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THE TEA TRADE.

In a recent article we used some arguments accounting for the fall in price of teas since the withdrawal of the differential duty. We shall now endeavor to show why, before this change in the tariff, the retailers, as well as consumers, had been able to procure their supplies cheaper, in proportion to the then prevailing condition of the market, and of better quality than at present, notwithstanding the great apparent difference, as shown by the following table:—

	1873.	1876.
Japan,.....Common.....	0 35	0 25
Medium.....	0 45	0 35
Good.....	0 52	0 42
Fine.....	0 55	0 48
Finest.....	0 70	0 57
Young Hyson,.....Common.....	0 34	0 24
Good.....	0 45	0 35
Fine.....	0 60	0 45
Finest.....	0 75	0 65
Gunpowder,.....Fair.....	0 40	0 37
Medium.....	0 50	0 40
Good.....	0 60	0 55
Fine.....	0 72	0 65
Finest.....	0 82	0 75
Imperial,.....Medium.....	0 38	0 30
Choice.....	0 45	0 40
Finest.....	0 62	0 50
Congou,.....Common.....	0 30	0 25
Medium.....	0 45	0 40
Fine.....	0 55	0 45
Finest.....	0 80	0 70
Souchong,.....Common.....	0 30	0 30
Medium.....	0 45	0 40
Fine.....	0 60	0 55
Choice.....	80	0 75

That there has been a considerable falling off in price is apparent by the table quoted, but this is only in appearance, as may be proved by comparing any one grade of 1873 with the same grade of 1876, when it will be seen that it is not so much prices that have changed as the name, by which the "medium to good" of 1873 is made to do service as "fine to finest" in 1876, and "medium" plays the hypocrite and appears as "good," and "common" wears the mask of "medium." "Common" of 1876 is an American innovation.

Until two years ago Canadian importers were accustomed to ship from China and Japan enough to supply the trade of the country, importing at the same time to a large extent for the United States market, leaving large stocks in bond at New York, Chicago and other American cities, of the class of teas suitable to those markets. Merchants are aware that the different countries have a disposition towards peculiar classes of teas. In Great Britain the better grades of Congou and Souchong, commonly known as Black Teas, are preferred; in the United States the high grades of Japans, Imperial and Gunpowder are popular; while in Canada the people have a penchant for Hysons, although Japans have become popular of late. Now, from twenty-five to thirty per cent. of, say green teas, in an original invoice, or "chop" as it is called, consists of extra fine qualities of Imperial and Gunpowder for which there is not a heavy demand in Canada, and cannot be brought here without considerable loss to the importer. These would, if sold here, have the effect of raising the price of the "mediums" and "good," in order to make up for the loss on such sales. For these highest grades there is a market in the United States, a benefit they can give their people by selling the lowest grades at high prices in Canada. Our importers formerly being enabled to sell "Imperials" and "Gunpowders" in the United States markets were enabled to give our people the benefit of the larger profits made on those sales. A chop of green tea is usually composed of about seven grades, and costs about the following prices in gold: 85 cents, 75 cents, 65 cents, 55 cents, 40 cents, 32 cents, and 25 cents per pound. If the entire invoice were taken to Canada the 85 cent tea would not bring more than about 70 cents, and the 75 cent tea at the outside about 65 cents. The loss of fifteen cents per pound on one grade and ten cents on the other would have to be added to the lines 55 cents, 40 cents, 32 cents and 25 cents, increasing the price on these grades to the consumers. Ameri-

can dealers have also a large demand for cheap teas, but chiefly of the brands referred to, and prices there rule much higher, as anybody who has ever lived in the United States will admit.

Before the repeal of the differential duty it was not unusual with Canadian importers when the demand in the American market was light, and it would not pay to break bulk, to bring to Canada the entire chop of tea, and actually sell the best grades at less than cost prices, being satisfied with the profits on the whole importation. Although this was not frequent it occurred often enough to keep a considerable quantity of extra fine grades in the market, and occasionally gave to purchasers of the better class teas suited to the home market an article worth more than the price quoted. But this is a thing of the past, and one of the causes of the deterioration in the quality of tea complained of lately by those who partake of "the cup that cheers but not inebriates."

Our people are now paying three or more profits on their supplies. Formerly teas were brought direct from China and Japan, and our people could buy as cheap as it could be laid down in New York or Boston. The Canadian wholesaler can still do business profitably, and buy his supplies in England, New York and Boston, but he cannot give such bargains as of yore, nor import a superior class of goods, while "common" teas of New York (what Americans turn up their noses at) compete with him in cheapness. It will not take long however to discover this state of things, and then we shall hear from the consumers.

It has been urged that Canadian importers had monopoly in the tea-trade and consequently kept up prices. This is not borne out by facts, as is well known to any body in the trade who has seen what competition existed among them—sufficient to keep prices at the lowest living rates.

The Canadian market formerly had the advantage of steadiness all the year round; in the United States it fluctuates considerably, and prices generally rule high during the spring and fall, the time when our Canadian retailers buy their stocks. The fact cannot be disguised that the depression under which the country is laboring is in some degree due to the condition of the tea trade. Many merchants who heretofore had been accustomed to come to this, as well as other distributing Canadian centres, to buy, now go to New York and Boston, and while there buy even of other goods which can be bought somewhat cheaper