

the United States, but Judge Choate instructed the jury "to ascertain by the testimony of competent and credible witnesses who were dealers in similar goods what such qualities would bring at wholesale in Paris," and rendered his decision in favor of the importers accordingly.

The deputation to Ottawa also presented for the consideration of the Minister the objectionable form of the oath required by the Government, in that the importer must make affidavit as to "the actual cost (or fair market value) of said goods," when in truth he is only competent to make a direct statement as to the actual cost. The market value for small or shelf goods might change, and in fact constantly does change, without the importers knowing anything about it, and it is worse than idle to insist upon a form of oath that may be construed as an affirmation to such value.

Another point raised was the matter of valuing goods imported from the United States, where the manufacturer made special prices for his export trade. Certain goods are sold by American manufacturers to large foreign buyers at 50 p. c. and 10 p. c. off, or at 45 p. c. of list price, but the wholesale price of these goods in the United States is only 33½ p. c. off, or 66½ p. c. of list price. The Dominion authorities claim that the market value of such goods is 66½ p. c. of the list price, and appraisement should be made accordingly. On this head the deputation submitted that a certificate should be attached to each invoice by the exporter, declaring the goods invoiced at the same value as if sold to the wholesale trade in the United States, and, if not, the price to the home wholesale trade to be stated.

Objections were also offered to the general system of stimulating the zeal of appraisers or informers by making them participants in the proceeds of the penalties imposed for violation of the law, on the ground that such inducements necessarily gave the Government officials an improper bias against the interests of the importer. As the law stands, if the customs officer can only make out a disparity of over 20 per cent. between invoice and market value he becomes a sharer in the spoils of confiscation for fraud. Every energy would, therefore, be put forth to prove such disparity, and in the excited condition of the markets lately witnessed an opportunity to do so might easily arise without involving even the imputation of fraudulent design on the part of the importer. It was strongly urged that the customs officials should receive fixed ade-

quate compensation for their services, to the end that they might discharge their duties without prejudice either for or against the importer.

Finally the deputation called the attention of the Minister to the character of the oath required in reference to fishing materials, whereby the importer has to make affidavit that he purposes disposing of same for use in the fisheries only. Here again the importer is manifestly incapable of affirming positively, since he cannot control or have knowledge of the disposition his customer may make of the goods when once in his possession.

The question as to market value is an interesting and an important one just now, owing to the remarkable fluctuations which have lately been witnessed in iron and other metals, and it would be well could a basis of estimate be reached that would ensure equity all round; but ordinarily the disparity between true invoice cost and market value would not be great enough to attract the notice of the customs authorities or give rise to the detention of goods, and this is probably the reason why nothing has been heard of the matter before.

AN OLD FABLE.

Many of our readers would doubtless have been surprised by the news recently to hand respecting the purchase of one British insurance office by another (said purchase being entire, and not, as a contemporary seemed to imagine, merely as regards the Canadian business), but such surprise would be completely swept away were any consideration given to the past record of the company which has ceased to exist, a history which may be said in the words of the great dictionary doctor to "point a moral or adorn a tale." Our remarks, be it understood, have no reference to the Canadian branch of the company in question,—which branch has always deserved well of the public,—but, judging of the business as a whole, the finale is simply another illustration of the old fable recorded by Æsop, entitled "The Frog and the Bull."

The lesson taught by the fable might be taken to heart by numbers of companies, engaged in fire insurance, whose moderate assets do not seem to prevent them doing a much larger and more extended business in proportion thereto than offices of five or ten times their capacity. Fire insurance is no exception to the change which has occurred in the commercial world during the present generation, and while our fathers and the companies under their guidance were content to grow rich by degrees, and, as the saying is,

learn to creep before they ran, nowadays nous avons changeant tout cela, and with steam, telegraph and telephone it appears that everyone must strive to become wealthy at a proportionate rate of speed, former habits and ways being voted "slow," behind the times, and so forth. Far be it from us to despise the improvements made within the past fifty years, or to pretend that the old East Indian was a better craft than an iron clipper ship, but it is very easy to carry too much canvas on the latter; and, to put the case more plainly, if the same amount of sail is crowded upon a 500 ton schooner as would drive a 2,000 ton frigate, the former becomes unsafe, especially in stormy weather.

There are fire insurance companies in different parts of the world whose principal aim appears to be to force a rapid growth of their income, imagining that otherwise they are retrograding, and totally ignoring the fact that such income should be regulated by their assets as a basis of operations, whereas a company not so guided may by a large accession of business be undertaking liabilities which will cripple if not seriously impair it. Competition is so keen that prudence in underwriting is cast to the winds, and the business degenerates into a game of grab.

Amidst this demoralization it is pleasant relief to turn to a certain fire insurance company of Connecticut, U. S., which, by steadily refusing unprofitable business and reducing its income to about one half of what it used to be, has added during the year 1879 close upon the enormous sum of \$300,000 to its net surplus, and this in a field and period acknowledged to have been most disastrous for fire insurance! The income of this company, though over \$2,000,000 last year, is only about one-third of its total assets, and only once did the premiums approach the amount of said assets, namely, in the year succeeding the Chicago fire, the circumstances of which made it quite a legitimate exception to the golden rule.

Had the Scottish Commercial followed the same wise course we venture to think its position to day would have been very different to what it is, and we maintain that those companies who swell their incomes out of proportion to their assets, resemble a man building a mighty tower upon too small a foundation, or, like the frog of the fable, burst by endeavoring to assume the gigantic size of the bull, and sink and be lost in the surrounding mire.

In conclusion, let us hope that a certain New York insurance journal, which has been extremely severe in its criticisms of the before-named company, will now be