Italy has contrived to borrow nearly $2,000,000,000, about $160,000,000 of which is in that wonderful currency that some deluded Canadians have been persuaded was invented in 1879 in the County of Norfolk in Ontario. The trouble in Italy seems to have arisen from annual deficits during a long period of years, indeed since the establishment of the Kingdom. These deficits have been owing principally to foreign wars, but of late there has been a considerable expenditure on railroads.

Greece has an irredeemable currency and a considerable debt, a portion of which was guaranteed by England, France and Russia, which have had to pay their guarantee, owing to the repudiation of Greece.

SOLVENT EUROPEAN STATES.

The Netherlands has a population about as large as Canada, a debt considerably more than double, and an annual expenditure fully double. The revenue is derived mainly from excise and stamp duties and direct taxes, the customs duties being only about 4½ per cent. of the aggregate receipts. There is no fiat money in the Netherlands.

Belgium has a considerable debt, about $48 per head, with an expenditure of $10.13, but there is no fiat money, and no probability of repudiation. The debt has been contracted like our own, chiefly for public works, such as railways.

The German Empire may be said to have no debt, but Prussia has a debt of about $10.55 per head, or one-third that of Canada, while its aggregate expenditure is about the same per head.

France has a very large debt, no less than $127.23 per head of the population, and an expenditure of $14.07, but there is no fiat money, and, after the bitter experience of the assignats during the old revolution, there is little danger of any tampering with the currency.

THE MORAL TO BE DRAWN.

We have noticed a sufficient number of foreign countries for our immediate object. Canada has to decide whether it will adhere to the financial policy of Great Britain, France, the United States, Germany, Belgium, and the Netherlands, or adopt that of Turkey, Russia, Italy, Greece, the Argentine Republic, Brazil and Paraguay. We have already expressed our entire confidence in the intentions of the Government, but we cannot be blind to the danger that may result from the enormous expenditure on public works, to which we are committed, unless adequate provision be made to meet it. It seems absolutely necessary that a revenue of not less than $26,000,000 should be estimated, experience having proved that with increasing liabilities it is desirable to be on the safe side. In the United States, where a national policy has long been in force, the custom revenue is about one-half of the whole, the other half consisting chiefly of internal revenue and miscellaneous receipts.

Without discussing the merits or demerits of a protective policy we cannot but acknowledge that its tendency is to reduce the customs revenue. As an example we have an additional duty placed on coal, the object being to prevent the introduction of duty-paying coal. The Minister of Finance has on more than one occasion declared his determination to provide a revenue adequate for the expenditure, and we earnestly hope that he will be careful to fulfil the expectations of the public.

THE DUTIES ON HARDWARE.

The claims of the hardware trade, as represented by the deputation from Toronto, Hamilton and Montreal, whose recent interview with the Minister of Customs has already been noticed, are clearly entitled to, and will doubtless receive, full consideration by the Department. The trade claims that a true invoice should be accepted by the Custom House as the only basis of duty, the true market value, while the authorities claim the right to ignore a true invoice as they may see fit, and fix duties on the basis of market value at date of exportation. It will be readily seen that the possession of this option on the part of the Government might work substantial injustice and occasion serious loss to the importer, since purchases on a rising market would have to pay a heavier duty than indicated by actual cost, as shown by a true invoice, while on a falling market no allowance is made by the customs authorities for the difference between invoice value and the actual market price at date of exportation. The trade says, and the position would seem impregnable, if market value is to be taken regardless of cost when the effect is directly against the interests of the importer, it should also be accepted when the course of prices may happen to operate in his favor. It has been suggested that importers could protect themselves in this matter by securing a special invoice of goods at the market price on day of shipment, independently of the real purchase price, but the form of oath required prevents this course, since the owner or agent must swear "that such invoice is the true and only invoice, &c."

That the law as now enforced works a practical injury to the importer admits of ready illustration. A merchant receives an offer of say $42 per ton for certain specified goods, and closes with it after making the following estimates:

Manufacturers' price per ton......	£6 0 0
Freight......	0 15 0
Primage......	0 0 9
Duty......	1 1 0
Insurance......	0 1 0
	£7 17 9
Exchange 9½ premium......	$38.37

But owing to the rise in price the customs authorities insist upon a corrected valuation of goods on basis of market value, say £9 per ton, and the cost to the importer is increased by additional duty 10s. 6d., or $2.56, so that the apparent profit of $3.63 per ton when the transaction was entered upon, and virtually completed, is reduced to the bare margin of $1.07 per ton. We have taken a purely hypothetical case, in which even figures are chosen to present a simple calculation; the principle involved is fairly illustrated, however, and in the late excited condition of the hardware market it has been found to have extensive application.

The trade as represented also takes exception to the government definition of market value, claiming that goods bought for this market on specifications should not be held to change in value with the changes in the raw material out of which manufactured, since such goods are bought on special orders for a special use, and thereby lose to a greater or less extent marketable value. Hardware manufactured for the Canadian market has thereafter practically no changing market value, and the true invoice is therefore held to be final evidence as to the basis for reckoning duty. This point is further strengthened by the argument, that as hardware goods are habitually sold deliverable ten to twelve weeks ahead, ruling market values are not properly applicable to current deliveries but only to future ones according to the custom of the trade.

The recent decision of Judge Choate in the United States District Court in the celebrated Jugla kid gloves case throws the weight of the authority of that eminent jurist in favor of a more liberal interpretation of market value than has been customary with United States appraisers, and entirely supports the views of the hardware trade here presented. The case hinged upon the value of certain gloves which were made expressly for export, and were not marketable in Paris, France, the place of manufacture. The customs authorities insisted upon appraisement based on wholesale prices in