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SPRING TRADE, 1876.

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Importers of British and Foreign

DRY GOODS.

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The Journal of Commerce

FINANCE AND INSURANCE REVIEW.

MONTREAL, MARCH 24, 1876.

THE SUGAR QUESTION.

We concur in opinion with those who admit that the sugar question is surrounded with difficulties. There has been a very general desire expressed that means should, if possible, be adopted for encouraging direct trade with the sugar colonies, and there is likewise a strong feeling in favor of doing justice to our own refiners. It seems more than doubtful whether any considerable direct trade can be profitably established between the West Indies and the ports of Quebec and Montreal. New York and Baltimore have great advantages in their favor, in the length of voyage, insurance, &c., even over Halifax and St. John, and we fear that it would be impossible to bring sugar either from Cuba or Porto Rico, or from British Guiana or Barbadoes, to the consumers in Western Canada either *via* Halifax or Montreal. The principal trade with the United States from the British and foreign West Indies has been with the southern ports, that is New York and ports south of it, notwithstanding that considerable supplies of fish and lumber are shipped to those countries, and that the vessels carrying such supplies would be ready to take return cargoes. Distance, however, is not the sole obstacle to direct trade. Canadian flour is not suitable for tropical countries, and as the cargoes are usually assorted, flour and corn meal are important items. Another obstacle seems to have been little understood in Canada of

late years. Sugars of a very superior quality have been made as well in Cuba and Porto Rico as in British Guiana and other British colonies. Our duties, although complained of by our own refiners since the adoption of the tariff of 1868, were even more bitterly complained of by the West Indian planters, who were incessant petitioners to the Imperial authorities for uniform duties, and who were supported in that demand by large numbers in the United Kingdom. The result in England was the total abolition of the sugar duties, a measure not likely to be adopted in Canada. The interests of the influential sugar manufacturers in the West Indies is at direct variance with those of the refiners both in the United States and Canada, and now that they have free admission into the English market, they are not likely to incur expense to promote trade relations with a country which regulates its duties in a manner disadvantageous to them. It may be doubted then whether we can reasonably hope for direct trade with the sugar colonies. The duties established by the tariff of 1868 were complained of both by the refiners, who of course imported the inferior, and by the West Indian planters who manufactured the superior, qualities. They probably were tolerably fair, and under that tariff the refineries were not closed. The present difficulty arises entirely from the adoption of excessive bounties in the United States, and it seems to us that the time has arrived when the whole question should be reconsidered by Parliament. Mr. Drummond has intimated his approval of the principle of an *ad valorem* rate instead of the combined *ad valorem* and specific rate which has hitherto prevailed. There is less objection to an *ad valorem* duty on sugar than on many other articles, as the value is more easily ascertained. With regard to the excessive bounty granted by the United States, it seems to us only a matter of simple justice that it should be met by a countervailing duty on sugars to which such bounty is given.

THE INSURANCE BILL.

This bill was introduced and read the first time on Monday last. We are not aware if any alterations in the original draft were made as the result of the visit of the American deputation; but we learn that the same gentlemen have re-visited the Capital this week on the same errand. Now, it does seem to us remarkable that American companies should claim exemption from restrictions that are being imposed on our own Companies. The Superintendent can at any moment, if he should have reason to doubt the stability or sol-

veny of any Canadian Company, enter and value its liabilities, and demand the production of good tangible assets to the full amount of those liabilities, and failing which, withdraw the license. Supposing American Companies to be exempted from the operations of a similar supervision, and the Superintendent should have reason to think one or more of those Companies operating here to be insolvent, what action is left him in the interests of Canadian policy holders? He cannot take away their license, nor prevent them from taking new risks. Yet all the time, they may be to all intents and purposes bankrupt.

One of the effective team of American representatives is the Actuary of the Equitable Life of New York. Not knowing that he has put in any special pleading different from that accredited to the deputation as a whole, we have a right to suppose that he too demurs to the passing of the Bill, on the ground that the charter of his company will not permit compliance with the trusteeship clause. If so, what means the following letter that appeared in the *Montreal Gazette* of 21st June, 1871:

Office of the Equitable Life Insurance Society of the U.S.,
130 Broadway, New York, June 9, 1871.

R. W. GALE, Esq., *Manager*,
198 St. James street, Montreal.

DEAR SIR,—After much deliberation and careful examination, of the subject we have determined, *whether the Canadian Government require it or not*, to keep a deposit in the Dominion of Canada, always sufficient to reinsure the Canadian risks on the basis of the New York state tables at 4½ per cent. interest.

Yours truly,
J. W. ALEXANDER,
2nd Vice-President.

Can anything show more conclusively the arrant inconsistency if not insincerity of the oppositionists? That letter has doubtless been the means of procuring many policies; and are the holders of these not entitled to claim that our government shall hold that Company to the terms thus voluntarily enunciated by one of its executive officers and used as the basis of obtaining business here?

As regards the rate of interest to be used in valuing the reserves, it would be very wrong in our judgment to adopt a higher rate than that used by the American Bureau. It would be very inconsistent to insist on new companies valuing at 4½ per cent. and allowing the older ones to perform the same operations at 5 per cent. Besides, we very much question if the Canadian Companies already operating, ask for an extension of time to be able to