

restrict. The greatest cheapness can be got only by the fullest competition. The (almost) eleven million in the increase of the Customs duties from 1877-8 to 1882-3, may have imposed on the public a burthen of twenty millions; for it undoubtedly enabled the domestic manufacturers to put prices to a far higher level than they could otherwise have done.

The evil has apparently brought its own correction; for while there has been, in the last fiscal year, a decrease of over four millions in revenue, the expenditure has gone up from \$23,503,158.25 in 1877-8 to \$31,107,706.25 in 1883-4. The increase in expenditure, it is contended, is not greater than it was in an equal number of previous years. Even so, the temptation to an increase of expenditure which a full treasury brings was certainly greater, and if the virtue of resistance has increased in as great a proportion, we are it must be confessed, in this respect, on the good road. There was no surplus of which any one need complain last year, the receipts being \$31,861,961.73 and the expenditure \$31,107,706.25. When the two ends are brought together and the knot is tied comfortably, there is nothing more to spare than prudence would require if the power of commanding an exact sum total existed. A case for the reduction of taxes apparently no longer exists. It is not impossible that before the end of the current fiscal year, the small surplus of last year may fall into a hole in which it will find a convenient lodgement.

The fixed charges become formidable. The charges for debt and subsidies eat up over half the revenue from customs, excise, and bill stamps, as the following figures show:—

| Year. | Receipts from customs, excise and bill stamps. | Expenditure for debt and subsidies. |
|---------------|--|-------------------------------------|
| 1877-8..... | \$17,841,938 19 | \$11,659,523 78 |
| 1878-9..... | 18,476,613 35 | 11,952,641 67 |
| 1879-80 | 18,479,576 44 | 12,659,667 77 |
| 1880-1..... | 23,942,138 95 | 12,525,837 92 |
| 1881-2..... | 27,549,046 42 | 12,757,572 43 |
| 1882-3..... | 29,269,698 81 | 12,853,531 89 |
| 1883-4..... | 25,483,199 19 | 12,937,663 84 |

The tendency to increase the provincial subsidies presents one of the greatest perils to which the federal finances are exposed. Manitoba, which was undoubtedly in an exceptional position, has got promise of another increase, and Nova Scotia is knocking at the treasury door with all the vigor of the combined strength of the two political parties, which have here found a common ground of agreement. If the balance be seriously disturbed in one direction, the necessity of redressing it in others will greatly increase the danger to the federal finances.

FIDELITY GUARANTEE.

The extent to which private suretyship for the faithfulness of employes or persons in positions of trust has been replaced by the guarantee of associations formed for the purpose, is one of the features of modern commercial life. The plan has the approval and support of banks, insurance companies, loan societies; while many individual firms accept the bonds of such companies for the honesty of book-keepers or confidential men. For fifteen or twenty years such associations have

done business in Canada—the first to operate here was an English company. They are coming into use in the United States, where two or three companies have been formed within a very few years.

The growth of this description of insurance is well illustrated in the experience of one company, the Guarantee Company of North America, known for ten years before its change of name as the Canada Guarantee Company, which from a business in its first year of about \$1,000,000 of guarantees in Canada alone, yielding an income of less than \$20,000, has grown to a business of nearly \$23,000,000 in guarantees on both sides of the Line 45 degrees and a total income of \$237,950 in the year 1884. The new transactions of this company in the year named are represented by 11,255 bonds, covering \$13,752,000, producing premiums of \$114,000, while the total business in force amounts to \$22,884,000 under 16,120 bonds.

What, it may be asked, has been the experience of such organizations in the course of recent years remarkable, in the United States still more than in Canada, for the number and importance of cases of defalcation? A very clear answer is to be found in the latest report of the company we have named. It is therein estimated that defalcations of trusted employees have occasioned losses to the extent of \$18,000,000 in the United States and Canada during 1884. Of this enormous sum, the share borne by the company is stated at \$100,000, or about 1½ per cent., of the aggregate loss through unfaithful servants. What the management of this association has to say about the causes of such loss will be found instructive, bearing as it does upon the views and customs of business men and corporations with respect to the relations with them of trusted servants.

Many of the losses incurred, says the report, are largely owing to looseness of management by employers, and a defective system of supervision over their employees, resulting from too implicit confidence, which affords undue opportunity for default. Now, while we are far from contending that an employer, whether a bank cashier or a merchant, should force his clerks to live in an atmosphere of suspicion, it is still true that the possession of bond of indemnity in case of default causes many a one to relax the care and regulation with which commercial affairs should be conducted. And the statement made, that "putting inexperienced youths into responsible positions, or placing underpaid men, with families to support in charge of almost unlimited funds" furnishes an indefensible temptation to dishonesty, is one that would be difficult to controvert.

One of the most prevalent sources of loss, we are told in this connection, is speculation, and "the underpaid class usually resort to it to make up for their small salaries." This is a very strong statement that we have italicised, and we trust an over-strong one. If the proportion of underpaid clerks who speculate be large, as is here implied, we venture to think that the proportion of underpaid officials to the mass of employes is not great. We refer now to Canada, for we can scarcely presume to gainsay the experience of the Guarantee Company in the United States. What is said, however, as

to holding the brokers who assist clerks to speculate, equally criminal with the clerk who steals, is worth considering. A very strong case would have to be made out to hold brokers liable criminally, for the acts of dishonest clients. That they ought not to be allowed to take all sorts of irresponsible persons for clients is undoubtedly true.

The paragraph in the report which treats of obstructions to the punishment of defaulters has a basis of truth. There have been too many instances of "the leniency with which some justices and most juries look upon defaulters. Local friendships and sympathies are excited; the criminal is made a hero and escapes on a technicality; thus an encouraging example is set to others that they may do likewise with impunity." Too often, "corporations are looked upon as fair game for plunder, and are regarded as persecutors if they attempt to apply the rightful remedy to their defrauders." Turning to the other side of the shield, however, it is gratifying to find that in numerous cases the employers co-operate with the guarantee society, whereby convictions of dishonest men have been secured and righteous penalties meted out.

TORONTO TRADE FIGURES.

We have received the Board of Trade statement of the imports and exports of this city for the month of January this year. It may be remembered that the imports at Toronto in January, 1884, were some \$600,000 less than in the same month of 1883, being only \$1,076,000 in value. Last month, however, they were valued at \$1,488,523. It will be seen by the comparison which we make below where the difference arises: dry goods alone will account for more than half of it. The value of dutiable was \$1,319,396, and of free goods \$162,827.

| | Jan. 1885. | Jan 1884. |
|----------------------------|------------|-----------|
| Cotton goods | \$261,650 | \$115,954 |
| Fancy goods..... | 72,658 | 32,092 |
| Hats and bonnets..... | 23,970 | 16,428 |
| Silk goods..... | 71,838 | 44,022 |
| Woolen goods..... | 252,387 | 156,607 |
| Total dry goods..... | 982,503 | 375,103 |
| Books | 26,789 | 37,857 |
| Coal, hard | 132,132 | 85,792 |
| do soft..... | 52,123 | 35,997 |
| Fruit and nuts | 19,159 | |
| Glass and glassware..... | 16,783 | |
| Iron and steel goods | 55,039 | 59,683 |
| Leather goods..... | 25,406 | 15,502 |
| Paper goods | 18,155 | 14,078 |
| Paints and colors..... | 12,797 | |

Compared with last year there is a considerable increase in the aggregate of our exports for January, which total somewhat near the amount of January 1883. Their value was \$249,331 as compared with \$183,519 in January 1884, and only \$8,120 worth were other than the produce of Canada. Animals and their produce represented \$113,985 of the total sum, the largest item being dead meat, and the next horned cattle. Among field products the total value of which was \$110,856, barley was the principal, 98,234 bushels having been exported, valued at \$62,258. Beans, peas and seeds are other considerable items. Wood goods amounted to only \$1,718 and manufactures to \$11,403, books, cottons and woollens being the largest.