

long as there are no bonds to absorb earnings, the chances of the stockholders are so much the better. To them the first profits will go. In this case, the chances of the stockholders will be as good as that of first preference bondholders would be. But can they feel secure against being ousted out of this position? If the public can be satisfied on this point, there should be no difficulty in finding takers for the stock. There would of course be one other question to be considered: is it likely that, at the end of the ten years, the road can be worked at a profit, sufficient to pay a good dividend on the stock?

The announcement of the guarantee naturally caused a rise in the price of the shares. The usual losses and gains among dealers in them took place. But it does not follow that the announcement was a stock-jobbing trick. It was simply the statement of a fact: there was no trick about it. Persons in the secret may have made money out of their knowledge. Whether they had a moral right to make such a use of their knowledge would depend on circumstances; and without knowing what the special circumstances were, we are unable to pass judgment on the morality of the transaction. It would not be a sufficient defence to say that such things are done on the Stock Exchange every day; for though the fact may be unquestionable, it might not be a justification.

THE CUSTOMS' ACT.

At the meeting of the Toronto Board of Trade last week, some considerations were brought up with respect to the administration of the Customs' Act, which have presented themselves to the minds of wholesale dealers frequently of late. Mr. Darling stated the grievances of importers, temperately and well. What he said has received the endorsement of many wholesale merchants outside of Toronto, as we learn from our own correspondents in other cities. The intricacies of a tariff already sufficiently troublesome, have been made more intricate by the issue of circulars from time to time, altering the classification of dutiable merchandise. Thus, when an importer had made an entry, say, in May, of certain goods at 20 per cent duty, he would find, on entering a second lot of the same goods in July, that they had been placed in another class on which the duty was 25 or 30 per cent, and his entry was sent back to him to be amended.

As an instance of the complicated nature of an entry clerk's duties in Canada to-day, and as illustrating the difficulties and delays to which a merchant dealing in foreign goods is subject, we may quote a specimen entry or two.

First we take a dry goods entry, of various cotton, linen and woollen goods to the value of \$10,140. This purchase consisted of some twenty cases of goods, with sundry enclosures. The contents of these had to be separated into forty-eight classifications, some bearing 20 per cent duty, others 25, 30 and 35, others again 25 per cent and 7½ cents per pound, or 25 per cent and 10 cents per pound: there were six different rates of impost in all, and the duty upon the parcel, which it must have taken the best part of a

day to arrive at, amounted to \$2,458, or a fraction over twenty-four per cent. To select another instance: the contents of six cases dry goods require twenty separate classifications, there being five different rates of duty. The value of the importation is \$2,003, and the duty \$512.

Even greater trouble is imposed upon hardware merchants in their dealings with the Custom House. Two specimen entries will show this: The first is of a parcel about £75 stg. value, subject to three different rates of duty, 20, 25 and 30 per cent. It would naturally be thought that three classes only need be made of these. But we find that fourteen classifications had to be made, and these were sub divided into twenty particulars. In another annoying instance, though only three rates of duty were levied, the entry had to specify thirteen classes of goods, and there were *twenty-eight* particulars of classification, for an amount of duty not exceeding \$150.

One does not readily perceive any reason for requiring such sub-division, other than the need of knowing how much of certain merchandise is imported into Canada, in order thereby to gauge the claims of certain industries to protection. And if there be no better reason, we should think it the duty of the government to provide clerks to do this sort of work and not lay the burden of doing it upon the importers of the Dominion. It is well to have statistics full and elaborate; but each importer's office need not be turned into a statistical bureau for governmental information.

Nor, in many instances, are such entries as these finally passed as originally made. There are frequent alterations, suggested by the Customs' computing clerk, modified or confirmed by the appraiser; amendments rendered necessary by Circulars X.Y.Z., which in turn superseded Circulars U.V.W. Cases occur in which the importer, honestly desirous though he be of arriving at the proper classification of certain items in an invoice, cannot decide it. Neither, perhaps, can the authorities of the port decide. Then ensues a reference to Ottawa for decision.

It is here that an analytical index of the Tariff would be of the greatest service. Such a convenience is urgently needed; for the sub-divisions of the tariff under the head of "cotton" number but some two dozen, while there are hundreds of articles imported of that material, many of which might be placed by no two merchants under precisely the same heading. The divergence in official rulings at various ports of entry is well known, and has given rise to infinite trouble and no little injustice to importers.

It is contended that these fresh rulings and frequent circulars, these arbitrary and exacting proceedings at the Customs, are necessary in order to entrap smugglers or to forestall dishonest foreign merchants who try to defraud the revenue. Granted that precautions and exactness are needful to protect the rights of government, it yet cannot be necessary to treat respectable importers as if they were rogues, to insult merchants of long standing in Canadian cities, as well as their American correspondents by rejecting their oaths in favor of an appraiser's opinion. If the head of the Department does not know that this is done, it

is time he did. The Tilley tariff, we may be pardoned for suggesting, is neither so perfect nor so popular that the Government officials can afford to harass our merchants with needless exactions and petty changes.

It may be a clever revenue-producing achievement to squeeze a duty equal to 65 per cent on the cost, out of women's cloakings, or to increase the 30 per cent impost on granite earthenware to more than 43 per cent by means of the duty on packages. If such exactions were justifiable in such years of deficit as 1878, which is open to question, they are assuredly not necessary with such surpluses as are now boasted. And merchants who have to submit to the payment of such duties in order that home industries may be "assisted," should not be bullied to boot. It is possible to do even unpleasant things in an agreeable way. We commend to some of the subordinates of the Customs service at Ottawa the lines:

"So gently he kicked me down-stairs
That I thought he was handing me up."

We are glad to believe that, when this memorial of the Board followed, as it is likely to be, by representations from similar bodies in other cities, comes before the Minister of Customs, he will see the reasonableness of many of its suggestions, and will cause them to be adopted.

OVER PRODUCTION PREDICTED.

We acknowledge the receipt, this month, of two letters, to which this common reply may be made. A subscriber in Peterboro county writes: "Ought you not to have foreseen the late tumble in bank stock and notified your readers?" The writer of the other "wonders that the MONETARY TIMES could not have predicted the glut in manufactured cotton, and given some sensible advice about what was coming. Is not such a paper as yours for that very purpose, among others?" The first mentioned correspondent we suspect, from his letter, to be a stock-speculator, and we could not expect to satisfy him with any advice we should give. It is sufficient to refer him to our columns for several years past, where it has been contended that stocks were all along too high. To the other, our reply is that one of the duties of such a journal as this is to sound the alarm in such a case as he cites. And we have repeatedly done so. Witness the following extracts from the last four volumes of the MONETARY TIMES:

March 7th, 1879: article THE NEW TARIFF. "As domestic manufactures increase and gather strength, the pressure of competition among themselves begins to be felt. * * * If duties practically prohibitory were put on, new capital would be tempted into these manufactures, with the result that the productiveness of the whole capital already employed in them would be reduced, and profits which are small now might then disappear altogether."

April 11th, 1879: article, THE NEW TARIFF. "The danger is, perhaps, that too much rather than too little will be attempted; for the tendency to overdo everything is one of the characteristics of the times. It will, therefore, not be out of place to counsel caution to those who contemplate embarking in enterprises that must, from their nature, be more or less experimental. Many new