

Commons to give effect to the convention, it appears that serious abuses had existed in several countries in Europe, in the assessment of the drawback upon refined sugar, giving a most extravagant bounty to the sugar refiners. In England, on the contrary, the drawback was, on the whole, established on fair principles, and bore a just proportion to the duty paid upon the importations of the raw material. The consequence of this was that the English refiners could no longer compete in neutral markets, and even found the refineries of France and the Low Countries competing in their own markets, and as a consequence the sugar refining in England was fast disappearing. When M. Fould assumed the control of the French finances he found that the expenditure in bounties to sugar refiners was most extravagant. The result was that communication was opened on the subject by France with England and afterwards with Belgium and Holland, resulting in an agreement that all these countries should decide upon a uniform drawback, based upon just and identical principles. It was agreed that experiments in refining sugar should be carried on upon a considerable scale in some neutral State. The experiments were carried on at Cologne by eminent men, on the principle of classification adopted in England, and upon every variety of sugar. The experiments, which were continued for a year, resulted in the convention referred to, by which the drawback upon exported refined sugar in the four countries is established upon precise and similar principles. It was shown to be possible to find out the exact proportion of sugar in various samples, almost to a mathematical certainty; and the system being now based upon these scientific data, is one which in the framing of the scale of duties in this country, whether we continue the specific or adopt the *ad valorem* principle, may with great wisdom be adopted.

The adoption in Canada of the classification of sugars which prevails in England makes a comparison of the rates which now prevail in the two countries an easy one. The changes which were rendered necessary by the convention, in the English tariff were exceedingly slight. On only three classes was any change required at all. Sugar candy, brown or white—refined, or rendered by any process equal thereto, was reduced from 12s 10d to 12s sterling; white clayed or equal thereto (not refined) from 11s 8d to 11s 3d; and brown muscovado or equal thereto was raised from 9s 4d to 9s 7d per cwt. But comparing the new English duties, which came into force on the first of March, with our own we find the following:

	British.	Canada.
Sugar candy, brown or white, refined, or rendered by any process equal thereto	\$2 60	\$3 00
White clayed, or equal thereto (not refined)	2 44	2 60
Brown clayed, or equal thereto, not white clayed, and yellow Muscovado, or equal thereto	2 27	2 25
Brown do.	2 08	1 90
Other kinds inferior to Brown Muscovado	1 74	1 68
Syrup of sugar, or sugar cane	1 74	1 37
Molasses	0 75	0 73

It will be seen from these figures that on the higher grades of sugar the duty is much higher in Canada, and on the inferior, which are used entirely for refining, they are lower. The effect of this is to prevent the direct importation of the higher grades of sugar altogether, and to interfere very seriously with the foreign trade of the Province, which it should be our object as far as possible to encourage. The couple of refineries in Montreal have thus an enormous and most undue protection over the English or continental refineries. They have not only the higher duty on refined sugar, but they have added to it the lower duty on the raw material which they use, the whole amounting in some cases to seventy-five cents on the hundred pounds. And in addition to this, they have an indirect protection to the extent of the ocean freight and insurance, and the difference of exchange. There is no good practical reason why the great body of the consumers should be thus taxed for the benefit of a couple of establishments in Montreal, for a branch of trade which, in the very nature of things, can hardly become a general branch of manufacture in the country.

This question of protection to the refiners in Canada, however, is but one, and that the least objectionable feature of this tariff. One of the benefits claimed as a certain result in England from the arrangement entered into with the continental powers, is that "a new impulse would be given to the trade with the West Indies." That is a trade that Canada may look forward to with the confident expectation that it will soon become a most important source of revenue, and a great promoter of the industrial resources of the country. The report of the Commission appointed in 1865, and which was laid before Parliament at its last session, affords abundant evidence of the great value of that trade. It showed that many of the articles required by the people of the West Indies and other tropical countries, can be supplied by Canada as cheaply, in some instances more cheaply, than by any other country. The one thing necessary for its full development is that we should so frame our fiscal policy as to encourage a direct import trade from them. The arrangement of our sugar duties in such a way as to promote direct trade, is a most important element in accomplishing this.

The experience of the practical working of the exclusively specific system in Canada, however, we are bound to say has not been such as to lead us to desire its continuance. The English system is in one sense an *ad valorem* system; it classifies the grades of sugars so as to make the duties bear a fair proportion to the value of the article imported. But then the fact that the ports at which foreign importations enter are comparatively few, and that therefore experts can be employed in them to test accurately the grade which every sample should be placed in, makes the system there perhaps the best that could be adopted. In

Canada a different state of things exists. With the number of our outports, it is almost impossible to secure at each men sufficiently conversant with the qualities of sugar to make them competent appraisers of the class the various samples imported should occupy; and as a result very great dissatisfaction very naturally exists on the subject. The true plan is for this country to adopt the simple *ad valorem* principle; the most fair to all importers, and certainly the best in the interests of that direct trade which we desire to encourage, and of the great body of consumers. There need be no difficulty in having the *ad valorem* duties based upon the values as determined by the scale now adopted in England and on the continent; and the effect of such a change, we are satisfied, would be not only to give far greater satisfaction to the trade, but to encourage an enormous direct trade with the West Indies, which would greatly promote the best interests of the new Dominion of Canada.

MONEY MARKET.

MONEY is without any marked change, perhaps a shade closer than previously. Sterling Exchange is firm at 110, with sales during the week at that figure to a considerable extent. Gold Drafts on New York are neglected; sales reported at $\frac{1}{2}$ per cent. discount.

Gold in New York has continued weak, the range of fluctuation during the past week having been from 133 to 134, closing at 133. The anticipated payment in January of some thirty millions of dollars of gold interest has had a very depressing effect on the gold market, and that, too, notwithstanding the present high rates of Sterling.

Silver is in a rather unsettled state at present, owing to ignorance of what steps Mr. Rose may take in carrying out his projected scheme. The imposition of a 15 per cent. duty on the import of U. S. Silver coin has had no effect whatever in lowering the rate of discount, and except in small amounts, silver is very difficult of sale even at the present rates.

The following are the latest quotations of Sterling Exchange, &c:—

Bank on London, 60 days sight	110 to 110 $\frac{1}{2}$
Private, " 60 days sight	111 to 110 $\frac{1}{2}$
Bank in New York, 60 days sight	110 to 110 $\frac{1}{2}$
Gold Drafts on New York	$\frac{1}{2}$ to $\frac{1}{2}$ dis.
Gold in New York	133 $\frac{1}{2}$
Silver	5 to 4 $\frac{1}{2}$ dis.

THE GROCERY TRADE.

Baldwin, C. H., & Co.
Cameron & Ross.
Chapman, Fraser & Tylos.
Chapman H., & Co.
Childs, George, & Co.
Converse, Colson & Lamb.
Davie, Clark, & Clayton.
Duncan & Forster.
Frank, J. C., & Co.
Gillespie, Moffat & Co.
Goodhugh, W. S., & Co.
Jeffery, Brothers & Co.

Kinman & Kitchin.
Matheson, J. A. & H.
Mitchell, James.
Moore, Sample & Hatchetta.
Robertson & Beattie.
Robertson, David.
Sinclair, Jack & Co.
Tiffin, Bros.
Thompson, Murray & Co.
Torrance, David, & Co.
West, Bros.
Winning, Hill & Ware.

THE business of the past week has been generally confined to Christmas requirements, the sale on the 17th for account of Mr. Alex. McGibbon, Messrs. John Leeming & Co., auctioneers, being the only particularly noteworthy event of the week. At that sale the lots sold were usually small, to customers, but purchasers were also found for considerable amounts amongst the city grocers. We believe there were no out-of-town buyers among the audience present, but notwithstanding this the prices obtained, especially for the liquors, of which the qualities were very superior, were good, and generally speaking very satisfactory.

TEAS—As during the previous week, have been very much neglected, partly owing to its being the holiday season, and partly on account of the absence of snow, which has delayed the formation of the winter roads. The principal inquiry has been for Uncoloured Japans and good Twankays. Sales, however, have been merely of a retail character. Twankay of good medium quality readily commands 42c. to 45c., and there is very little in the market.

The reduction in the duty on Black Tea has so far had no appreciable effect on the price, as there have been no recent transactions whatever so far as we can learn. Stocks are about an average for this season of the year.

COFFEE—Still continues a drug in the market.

SUGAR—Is well inquired for. Since it became definitely known that the Government would make no change at present in the Sugar duties, holders have been stiff in their prices, stocks being low, and a good demand existing, authorizing them to look for full rates.

MOLASSES.—The reduction of duty on this sweet, 18c. per 100 lbs., equal to about 2c. per gallon, has so far had no noticeable effect in lowering prices, the

lowness of stocks warranting holders in asking previous rates. Some small sales of Trinidad are reported at from 39c. to 39c. There is no change in Syrups, the reduction in duty only affecting Molasses not used for refining purposes or for the manufacture of Sugar.

FRUIT.—The usual demand at this season of the year has commenced, but though prices may be quoted a shade firmer, we have no actual change to make in our quotations, stocks being amply sufficient to supply the demand.

RICE—Is in poor demand, but stocks being at present very low, holders demand high rates, say for good samples of Arracan, \$1.20 to \$1.30, although some broken parcels have been offered at \$1.10 to \$1.15. No Patna or Rangoon in the market.

SALT.—Stocks are low and in few hand, and in view of the winter requirements, we may look for prices rather higher than present rates.

MONTREAL PRODUCE MARKET.

Akin & Kirkpatrick.
Black & Locke.
Buck, Robertson & Co.
Cameron & Ross.
Converse, Colson & Lamb.
Crawford, James.
Hannan, M., & Co.
Hobson, Thomas, & Co.
Laidlaw, Middleton & Co.
Mitchell, Robt.
Raphall, Thomas W.
Sinclair, Jack & Co.
Smyth, C. E.

FLOUR.—We have to note small receipts, and a firm and buoyant, but very quiet market. Holders are firm and hopeful, while buyers confine their purchases to the actual local wants; sales for the most part consisting of single hundreds or broken parcels. There is no material change either in the demand or prices of the higher grades; supplies are small, and transactions restricted to broken lots and single barrels. There have been exceptional sales of ordinary Canada at \$6.90; but as the trade gives the preference to choice, most sales noted towards the close have been at rates ranging from \$7.10 to \$7.25, the latter for a few of the more favourite brands. Welland Canal and city brands are nominal at about \$7.05 to \$7.10, no recent quotations having transpired. No. 2 is scarce, and commands \$6.65 to \$6.75. Fine and lower grades meet a fair demand at current rates. Bag Flour, from comparative scarcity, has improved in value, closing at \$3.40 to \$3.50 for fair to choice samples.

OATMEAL—Continues scarce, and fully maintains its former price.

GRAIN.—Wheat.—Supplies have materially fallen off, and the offerings being insufficient to supply the local milling demand, prices have advanced; latest sales in car loads \$1.57 to \$1.60, the latter rate now bid for a limited quantity. Pease—Supplies have virtually ceased, there being only an occasional car offered; latest sales 90c per 60 lbs. Oats have slightly improved, and now command 40c. Barley is also higher, owing to the improvement in the American market; we note recent sales on the spot at 80c.

PROVISIONS.—Pork—There is a moderate consumptive demand for Mess at \$18.25 to \$18.50 according to quantity. Prime Mess and Prime are only taken on speculation, to be held over till spring, and rates paid are various according to circumstances; prevailing prices are \$11.50 to \$12 for prime; and \$12.50 to \$13 for prime mess. Hogs have lately been in better supply, and former extreme rates are no longer obtainable, latest sales \$5.75 to \$6 for moderate to heavy averages, selected lots occasionally commanding a trifle more. Lard is quiet at about 10c. Butter—A speculative demand has recently absorbed the bulk of supplies previously in stock, which though still held here, are not offered for sale, and prices of all grades especially choice have improved within the week. Strictly good table butter sells in retail lots at 17c to 19c, and the more ordinary descriptions may be quoted a cent lower.

ASHES.—Pots have been active and advancing, closing at \$5.60 to \$5.65. Pearls though not materially improved meet a better demand, and are the turn higher, are quoted \$5.95 to \$5.97.

THE LEATHER TRADE.

Black & Locke.
Bryson, Campbell.
Goodhugh, W. S., & Co.
Hua & Richardson.
Seymour, C. E.
Smyth, M. H.
Shaw P. & Jew.
Smyth & Edmiston.

TRADE continues very quiet, with light sales, exceeding, however, to some extent those of the previous week, shewing a slightly increased inquiry for some descriptions of stock, but the improvement does not warrant any particular change from our last report. Receipts continue comparatively light,