data call for verification.

The severe depression in business, as is usual in national calamities, has created a desire for new measures calculated, it

is felt, to bring about the so much wished for improvement in commercial affairs. The favor a protective tariff obtains has no other cause. A change of tariff, however, is always fraught with danger; it disturbs what exists for the questionable benefit of what is to be created; if the interests of some are promoted the interests of the greatest number may have to suffer, and it becomes a question whether a strict enforcement of the actual tariff would not have been conducive to the same end, which the new measures brought forward, have as an object to attain. Actuated by no other motive than the desire of solving that question, we entered into a thorough investigation of the working of the tariff, and the conclusion arrived at is that a strict application of the tariff might have saved the country the deficit in revenue so openly acknowledged, but that, owing to systematic undervaluation and lack of sufficient knowledge of value in the appraisal of imports, the intentions of the framers of the present tariff had been defeated, and the protection afforded to national industry become positively nugatory. The articles published in this journal under the title of "Curious Disclosures," condensing the results of our investigation, have attracted much attention among merchants and others. It is to be hoped that our calculations and figures, which have till now remained uncontested, may be of some service in the Parliamentary debates on the tariff question.

Whatever changes may be introduced in the tariff, the causes pointed out as preventing the collection of the full amount of duties will be at work. The tendency to undervaluation, prompted by selfish interest, will not be modified, nor the want of sufficient knowledge of value for the assessment of duties be supplied. Protection against losses to the revenue, arising from these two causes, must also be devised. Canada, as a colony, has unfortunately no representatives abroad, no consular service to furnish reports as to the price of goods in foreign markets, or the changes taking place in their value; even the ordinary preventives against frauds cannot be applied, as Canada, having no recognized officers in foreign countries, cannot require from the importer certified invoices sworn to at the place of purchase by the seller; and cases are mentioned in which a home made invoice is substituted for the foreign document.

Against undervaluation, pre-emption right as it exists in connection with the customs service in Europe has been proposed. Its introduction into the United States is being deliberated upon by Con-

gress; but even if practicable in countries having large populations, we doubt its efficiency in Canada where it might prove rather detrimental to the revenue. Goods are entered at the value declared by the importer, the collector having the right to take possession for account of the Government by paying to the importer the declared value and 5 per cent. besides as profit, and the goods so pre-empted are sold by the Government for the benefit of the treasury. Were such a law enacted here, the unsaleable products of our neighbors would soon fill the Government warehouses to the great relief of a majority of the importers.

The appointment of two general appraisers has been brought forward as a preventive as against undervaluation; but when it is remembered that out of 135 ports of entry more than one hundred customs house offices have receipts amounting to less than \$10,000, and that it is principally in these small offices that undervaluation occurs, and lack of knowledge of values exists, it is difficult to understand what benefit could be derived from the influence of the new officers.

We have already stated what remedy we propose to prevent these losses of revenue. The establishment, at Ottawa, of a bureau receiving from abroad prices current of merchandize in all the places of export, availing itself of all the information to be found in the consular correspondence of foreign countries, following in foreign newspapers the variation of prices of commodities imported or dealt in, condensing all the details and information gathered everywhere into a circular directed to every collector and containing the price of every article at its place of growth or production reduced into Canadian weight and money, might be the means of saving a large amount of revenue, lost now through ignorance of the actual value of goods and through reliance upon invoices. Sources of information are numerous. In all continental cities, the price lists of sworn brokers is official and easily obtained. In the United States, the reports of Boards of Trade, of produce exchanges, especially the Government publication of commercial relation, the monthly report of the Bureau of statistics and in manufactured goods, in the hardware trade for instance, the price lists with the proportion of discount allowed would show day by day the fluctuations of the markets and the exact value of the merchandize imported. Impositions upon officers as to value could hardly be practised, were they kept informed by the Government of the true value of articles imported into their district. In case of