

Berlin, kid gloves from Brussels, sealskins from London, silks from Lyons, are all undervalued. The consuls find it difficult to obtain information regarding the value of earthen and china wares, of iron, steel and other metals exported to the United States, and there is no doubt fictitious values are placed upon them. The report gives the names of many firms in Europe and that country implicated in these frauds.

IN CANADA.

There is some reason for believing that this state of things is not confined to the United States. The several cases of attempts to defraud the revenue discovered during the last few years among ourselves would seem to indicate that gaps have been found in the much lower Canadian fence, and those who should have some knowledge of the matter are of opinion that for every case of smuggling detected, there are at least ten that escape. The difficulty in getting absolute proof deters the officers from seizing goods which they may be reasonably satisfied enter the country without paying duty, and reports of the result of their zeal are not often received at deputy headquarters with that degree of encouragement which, in the interest of the great majority of honest importers, they might be supposed to deserve. A jewellery firm, for example, which is known to do a business of say \$60,000 a year, and for upwards of a decade has scarcely paid a dollar into the treasury, may surely be an object of suspicion; nevertheless, it is only when there is sufficient evidence to warrant an arrest of the go-between of the palace car or steamship that there is any chance of obtaining proof, and even this depends largely upon the mettle of the carrier, who is but very rarely trapped into a disclosure of even one of the concerns for which he operates. People have wondered at the low salaries which palace car employes have been willing to work for, not aware of the opportunities otherwise afforded them. A firm which saved ten to twenty thousand dollars a year in duties could well afford to be liberal, as long as business was good and they were not obliged to cut prices.

The Government owes it to the very great majority of

HONEST IMPORTERS.

to insist upon a rigid observance of the tariff, and every tax-payer in the community, whatever his calling, is more or less interested in having the fiscal laws equitably administered and justice meted out to all equally alike, that each shall contribute his due proportion into the revenue of the

country. There would appear to be something in human nature that rebels against the payment of taxes. People who would scorn to take any direct pecuniary advantage of an individual, have little or no scruple in defrauding him through an evasion of the public imposts levied for the carrying on of the machinery of the nation. There are dealers who cannot be satisfied with the ordinary profits of trade permitted to their neighbor; they must have some means of underselling him, and the way most apparent to them is by an evasion of the duties. If the tariff is onerous the readiest way towards a modification is through a rigid enforcement of its provisions. There are occasional complaints from influential quarters of excess of zeal on the part of officers. There is, doubtless, the usual proportion of human error in their operations, especially under the perquisites of the department, and their zeal may sometimes degenerate into the harassing of well-meaning traders and importers to whom suspicion may point. That the higher the tariff the greater the temptation to smuggling is exemplified by our neighbors. It has latterly been a matter of surprise to Canadians visiting the United States how cheap many imported articles paying high duties could be purchased. It seemed impossible that they could be sold at such prices and pay a duty of 50 to 75 per cent. There was no explanation other than that they had been brought in at greatly reduced values, or had paid no duty whatever, from which we must infer that our own people are not so generally engaged in contraband ventures, or not so ingenious in devising methods for evading the customs enactments. This character in our neighbors, under a much higher tariff than ours, must account in some measure for the establishment in our large trade-centres of

AMERICAN AGENTS

of wholesale houses who appear to be determined on establishing a relation to our own wholesale firms similar to that they bear to the jobbers in the large cities of the United States, where the trade is generally divided into the two great classes of wholesalers and jobbers,—the wholesale houses selling only to the jobbers, who, in turn, supply the retail trade far and near. These wholesale New York or Boston firms have their agents in Europe and in Canada, and for one reason or another are enabled to treat with our wholesale firms as jobbers, thus making yet one more profit between the manufacturer and the retailer. Failing in most cases to procure customers among the whole-

sale trade they attack them in front by going to the retail customers and cutting off the trade of the wholesale merchant. There can be no reason why these agents should take the place of our own wholesale houses, whose buyers are supposed to make regular visits to the places of production and should be in as good a position as their American friends to import at the lowest market prices. This trade has existed for some time, but it is only within the last three to five years that it has attained any proportion. It will be readily perceived that the position of these American houses—generally of Asiatic proclivities—in being exporters and importers of the same goods,—gives them extraordinary facilities in arranging prices and surmounting any difficulties in the way of customs inquiries. The tariff, while protecting home industry, tends also, by the *ad valorem* rates, to promote importation direct from the places of production. The difficulty in the way of getting prices current regularly from the place of production was doubtless fully considered when the tariff was framed. Many of our readers will remember that this was recommended in the JOURNAL OF COMMERCE at the time. The American consuls pay patriotic attention to the matter; our only means would be the British consuls, who would scarcely feel much interest in helping to maintain a tariff which is so largely prohibitory of English products. The feeling in our country towns and villages against any legal provision for the discharge of

INSOLVENT DEBTORS.

which must explain the preference of wholesale dealers for a "separate bill," arises chiefly from the facilities it offers for fraudulent settlements and supposed consequent unfair competition. The trader who smuggles his goods wholly or in part, is proportionately an unfair competitor with this difference, that the one fraud is public and may be dealt with and borne with for the short time during which the supposed advantage exists, while the other is secret and defies detection. It becomes, therefore, the duty of every honest trader, wholesale and retail, every manufacturer, every man who pays taxes to the Government—as who does not?—to promote the efforts of the Department and its officers in stamping out smuggling, and the entry of goods at reduced values. The man who defrauds the Government by an evasion of duties not only becomes an unfair competitor in business, but