

—The Washington crop report for September, as we showed last week, contains several low figures. Corn was put at 70.1, rye 85.4, oats 64.4, potatoes 65.7 (the lowest ever known), tobacco 82.4. And if the grain stops so far short of the 100 which represents the average, it is not much consolation to know that the pork being fattened stops short at 88.5. The figures for grain undergo variations, up to this month, but those now given cannot be far from finality. It is just possible after all, and not only possible but probable, that the high tariff will not keep out Canadian potatoes, but that a large supply of them will be required, and that the consumer will have the pleasure or displeasure of paying the whole duty. And this may happen with some other natural products.

—The continuous increase, year after year, in the attendance at the Toronto Industrial Exhibition is remarkable. More than 260,000 people have this year paid for admission. The amount of money received thus far each day is given in the following list. It will be increased by to-day's (the last day) receipts, but the present total is \$66,444.

	1890.	1889.	1890.
Tuesday, Sept. 9th.....	\$ 580	\$ 880	
Wednesday, " 10th.....	1,010	1,174	
Thursday, " 11th.....	3,214	631	
Friday, " 12th.....	3,985	4,084	
Saturday, " 13th.....	4,063	4,665	
Monday, " 15th.....	12,194	15,998	
Tuesday, " 16th.....	5,038	9,840	
Wednesday " 17th.....	16,051	15,990	
Thursday " 18th.....	10,683	13,182	
	\$56,815	\$66,444	
Increase for 1890.....		\$9,629	
Average per day ..	\$6,313	\$7,382	

—Hamilton grocers have been discussing the advisability of forming a Retail Grocers' Association, and are unanimous in thinking that such an organization would be advantageous if the three following objects should form the main planks in the platform, viz.: The securing of a list of dead beats from each grocer for distribution or exchange. To do away with the pernicious custom of giving Christmas boxes. To protest against the custom of some wholesale houses in supplying the consumers, thereby taking from the retailers what is legitimately their trade. It is not, explains the *Times*, intended to combine to raise prices, or in any way interfere with the rights of retailers to sell at their own prices. A committee was appointed to arrange for a meeting on 29th instant to discuss the subject.

—There was brought into Toronto in the year 1889, the Acting Collector tells us, no less than 470,835 tons of coal, an average of 1,500 tons every working day, besides 4,559 tons of coke, which came by rail. The receipts of coal were:

Soft coal by boat	7,161 tons.
do by rail	160,754 "
Hard coal by boat	140,625 "
do by rail	162,295 "
Total	470,835 tons.

—The United States cotton crop of 1889-90 was the largest ever gathered, exceeding by 373,000 bales the crop of the preceding year, and by 265,000 bales the crop of 1887-88, the largest previous crop on record. The total crop, as made up by the secretary of the New Orleans Cotton Exchange, was 7,311,322 bales.

Correspondence.

THE TEA DUTIES AND THE UNITED STATES.

Editor MONETARY TIMES:

SIR.—In your remarks in the issue of Sept. 12th you intimate that the Senate of the United States have retaliated upon Canada in the matter of the discriminating duties on tea. The facts are:

1st. The United States, in 1872, placed a duty upon tea and other merchandise, being growth of countries east of the Cape of Good Hope. When imported into the United States from places west of the Cape of Good Hope ten per cent., in addition to the duties imposed on these articles when imported direct.

2nd. Canada, to offset this action, authorized by statute the Governor-General in Council to impose a duty equal to that imposed by the United States, in case any higher duty was imposed upon tea imported from Canada than from any other country; otherwise teas were on the free list. This remained the system till 1875, when duties were placed upon all teas, without discrimination against imports from the United States. A higher tariff was introduced in 1877, but without discrimination against the United States.

In 1879 a discriminating duty was again put upon teas imported by Canada from the United States, the duty on teas generally continuing. In 1882 the duties on teas were removed by Canada, except on those coming from the United States.

In 1883 the United States removed their discrimination against teas imported into that country from Canada, after that discrimination had been in existence eleven years.

In these circumstances it is not fair for United States senators to attack the Canadian policy as hostile. It was forced upon Canada by the action of the United States, who first initiated the plan of a discriminatory duty on teas in order to capture our tea trade. It was an act of self-defence on our part, and it has operated well. In 1877, Canada imported from the United States 5,483,093 pounds of green tea and 1,438,878 pounds of black and Japan teas. In 1889, we imported from the United States only 309,500 pounds of green tea, and 110,689 pounds of black and Japan teas.

The United States took off the discrimination when they believed that all their teas would come by way of their transcontinental Pacific lines. We were not ready then to take off our discrimination, the C. P. R. not being finished and in good working order.

GEORGE JOHNSON.

Ottawa, Sept. 15th, 1890.

DIVISION OF LIFE PROFITS.

Editor MONETARY TIMES:

SIR.—The rule of life insurance companies in allotting profits is to give "one year's profit for one year's premium," and seeing that the surplus arises almost solely from the premium, to divide a year into fractions would only add to expenses, and create endless confusion. This "Rule," then, is right.

But was it judicious, and in the interests of the policy-holders, for the Canada Life Company to enter Michigan? The directors—who are the best judges, and the most deeply interested—thought so, and so does every one who knows how very much carefully and newly selected lives add to the stability and profits of a company. Believing this, and acting within their powers, the directors made the slight change of the year—back to 31st Dec.—which the Michigan law required, and entered that State; and, under the circumstances, if they had not done so, they would not have done their duty. Their entering Michigan then, while not necessary, was highly judicious, and in our interests.

18,563 says "the company has dealt unfairly with him" because it did not break "the rule" and give him four years and eight months' profits for four years' premiums. Let us suppose that he had been manager, and that in carrying out his own plan he had advanced eight months' profits to, say, the 9,000 members who were affected in the same way as he, and that all our policies were exactly like his. In each case of the 9,000 two-thirds of last year's profit in cash was \$25.07, or \$225,630

for all of us. This is the nice little sum he would have advanced unsolicited, on security of the mere hope that we might possibly pay our next premiums, on account of which he had voluntarily and very kindly lent it. But suppose we had withdrawn (which is always our privilege), and had not paid that premium, but demanded our cash surrender values instead, in what position would this have placed the company, the other policy-holders and himself? It will not do to say that he could retain the sums so advanced out of the reserves. They had no connection whatever with the reserves, they were unsolicited voluntary gifts—given in defiance of all rule—which he could not recover and for which he would be held personally responsible, were he worth anything. And I imagine that he would have changed his views about "fair-dealing" and other misapplied old saws, by the time he had paid back the loss sustained through his mismanagement, or had broken the last stone in expiation of, let us say, his good nature.

Or seeing that this plan is too dangerous, he might have collected eight months' premium (provided he could have got it) and then have given the corresponding eight months' profit. But as this would change the dates of premium-payments, which is generally arranged to suit the convenience of policy-holders and is of the essence of the contract, he dare not do it, and I hardly think even he would try.

I fear, after all, that he would be compelled to take the very plan the company adopted, because it is the only one legally possible, and the one which would produce the least friction.

The proprietors put in all the stock required to start the company and to nurse it into strength, and that stock is in the funds to-day; their whole capital too is pledged to hold us safe from loss. They alone supply the professional training, actuarial skill and business experience which have produced the Canada Life of to-day, receiving as it deserves the confidence of our whole community; and for all this they receive only one-fifteenth part of the profits which are mainly produced by their own money and superior management. Still in face of these facts 18,563 says in his last, "the sum of their reserved profits was not paid in by the proprietors. It was paid in by the policy-holders." Could any statement be more absurd? And yet this same gentleman lectures companies as to the deep shade of "a lie which is half a truth." Their right then to their fifteenth part of the profits is indefeasible in law and conscience. Out of it they pay their dividends like other corporations, leaving their unused balances in the funds from year to year, in addition to their stock, and have a right to interest for them while in use. My statement as to their rates of dividend was therefore simply correct, notwithstanding my friend's amended jumble of mathematical legerdemain, by which he crowds the whole five years' dividends into three, that the percentages might appear large, and that he might strike the proprietors below the belt.

But they are not so selfish as he, as they voluntarily give him as large interest as they get themselves. His cash profits for last four years was \$109.92, but as he prefers to take this in yearly dividends, they pay him \$25.92 a year for five years—or \$19.68 more, being over 9 per cent. per annum compound on his balances.

Mr. 18,563 does not "get less profits because of (the company) giving others more than they promised," and I never made such an untrue and malicious statement. He gets a smaller reduction this time simply because he has only four years' profits with which to reduce five years' premiums, whereas in 1885 he had five years' profits to apply the same way. He has, no doubt, paid another premium last April, but the profit accruing to it is not lost—it is only postponed till next division, when the old order of things will be re-established. There is, however, this difference—that the premium, which would have been the fifth under the old period, becomes the first of the new.

Is he aware that he is getting very large profits as compared with those of other excellent companies? For the same four years—1886 to 1889 inclusive—one "best company in the world" received in premiums \$75,917,789, and paid in cash profits to policy-holders \$9,794,145, or 12.9 per cent. Another "best company in the world" received \$77,790,488, and paid \$9,177,279, or 11.8 per cent.; and still