

owes much of its success to the energy of its late President, Mr. W. H. Howland, who, having fought the battle, retires when he regards victory as won. Part of the proceedings of the Association were properly kept secret; but the platform of principles which was adopted embodies the general aim of the Association. In this document, the opinion is expressed that "such duties should be put on foreign farm products and the manufacture of the same as will secure for our farmers and millers the markets of the Maritime Provinces, and such duties on coal and economic ores as will secure to the miners of the Maritime Provinces the markets of Ontario and Quebec." The wisdom of one part of this resolution will, in the opinion of many not indisposed to see a measure of protection tried, be regarded as open to question. We refer to the proposed tax on raw materials. It is no doubt true, that the question went before the electors in this shape; and no one denies that, wisely or unwisely, so much was assented to at the polls. We presume, therefore, that the policy embraced in this platform is destined to have a trial. It is not without misgiving that we look forward to the carrying out of a policy so all-embracing.

The effect of so general a protection will be to cause a geometrical rise in prices. If flour and clothing be subject to protective duties, the iron worker of Nova Scotia must get higher wages to make him as well off as he would have been without such enhancement of the price of flour to consumers. The iron produced must be raised in price, in this way, over and above what the duty to which it is subject will raise it. If only manufacturers were subject to a protective duty, the increase in price would be considerably less than it must be when the tax extends to raw materials. A readjustment of the tariff can easily be justified; what we doubt is whether it will prove beneficial to do it in this wholesale way.

The Association complains that the unfair competition to which Canadian manufactures are subject is greatly aggravated by fraudulent under-valuations. There must be some ground for this accusation, or it would not have been made by a body of respectable men such as that by which it is advanced. The same complaint used to be made when English goods found a sacrifice market in the United States; and it was well founded. The proper price at which goods should be assessed for duty is what they can be made for with a reasonable profit of say twice the amount of the current rate of interest on money. If they are assessed at a lower price, they are valued below the necessary rate—the rate

at which they can be produced. As one means of getting rid of this evil, the Association recommends a considerable reduction in the number of ports of entry; the abolition of all "except those necessary at or near the frontiers." This done, the appointment of efficient and thoroughly reliable appraisers, and the rigid enforcement of the penalty of confiscation for under-valuation, on clear proof of fraud, are recommended. These suggestions are deserving the consideration of the government.

The suggestion that an attempt should be made to increase our trade with the West Indies and South America, is reasonable; but before subsidizing a line of steamers to run between Canada and these parts, it will be necessary to have some evidence that there would be business for them to do. In the first essay, it would not be wise to risk too much; a couple of steamers would probably be enough to commence with. The announcement has been made that Sir A. T. Galt has already been commissioned by the government to enter upon negotiations for the opening up of direct trade relations between Canada and the West Indies.

The Association has faith in the future of the country, and is not afraid of expenditure which it expects will prove productive. If others have doubts about the wisdom of building the Pacific railway, it has none; and it is desirous that there should be no slackening in the enlargement of the canals now in process, though it scarcely takes note of this process. It believes that the iron for the Pacific railway should properly come from our own mines.

It is important to get the views of such a body as this on the great economic questions of the day. The members of the Association must, however, expect that their views will be criticized as those of persons not in a position to give entirely disinterested advice; that they will be regarded as persons who could not, if they would, be indifferent to their own interests. They must therefore expect to see deductions made from their estimations, and to find that other people, even those anxious to see a national policy tried, arrive at conclusions somewhat different from their own.

OTTAWA AGRICULTURAL INSURANCE COMPANY.

"This company has been conceived in iniquity, and born in sin." Such was the language used, with reference to the directors' report, by the chairman of the shareholders, at their meeting in Ottawa on

Wednesday of last week, which, by the way, was so large a gathering that the Company's offices could not contain it, and recourse was had to the City Hall. The strong expressions used above referred not alone to the defalcation of the late Secretary, Blackburn, who has fled to Milwaukee, but to the fact that representations were made at the inception of the company, with the object of getting shares subscribed, which were untrue and impossible of fulfilment. The glittering misstatements as to profits and dividends, made by an unscrupulous promoter, appear to have been, in this case as in many others, accepted without enquiry; and the shareholders who so readily subscribed, in blind faith that while their stock must produce dividends it carried no corresponding liability, have now to face a deficiency of assets amounting to \$33,908. Still further to complicate and delay matters, it is found that only 229 shareholders out of 826, had paid up the calls made upon stock. An adjournment was made to the 5th prox., when it will be decided whether to wind the Company up, or to continue business.

The weakness of this company, and it is a weakness which one marvels was not detected at the first by a number of sensible men who subscribed stock in it, was the absence of thorough knowledge of insurance business by the man who proposed to manage it. It is admitted by Mr. Rochester that the directors "knew nothing about insurance;" it is fair to conclude, therefore, that they were depending, for the management of a concern with a million dollars capital and eight hundred shareholders, upon the views or designs of a Secretary as ignorant as themselves. The words quoted above are a refreshingly frank confession, to be sure, by one who has himself been a director. There are, doubtless, more companies than this one, which, if the truth were but confessed, are doing business with no better guarantees for their proper administration than is implied in the *ipse dixit* of the manager, virtually uncontrolled by the directors. A more flagrant case of "going it blind" can not well be imagined. It is all very fine to talk of a recent conspiracy against the company, and attempts to ruin it, and to swindle the shareholders by winding it up; but the concern, as is now evident, contained within itself all along the elements of ruin, in the want of technical knowledge and ability on the part of its managers. The insurance business in Canada has had difficulties enough to contend with of late years, without the added elements of ignorance of first principles and recklessness in administration.