

to the United States. In return, Canada has given \$2,559,890, being the amount it would have collected if no treaty had been made. Here is another illustration. During the ten years of the treaty the United States have actually paid in duties to Canada, \$16,892,962, while during the same period Canada has paid in duties to the United States the very moderate sum of \$39,447."

The first of these "illustrations" is a mere hypothesis, the fallacy of which is apparent on the surface. Reciprocity has no connection whatever with our increase of Customs duties, and yet Mr. Sumner gravely supposes that the United States would have paid us *two millions*, instead of *sixteen millions*, in duties during the past ten years, provided this Treaty—which has no bearing on the matter at all—had not been in existence! As we have already said, the Government of Canada was compelled to increase its tariff to meet its engagements. With Reciprocity, or without it, therefore, American goods coming into Canada would have had to pay as high as at present. But it is by no means so certain that, without that measure, means would not have been found ere this to send the greater part of Canadian produce direct to Europe,—thus depriving our neighbours not only of the duties, but also of the very handsome profits annually arising from this source.

MR. SUMNER'S SECOND ILLUSTRATION

Regarding the second illustration—that during the Treaty the United States have paid us \$16,892,962 for duties, whilst Canada has paid them only \$39,447—what do these figures prove? Simply that we have purchased over *sixteen hundred per cent* more dutiable goods from the United States during the operation of the Treaty, than they have from us! The following figures are from Mr. Chase's report—

Average annual value of U. S. goods paying duty in Canada for eight years	\$8,101,481
Average annual value of Canadian goods paying duty in U. S. for eight years	467,238
Average over-importations of dutiable goods by Canada.	\$7,934,243

That the United States have sold us so much more of dutiable goods than they have bought from us, cannot surely be considered by them a very great grievance! And as to the payment of the \$16,892,962 of duties, if we are to credit such writers as Adam Smith, they have been paid by the people of Canada—the duties imposed by a nation coming out of the pockets of its own people.

THE OVER-PLUS OF FREE EXPORTS IN FAVOUR OF CANADA.

The fourth and last objection to be considered is—that Canada has more of her exports freed from duty by the Treaty than the United States have. The over-plus of free exports in favour of this Province during the Treaty is shown elsewhere to be \$29,593,638. This balance against the United States is more nominal than real. For a large portion of Canadian produce only passes through the United States, on its way to the European markets. Instead of being a loss, the more of our produce the Americans buy the better: for it increases their revenue, enriches their Produce dealers, swells their Railway and Canal returns, and gives employment to their marine. But whatever force this objection may have had, since the War began it has been entirely swept away. The returns of products of Canada and the United States respectively (see second table), made free by the Treaty were as follows:—

YEARS	UNITED STATES	CANADA.
1871	\$12,722,755	\$13,896,910
1872	19,044,374	14,288,969
1873	19,134,938	19,657,261
1874 (year)	8,252,698	7,352,890
	\$59,154,733	\$54,146,930

For several years past, therefore, the United States have actually passed more free goods into Canada under the Treaty, than Canada has into the United States.

NO CASE MADE OUT AGAINST THE TREATY.

Most of these arguments against Reciprocity, as I have endeavoured to show, possess very little force. But were their entire soundness allowed, I submit that they would not make out a case against this salutary measure. At farthest, they would only evidence that it needed revision.

FAITHFUL OBSERVANCE OF THE TREATY.

Complaints have occasionally been made both against the United States and Canada of infractions

of the "spirit and intention" of the Treaty. It has been urged again & again, that she has never secured to Canada the privilege of using the state canals, as was expected, that she taxes flour ground in Canada from *American wheat, that she subjects to duty lumber made in Canada from *American saw-logs*, and interprets the articles of the Treaty, in other instances, in a restricted sense. On the other hand, Canada is charged with increasing her tariff, so as to exclude American manufactures, and with abolishing Canal tolls and adopting the *ad valorem* system of levying duties, so as to build up the St. Lawrence at the expense of American routes. It was inevitable that, during ten years, interested parties on both sides of the lines would raise such complaints as these. Neither Government is, however, justly chargeable with infringing the "spirit and intention" of the Treaty. Everybody admits that its provisions have been faithfully kept on both sides; and it had no "spirit and intention" other than contained in the express stipulations. These complaints afford no argument against Reciprocity, because they do not apply. They rather go to show—so far as they are just complaints—that its provisions should be enlarged and extended.*

THE COMMERCIAL POLICY OF CANADA AND THE UNITED STATES BRIEFLY CONTRASTED

Reciprocity was a step towards Free Trade, and it is only fair to add here, that the commercial policy of Canada is, upon the whole, much less restrictive than that of the United States. With the single exception of an increase of duties, all other acts of Canada, since the signing of the Reciprocity Treaty, have been in the direction of developing commerce. Canada allows American vessels to pass through her whole system of Canals to the ocean, the American Canals, even on payment of toll, are closed against us. This Province admits the registration of foreign vessels without charge, the United States do not. Our Government has for years tried to have the great Lakes made free to vessels of both countries for coasting purposes, the United States refuse. Canada permits foreign goods bought in the United States to be imported on the payment of duty on the original invoice, the United States will not permit similar purchases to be made in Canada. Tea imported from Canada is weighed with ten per cent. duty, while it is (or was until lately) *admitted free* at the seaboard, and their tariff, based on Protectionist principles, has always been much higher than we have imposed.

CONCLUSION.

From this (necessarily) brief consideration of this important question, it must be evident that Reciprocity has been of immense advantage to both countries. There are those in the United States, as there are a few in Canada, who, taking counsel of national prejudices or class interests, desire its abrogation. But the best interests of both the United States and Canada will be promoted by its continuance. To use the words of the Detroit Board of Trade: "It has been what all treaties should be—A MUTUAL BENEFIT, conferring on both contracting parties ADVANTAGES AS NEARLY EQUAL AS POSSIBLE."

If any change in the existing Treaty is desirable, let us not recede from the enlightened principles of Reciprocity, and tarnish the noble example we have set to other lands. Rather let us go forward, and draw closer the bonds of commercial intercourse. One path leads to the decline of our trade—to bitterness and strife; the other will increase the blessings of commerce, and cement more firmly the ties of friendship and of peace.

THE EUROPEAN ASSURANCE SOCIETY.

Report of the Directors for the year 1874. Read at the Annual General Meeting of Shareholders, held at the offices of the Society, 2 Waterloo place, Pall Mall, London, on Thursday, the first day of June, 1875.

The Directors, in presenting to the Shareholders the following Report for the year ending 31st December, 1874, have pleasure in congratulating the Shareholders on the progress of the Society.

The Premiums on the New Life and Guarantee Policies issued during the year amount to £23,149 16s. 6d. This sum does not include the New Business effected by the Association hereafter referred to, and now united with this Society.

In accordance with the recommendation of the Shareholders at the last Annual General Meeting, the

Directors entered on the business of Fire Insurance in June last. The Premiums received in this department amount to £13,259 17s. 11d., and the Fire Losses during the same period amount to £6,375 1s. 3d.

The gross amount actually received in Premiums during the year was £169,658 12s. 7d.
The following Statement exhibits the Progress of the Society's Premium Revenue during the past six years:

1869.	1870.	1871.	1872.	1873.	1874.
£103,451	£119,658	£131,087	£133,163	£153,588	£169,658

The Life and Guarantee Claims paid during the year, including Bonus additions, amounted to £86,717 4s. 10d.

The Increase in the Assets of the Society during the year has been £52,925 18s. 10d.

The Society having a large Guarantee Business in India, the Directors deemed it prudent to open a Branch in that country, and from the reports already received they have reason to anticipate most favorable results.

The Directors are happy to report that the business of the Branches in Australia and Canada continues to be most satisfactory.

At the commencement of the present year the Directors entered into a negotiation for the union of this Society and the British Nation Life Assurance Association, and they have the pleasure to announce that, under the advice and recommendation of Mr. Finlason, the Government Actuary, this union has been completed. The results of the union, the Directors feel, must be regarded by the Shareholders with great satisfaction. The Subscribed Capital is raised to upwards of £700,000; the number of Shareholders to more than 1,200, the Annual Income to upwards of £300,000; while the New Premium Income of the United Companies for the year 1874 amounts to £46,507.

The progress of the Societies since the union has been highly satisfactory. The Premium Income derived from New Business during the last two months is at the rate of more than £50,000 a year, an amount considerably in excess of that effected by the two Societies in their separate condition, and the Directors fully anticipate that this rate will be still further increased as the various Agencies are brought into a greater degree of efficiency.

In conformity with the Deed of Settlement of the Society, John Cheetham, M.P., John Field, and Henry Wickham Wickham, M.P., Esquires, Directors, and John Parker, Esquire, Auditor, will retire from office, but being eligible, offer themselves for re-election.

On the union of the two Societies, George Frederick Anderson, George Birmingham, M.D., Henry Desfili, James Furnell, Robert Wallen Jones, Robert Norton, M.D., and George Charles Richardson, Esquires, Directors of the British Nation Life Assurance Association, being duly qualified, were elected Directors, and the Board recommends to the Shareholders the confirmation of their election.

Consequent on the transfer of the business of the Mercantile Union Fire Company, the following Gentlemen, being duly qualified, were elected Directors, viz. Robert Crawford, James Jennings, Sidney H. Hadler, Sydney H. Hodges, Cyrus Legg, and Paul Margotson, Esquires, and the Directors recommend the Shareholders to confirm their election.

By Order of the Board,
W. CLELAND,
Secretary.

REPORT OF PROCEEDINGS AT ANNUAL GENERAL MEETING.

The Annual General Meeting of Shareholders was held yesterday afternoon, H. WICKHAM WICKHAM, Esq., M.P., in the chair, and was more fully attended than we ever remember to have observed at an annual meeting of this Society.

Mr. CLELAND (the secretary) read the notice convening the meeting, and the directors' report.

The CHAIRMAN, who was loudly cheered, said—Gentlemen, the report for the year and the statement of accounts having been read to you, it becomes my duty to make a few remarks on the business of the past year and on the occurrences that have taken place since I had the pleasure of meeting you about twelve months ago. When I met you at that time I took occasion to congratulate you on the then prosperous state of the Company, and if I was justified in doing so then I feel I am much more strongly justified in repeating what I then said, I may very truly say that I never met the Proprietors under such advantageous circumstances as I meet them to-day. (Hear, hear.) You will see by the report that the new premium revenue has exceeded the sum of £23,000 during the past year, and if the premium income of an association to which I am about to refer presently had been added to it, it would have amounted to about £40,000 in the year—(hear, hear)—an amount of new business larger, perhaps, than that of any other life Company in the kingdom. (Cheers.) At the last meeting it was urged upon us by the proprietors that we should add Fire to our Life and Guarantee business and adopting the recommendation of the shareholder on that occasion we took steps immediately after; wards to make an agreement with an existing Fire company, and upon that agreement we have worked from the month of June. The report states the amount which has been received in premiums and the losses which had occurred up to the end of December. I hope that the Fire business will be largely increased during the next twelve months; and I think there are symptoms at present that we are likely to make a very material improvement in that branch of the Society's business in that period. (Hear, hear.) Part of the agreement with the directors of the Mercantile Union was that two of the gentlemen on the Board of that Company should be added to this Board; and their names are mentioned in the present report as having been already elected by the directors; and we hope the decision we came to will be confirmed by the pre-