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to be so converted, what becomes of the policy which is based upon the expectation of conversion? In one case, the reason for the policy remains good, if it be a true one, let the world wag as it may; in the other case the proof of the reason's being a true one depends altogether upon the event of what the world generally will do in the premises. Now, as has been above said, the thing which concerns us is not so much what moved the British nation in time past to adopt Free Trade, and to stick to it so long, as what is to hold the nation to that course in time to come? Still, a glance both backwards and forwards may be instructive. And it may give us light in both directions to consider the following, which recently appeared in the New York World, a Free Trade journal:

"The exports of iron to the United States diminished in value from £2,350,000 in 1879 to £1,400,000 last year. The hostile tariffs of Belgium, France, Germany, and Russia also played havoc with this branch of trade. British goods exported to Canada are increasing, the Canadian tariff having been framed to discriminate in favour of the Mother Country against the United States. It is suggested that all Colonial produce should be admitted free, and taxes levied on importations from the United States. A formidable agitation is already in the air to develop trade with the Colonies and cease to buy of nations which refuse to trade with England. The discussion in the Commons on spurious American butter was merely part of a general attack upon the American open-ended tariff, and the small majority of sixteen by which the attempt to exclude oleomargarine and other substances was defeated will encourage further agitation.

"Your remarks on the jealousy felt here concerning American imports are more than justified by the facts. Landlords and farmers, as cabled you last week, are getting desperate, and their clubs are determined to make a vigorous stand at the next general election. The manufacturers are of course opposed to the duties on foreign breadstuffs, which would mean an increase in the cost of production, but they are not only willing to admit but anxious to have it understood by the party leaders that the one-sided system of opening the British markets to nations which levy almost prohibitory tolls on British goods is seriously injuring them. Their views are shared by their workmen, the residuum of whom made and can unmake the present Ministry."

The fact that British exports to Canada are actually increasing, under a tariff which has been vigorously denounced as an "anti-British" one, is something to be remembered in the midst of a general discussion that touches many particulars. But the point to be made here is, that the British nation no longer holds the comfortable belief that its preaching of Free Trade, well sustained by conspicuous example, is fated to convert the world to the same policy. On the contrary, the state of public feeling above indicated shows that the hope so long entertained is now in rapid course of being abandoned. While there appeared a prospect of converting the world to Free Trade, the advocates of that policy for England had a certain argument, and a very strong one, in their favour. And now the practical test, to decide what might otherwise have remained matter of mere speculation, is in course of application. If the Free Trade Theory be indeed true and sound throughout, then no perversion on the part of foreign nations can make England rue her adoption of it. But, as Shakespeare might ask, were he here to take part in the discussion, has England really been true to herself in adopting the Free Trade policy? Evidently this question, for long supposed to be settled and done with, is now reopened. If public opinion in England should after this demand Reciprocity instead of unconditional Free Trade as a basis, then the future historian will have good ground for saying that it was not so much any belief in the inherent perfection of the system, as the hope that other nations might, through England's example, be induced to accept it, to England's special and particular advantage that wrought the great change in public opinion a generation ago. One swallow does not make a summer, nor should it be said that a few lines in a cable despatch amount to proof of a revolution in public opinion. But it is not true that what these few lines briefly indicate is very strongly sustained by a mass of facts already well known and indisputable? Would it be any extravagant speculation on the future to say that England, having tried the system of unconditional Free Trade, and having found it wanting, is feeling her way towards Free Trade modified—in other words, to what is called Reciprocity? Of course the theorists will say "no, that cannot be," but will their assurance in this matter be shared by those who take chiefly business and patriotic views, and who have not upon their shoulders the responsibility of defending a thesis? It seems as if events were hurrying us towards a practical answer to this question.

SPECIFIC DUTIES.

It is a fact worthy to be observed and made a note of, that the strongest objections raised by opponents of the National Policy tariff are aimed against the specific duties. The reason why is easily seen. When foreigners make war upon our rising manufactures it is the specific duties that most effectually bar the way, and afford the surest protection. These duties constitute something that "bursts" whenever the attempt is made to break down our market. For the reason simply that they are efficient for this purpose they are detested by Free Traders; for the very same reason should they be heartily sustained by Protectionists. Specific duties make a real protection that cannot by undervaluation or other cunning device be evaded. In countries of such large production as England and the United States, manufacturers frequently find themselves carrying heavy stocks of dry goods that have gone out of fashion, or of machinery or other articles that have been superseded by new and improved inventions. If only ad valorem duties were to be paid, they would gladly value these unsaleable goods low enough in order to get rid of them; nay, they could make the low valuation a reality, and not merely a pretence for passing the Custom House. But where specific duties come in this resort fails, for, the less the real value of the goods the higher is the per centage of duty upon them. In times of panic, too, when English and American manufacturers are on the look out for sacrifice markets abroad, in order, as far as possible, to keep up prices at home, specific duties operate beneficially, by saving the Canadian market for Canadian producers, at the very time when they need protection the most. This is a consideration which has not yet received the attention which its importance deserves, but the time may come when it will be deeply impressed upon the country. Not until the next turn of manufacturing depression comes, in England and the States, shall we understand by practical proof the real benefit which specific duties confer. We have, indeed, seen something of it already, in the case of wheat, and the proof in this case is the forerunner of many more such proofs, as will be seen when the time of trial comes. Before the N. P. the Canadian market for wheat went up and down as was dictated by speculation in Chicago. Our own buyers could not be certain for forty-eight hours together what they were doing. The most skillful estimate of what European markets could afford was liable to be transformed into a disastrous miscalculation by a breeze from that Korma's cavern of speculative wind and storm—the Chicago market. It was nearly a year before the effect of the new tariff in the Canadian wheat

market began to be decided and conspicuous, but now the thing is beyond question. For now twelve months and more the price at Toronto, of No. 2 spring wheat, has ranged from 12 to 24 cents higher than the Chicago price, and from the quotations of the last six months the difference would appear to be settling down to a steady, regular figure, some where in the neighbourhood of 15 cents, which is more than the average cost of carriage between the two points. Steadiness in the home market, and its protection as far as possible from the consequences of disastrous speculation and panic abroad, is a great boon; and the proof by experience which we already have in the wheat market is valuable, because it foreshadows the large and special benefit, in many and various lines of Canadian production, to be expected from the low tariff, as a whole, when the next time of trial comes. And it is of interest just now, when one of the very best features of the new tariff—the specific duty on woollen goods—is being made the object of particular attack, to observe how specific duties are approved of in other countries. For a long time the French tariff has been the most complete and systematic in the world; while its administration has been as near as is possible to perfection. In the Morrill tariff, adopted by the United States twenty years ago, the French system of classification was copied to a considerable extent. But the French tariff, as it has been and still is, has its defects, and the French Chambers are now about to finish a two years' task, that of rebuilding and reconstructing the entire fabric of the tariff, from top to bottom. The long and laborious task is nearly finished, and how what do we hear of the result produced? We are informed of three two facts—that the new tariff will be on the average 25 per cent., or one fourth, higher than the old one; and, next, that it will be a tariff of specific duties entirely, all ad valorem duties to be done away with. These two important facts ought to be widely known in Canada—the Canadian public should be well informed of them—in order that the opponents of Protection in general, and of specific duties in particular, may not succeed in creating false impressions. While the controversy is pending here, it is worth something to know that France is about to increase her tariff by one-fourth, and at the same time to impose old specific duties, abandoning the ad valorem duties altogether. This, be it remarked, is the result of two years' labour bestowed upon the tariff question, in the course of which every dot and line of the tariff has been most thoroughly scrutinized. We do not say that we can in this country adopt the system of all specific duties, as France is about to do; but it will be quite reasonable to say that, while the question is in debate, the example of what France has resolved upon, after long and laborious deliberation, is at least worthy of being considered.

DEFRAUDING THE REVENUE.

There is too much reason to fear that for years past a systematic process of defrauding the revenue of the country has been carried on by means of false invoices, exporters and importers having gone to work in the most deliberate manner for the purpose of deceiving the authorities. We understand that the Customs Department has been engaged for some time in investigating frauds on the part of business men with results which justify the remark made above that dishonest practices have been carried on for years. While perhaps it is impossible to detect all the frauds that the ingenuity of persons intent upon violating the law and robbing the revenue

could devise, it does seem that the practices complained of are in no small degree attributable to a laxity on the part of those whose duty it was in the past to look carefully and assiduously after wrong doers. But that as it may, it is satisfactory to know that the Department of Customs under its present management is determined that honest and straightforward importers shall not suffer as the result of the perpetration of frauds on the part of those who do not look upon cheating the Government as an act requiring the exercise of conscientious scruples. In addition to cases recently referred to in the World, others have since come under our observation. To two of these we now make special reference. It appears that a certain firm in the hat and cap trade, doing business in London, have been in the habit of purchasing in foreign markets, and were furnished with three invoices by the exporter—no containing the true value of the goods, and the other two, need for customs purposes, made out at lower prices. The firm being suspected, the Customs Inspector demanded their invoice book. Having obtained it, he took it to the Custom House and compared it with the entries made there, which comparison showed that for two years the firm had systematically entered their importations at an undervaluation of nearly \$3,000. That sum the Department imposed as a fine. Now comes rather an amusing array of audacity and fraud combined. Another London firm having read in a local newspaper that the house above referred to had got into trouble with the Customs authorities, sent a representative to the office of the newspaper in question to complain that the name of the offending firm had not been made public, a circumstance which left firm No. 2 and other honest houses open to suspicion on the part of the public. Will it be believed that at the very time the indignant firm were complaining that the name of the convicted firm had not been published, the Customs Inspector had in his possession false entries made by themselves! After the Inspector had satisfied himself regarding the frauds practised, he went to the warehouse of firm No. 2 and asked them to exhibit their invoice book. An investigation proved that undervaluations to the amount of some \$3,000 had been made, which sum they will be obliged to pay over to the Customs. And yet this firm was particularly anxious that firm No. 1 should be exposed, in order that honest (?) business men should not rest under an imputation! We learn that on further investigation it was discovered that one of these firms had made no fewer than 404 false entries, every one of which must have been sworn to as correct. For each one of these false entries the offending parties made themselves liable, under clause 76 of the Customs Act, to a penalty not exceeding \$200, or to imprisonment for a term not exceeding one year, or both, in the discretion of the court before which the conviction is had. Now, if these penalties were fully enforced, the offending parties would have to pay fines amounting to \$80,800; while as to the term of imprisonment, that is a calculation which, if the reader be desirous, he can make for himself. In order that there may be no misunderstanding as to the affidavit taken by the importer we quote it in full.

I, the undersigned, hereby solemnly declare that the within Bill of Lading contains a true account of the goods imported in the _____ wherof _____ is master, (or by the railway), (or, as the case may be) from _____ and wherof I (or, as the case may be) am (or is or are) the owner (importer or consignee) that the invoice here produced is the true and only invoice (or, as the case may be) have (or has) received or expect or expects to receive of the said goods, and that the prices of the goods, as mentioned in

A DISTURBANCE OF ENGLISH OPINION.

It is not to be supposed that we are very soon to witness a reversal, by England, of a trade policy adopted thirty years ago, and then reached only after thirty years of hard fighting to bring it about. The long struggle before the victory, and the very strong consensus of public opinion afterwards, have their meaning. There must have been something—let us say some large and convincing process of reasoning—which caused the British people first, after long debate and deliberation, to adopt this policy, and afterwards to stick to it. It is of interest to enquire what was this something that constituted the prevailing reason with those who did the thinking for the nation when the decision was arrived at, and in the years during which it has been maintained. Was it the belief that Free Trade was essentially a good policy, at all times and under all circumstances, and that it would be for the nation's interest to give Free Trade on its side, whether other nations chose to reciprocate or not? or was it a cunning expectation that by a very active propaganda of Free Trade as something for the good of the whole world, sustained by her own example, England would be sure, by-and-by, to convert the world to a system by the general adoption of which she would be an enormous gainer? It will probably be put up in the record as historically true that each of these views had its influence, and that to neither of them alone, but to the two of them operating together, is the result to be attributed. But, whatever details there may be on this point, which relates to what has been, the more practical point, relating to what has yet to be, is what chiefly concerns us at present. And here it is necessary to remark upon an essential difference between the two theories stated. The former, if true, is susceptible of refutation by time or circumstance, it embodies a truth which defies contingencies. On the other hand, the latter is avowedly based upon a contingency—that of the world becoming converted to a system under which England would get the lion's share of the advantage. But if the world refuses