

canoe up one stream and down another, and so estimate the timber contents and value of tens of thousands of acres. Something more exact is needed. We commend the subject to the consideration of the Ottawa Government. There is no sense in our living in a fool's paradise, as we have been doing if what Professor Cary's statements are true. It is well for us to know the truth at the earliest moment.

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#### NORTH OF ENGLAND LETTER.

An article appearing in *The Manchester Guardian*, one of the soberest and weightiest of British papers, deals with the broad question of Canada's finance. The writer recapitulates the facts as to the Dominion's National Debt of \$260,000,000; the provincial debts, with especial regard to the \$200,000,000 of Quebec; the municipal indebtedness and the liability of the Canadian public for sundry enterprises. Within the next few years he estimates that \$200,000,000 will be required to complete the railway and other works now supported by public credit. It is not suggested that these need ever become a claim on the Government purse. But there is a liability and there is a need for extraneous borrowing, and it is whispered that perhaps matters have gone far enough. The point with which this suggestion is supported is contrasted with Australian financial methods. The Commonwealth "does not endorse"; the Dominion does. And it is argued that it would be better for Canada if she dropped her easy-going system of giving guarantees; and promptly.

The matter is not one that need be labored to become intelligible. There must be a limit somewhere to the pledging of credit, although the pledge costs nothing immediately to the national purse. Should the view become general in responsible circles in England that Canada is lax on this point, its influence on her affairs would be soon appreciable. If the article in question were sensational in character or were published by a less influential organ its effect would be smaller. But the contribution deals mildly with the subject in a way calculated to leave an impress upon a banker's mind. Therefore, it has been thought well to reproduce its general tenor so that reassuring messages may be given in early time. To hazard an opinion as to the writer's identity is, perhaps, dangerous, but one fancies he sees in it the hand of an authority on Australian economics whose words are to be read in *The Statist* periodically.

Now that the full text of the Canadian Budget has been assimilated, the Resolution No. 3 is provoking some remark. The clause provides for the special taxation of goods sent in at rates beneath reputed "fair market value." Merchant shippers, taking a practical view of the case, point out that collusion to defraud the customs would be extremely hard to detect in most cases. Rogues, they urge, would slip free, and honest dealers are likeliest to be caught. Cheap stock and job lots are constantly coming into being in a perfectly natural way. They change hands to the benefit of both parties in the normal course. But if these fair transactions are to be interfered with—and their circumstances are intricate and complex at times—shippers feel that trade will suffer. Organized "dumping" and occasional cheap trading are two distinctly different things.

The Belgian method of checking valuations that are purposely made low to evade full duty is a simple one. The Government reserves the right of buying-in any lot of goods at the declared value less duty and a fine. Although the Canadian and the Belgian objects are not identical in this case, the effects must be similar. At least the Belgian practice gives the trade some security against ill-considered punishment. Both parties have something to lose. If the customs have no money at stake and no incentive other than to raise revenue, injustices are perpetrated readily enough. An arrangement such as the Canadian leaves merchants at the mercy of the administration. They suffer according to the interpretation the departmental heads put upon the official functions.

The winding up of the Perseverance Home Assurance Company, Limited, of Leeds, marks the removal of one blot from the good fame of British insurance offices. The company was one of several that seek to combine house-purchase with life insurance; a form of business that is in no good odor. The concern was practically a one-man affair despite its nominal capitalization of £105,000. It was registered in 1898, and seems never to have been solvent since. As the books have not been entered up since 1902, investigation is carried on with difficulty. It is estimated, however, that 5,000 of the 7,500 members sensibly allowed their policies to lapse. About £3,000 of the £50,000 receipts remain, but there are no free assets of any description yet traced. The man, Cooper, who promoted and organized the swindle, has thus far eluded every charge of direct fraud. As investigation proceeds more material for a prosecution may be discovered. Meantime, the only man to profit from the wretched business declines to give any assistance to the liquidators until the sum of £125 is paid to him. As might be guessed, a number of thrifty workmen lose their all.

A disgusting feature of low-class insurance and building society business is the readiness to use religious agencies for shady financial purposes. Bible-readers and lay preachers are used as decoys. The Perseverance concern is not alone in this respect. The name of another company, whose expenses formed a ratio of 99 per cent. to premium income last year, is mentioned significantly. Indeed, the collapse of more than one is regarded as imminent, and the prospect is agreeable enough to those engaged in the legitimate branches of insurance business.

NORTH COUNTRY.

Manchester, 30th June, 1904.

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#### MONTREAL LETTER.

It has been made known by the civic report that a profit approaching a thousand dollars a day was made last year out of the citizens by the Montreal waterworks; that is to say, \$862,453 was collected, being \$165,692 for meter rates, and \$696,771, a tax on householders for water. Almost \$300,000 of this is profit, and people are asking one another why they should pay 40 per cent. more for water than it costs, especially when in Toronto the water rates are 40 per cent. lower than in Montreal, and in five American cities from 40 to 100 per cent. lower than ours? In this connection, the defenders of the surplus revenue employ such curious logic as the following: "Of course the charge for water is too great, and we cannot defend it on its merits. But you see, the city wants revenue very badly and it is difficult to secure this by other methods; so now that we have a plan which secures us so much more than we need, why not hold to it?" That this doctrine will not hold water is shown by Mr. Roy, the consulting attorney, who says the city, not being a business concern, has no right to engage in a business pursuit which takes large profits out of the taxpayers. A curious and unjust feature of the matter is that something more than 22,000 persons were disfranchised last year because their water bills were not paid, and the poor people said the rates were so high they could not pay them. If the surplus earnings were set aside to pay off the debt on the water plant there would be less remark, but they are not. The Mayor and a few of the aldermen declare that the price of water must be reduced.

There is almost always a difference between census figures and municipal figures of population, and we have always contended that Montreal had more people than the census declared. But now comes the Montreal directory, which makes a higher claim for Montreal in this particular than has ever before been made. It argues from the fact that there are 105,000 names in the directory, that the population of city and outskirts is 373,000, viz., 294,000 in the city proper and 79,000 in the outskirts. I may add that the census of 1901 gave the population of the city proper at 267,230 persons. Montreal has 820 streets, including outskirts; 50,500 residences, 9,100 stores and offices. Unoccupied stores, houses, and tenements number about 800, which is several