

working of institutions that profess to dispense credit; if they prove to be an unmitigated evil, then their operations ought to be prohibited by law. This, however, is not pretended by any one. It is alleged that they abuse their position; if that be true, the needed legislative restraints and public exposure ought to be applied. While we would not forestall the decision of the Committee by the discussion of the question, we were long ago convinced of the utility, in spite of so many defects, of mercantile agencies. They are a necessary adjunct to the credit system; at least, traders in Canada and the United States have so decided. At the annual meeting of the Dominion Board of Trade, the subject was brought up and fully discussed; and a proposition that they ought to give security as in the case of fire and life insurance companies, was defeated by a vote of 26 to 20. An amendment to the effect that foreign agencies should appoint an attorney in this country upon whom process could be served, was adopted. It is apparent, therefore, that mercantile men who have most to do with those agencies, and who cannot fail to be aware of whatever is objectionable in their management, are not disposed to throw any obstacles in their way. Among the uninitiated they are regarded as a sort of bugbear, and unheard of iniquities perpetrated by them are recited to credulous ears. From an intimate acquaintance with mercantile men we are convinced, that these stories are mostly unfounded, or are gross exaggerations. They make mistakes; but repeated attempts to "levy blackmail"—that is the crime often charged against them—would be fatal to their very existence, in Canada, at least. It is often asserted that merchants are afraid to incur their ill-will; the reverse of this proposition would to our certain knowledge express the exact truth. Mercantile agencies can only live here by being useful and faithful servants of their employers,—the banks and the wholesale trade. Did they incur the displeasure and lose the confidence of bankers and wholesale merchants, the agency would not be worth a month's purchase. They are bound to treat the retail trade fairly, otherwise the dispensers of credit would seek other sources of information; they would be unwilling to pay for being systematically misled as to their customer's true position. If the contrary can be shown, we shall be the first to expose their misdeeds. Where they do make mistakes—sometimes of the most glaring character—is chiefly in the case of large houses in the chief cities, whose transactions are so varied and extensive that it is difficult, if not impossible, to de-

rive from merely outside sources a true account of them. All that it is possible to do in many cases is to get a knowledge of the current *reputation* of a trader, which may vary from his real character, as reputation is always apt to vary; but it has grown into a proverb that every man is estimated somewhere about his true value. That one may not be so rated, is a liability to which all are more or less exposed, not only in the commercial world, but also in every rank and condition of life.

THE NEW TARIFF ON IMPORTS.

A general *hægira* of traders and manufacturers to Ottawa must have already convinced the Minister of Finance that the new tariff does not give general satisfaction. Dry goods importers, ship-owners, wholesale grocers, wine merchants, hardware merchants, are all among the dissatisfied classes. The result, we are inclined to hope, will be important modifications in compliance with the representations that have been made. Mr. Cartwright's tariff is liable to the objection that it is not constructed in harmony with any recognized principle, at least that we can make out. It is not endorsed either by importers or manufacturers.

Vigorous protests have been made by the dry goods importers, not against the rate of duty, or the principle adopted in dealing with those articles in which they are immediately interested, but against the classification of the articles on which the duty is levied. On silks, velvets, and fancy goods, the duty is 20 per cent.; and on cotton, woolen, and linen goods, 16½ per cent. Everyone knows, or ought to know, that cloths described as "silk mixtures" are extensively imported and sold. They are not more expensive than a good all-wool tweed; but as they come within the description, "silks, satins and velvets and all manufactures thereof," they must be charged 20 per cent. Hence, if we agree to the principle that silks ought to be taxed 20 as a luxury, and woolens 16½ as a necessity, it will be found impossible to fairly apply it. Another and fatal objection to the attempt to discriminate between the classes of fabrics named is, that many appraisers would not know some kinds of silk mixture from all-wool goods. The same is true of cotton and silk velvets, which no one but an expert in the dry goods business could always distinguish. The unavoidable effect would be that at one port a certain article would pay 20 per cent. and at another 16½ per cent. Again, it is a common thing to import, say muslins and silks, and perhaps other classes of goods, in one package; the

rule in such cases is that the majority governs. It would be entered as a case of muslins or silks, according to which formed the greater proportion of the package. A serious difficulty would arise here under the new tariff. Then we have no doubt that it would be found the houses doing a general dry goods trade would import certain classes of fancy goods with other articles, passing the whole at the low rate of duty; while a trader known to be in the fancy goods trade would pay 20 per cent. all round. If it be possible to work this portion of the tariff, which we are certain it is not, endless troubles and misunderstandings would arise, the interests either of the importer or the revenue being bound to suffer.

This difficulty might have been obviated by raising the whole 15 per cent. list to 20 per cent. By this means a large amount of additional revenue would have been raised; all danger of complication would have been avoided; incidental protection would have been afforded to certain important branches of manufacture; there would have been no complications in assessing the duties, and—regarded as a matter of policy—while the large majority of importers would not have been seriously offended, the warm approval and support of manufacturers would have been secured. As it is, nobody is pleased. If the advantages named could have been secured by levying 3½ per cent. more than the present duty on woolens, cottons and the other articles in the list, it would seem to be a mistake not to have done so. We have no manner of doubt that this course would have been preferable to taxing ships' materials. If there is one interest more than another which we ought to foster and encourage in every possible way, it is ship-building. No investment for money in the Dominion is more profitable; nothing will contribute more to Canada's future greatness than her ocean marine, of which the older nations are already jealous. To hamper this interest with even so moderate a duty as 5 per cent. is a mistake, and is unnecessary.

The new sugar duties are not defensible. We are yet to be convinced that Canadian refiners could not do well under the old tariff. The *ad valorem* duty, which operates as a protective duty on this article, the 25c per 100 lbs of protection which the refiner had as against the importer; the heavier charges for freight, interest and duty which sugar raised in the West Indies and refined in Europe had to bear before it could reach the Canadian market, together afforded reasonable protection to the refiner. The new tax of 50c per 100 pounds on all good sugar is a burden upon consumers, for