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**TRADE WITH THE WEST INDIES
AND SOUTH AMERICA.**

We have received a copy of an interesting letter, addressed by Mr. Patterson, Secretary to the Board of Trade and to the Corn Exchange Association, on the subject of our commercial relations with the British Colonies and Foreign Colonies and nations in the Tropics. We only do justice to Mr. Patterson when we acknowledge the value of his contributions on subjects relating to trade and commerce. We are, moreover, not disposed to detract from his merit in collecting and arranging a mass of information, which will no doubt lead to a thorough consideration of the questions inscribed at the head of his letter, viz., "What is the commercial outlook?" "Can there be an enlargement of our trade relations with the West Indies and South America?" We must, however, confess that we are not convinced that Mr. Patterson has given a satisfactory answer in the affirmative to the second and most important of his queries, and as the subject is one which, in common prudence, requires the gravest consideration from practical men, we shall venture to offer some suggestions which we have no doubt will be taken in good part. We are unable to concur with Mr. Patterson in his opinion that it is possi-

ble to discuss such a subject as that which he has brought to our notice "without reference to class interests or party relations of any kind," or without introducing the questions of "protection and free trade." It will be found, we apprehend, that "protection to class interests" has not been without its influence on the trade relations with the West India Colonies. Mr. Patterson quotes with approbation a paragraph from the instructions to the West India Commissioners, said to have been prepared by Sir Alexander Galt, and which conveyed to them an assurance that "this government would be prepared to recommend to Parliament the reduction or even the abolition of any customs duties now levied on the productions of those countries if corresponding favour were shown to the staples of British North America in their markets." We have italicized the words "corresponding favour" which clearly indicated the views of the Canadian Government of 1865, and which led to serious difficulty in England. It is desirable to call Mr. Patterson's special attention to this point, because one of the difficulties which he seems to imagine stands in the way of commercial intercourse is the want of uniformity of customs tariffs. Now all the colonies referred to by Mr. Patterson are practically independent as to their fiscal policy, and it may be added that nothing like "protection" is known or advocated in any of them. The tariffs are strictly for revenue purposes, and with certain modifications, to be noticed later, the Canadian tariff on West India products is likewise for revenue. If the instructions given to the West India Commissioners could have been carried into practical effect, the West India Colonies would have sacrificed a large revenue by admitting Canadian manufactures and products duty free, as the Imperial Government would not have consented to their imposing differential duties against her own subjects and foreigners with whom Great Britain has commercial treaties. Canada again would have sacrificed its sugar duties, and while serious embarrassments would have resulted both to Canada and to the West Indies from this suicidal policy, it would have had no effect whatever on the question of trade relations. Indeed so absurd an arrangement was never contemplated by Sir Alexander Galt. What he desired was that Canada should extend "*favour*" to the West India colonies, which in return should extend their "*favour*" to Canada; in other words Canada would admit the sugar, rum and molasses duty free from such colonies, as should admit Canadian

flour, pork, fish, lumber, &c., duty free, both the contracting parties continuing the existing duties on similar articles when imported from countries not entering into the compact. Now, whatever Great Britain may permit Canada to do, most assuredly it will not tolerate differential duties in the West India Colonies, and this the commissioners were clearly given to understand in 1865 by the Secretary of State for the Colonies. Mr. Patterson affirms that a "reciprocal modification" like that suggested by Sir Alexander Galt "seems to be required." Now we are compelled to join issue on this point. Reciprocity in trade with the West Indies is wholly out of the question, although we notice that the Hamilton Board of Trade has adopted a resolution favorable to it. We have already noticed that no duties are imposed in those colonies, save for revenue purposes. The effect then of any "modification" such as Mr. Patterson suggests would be simply to encourage Canadian imports at the cost of the treasury which could only be recouped by direct taxation. When the Canadian Commissioners visited the West Indies they found that intense dissatisfaction was felt at the tariff then in force in Canada, and which has been continued with little change up to the present time. The mode of levying a duty on sugar has always been a most vexed question, and has been finally solved in England by the total abolition of the sugar duties; a measure which could hardly be followed in Canada, having reference to the public requirements and the amount of the tax. While the duty was levied in England according to the Dutch standard, the planters in British Guiana and other colonies, producing sugar of the best quality, contended that it was unfair to tax their good article higher per lb. than the sugar made by the common process. The answer to this was that it would be still more unfair to tax an article containing a great quantity of molasses and dirt at the same rate as the vacuum pan sugar. In Great Britain the refiners contended for the sliding scale, while the grocers were for the uniform rate. It was not likely that planters, who had been contending with the Imperial Government for years to obtain uniform duties on their sugars, would be satisfied with the Canadian tariff which imposed not only an *ad valorem*, but a lower specific duty on the raw sugars, which they did not produce. Mr. Patterson must be well aware that the Canadian duties were imposed in the interest of the sugar refiners, and his own deliberate opinion is that "the most satisfactory and equitable method