

future attempt to make a permanent settlement of a somewhat difficult question, and whatever there is objectionable in it must be borne in the hope that our forbearance will produce fruits which will be valuable to both the contracting parties. In any event, Canada will have given to the United States proof of friendship and good neighborhood, which it will be for our neighbor to recognize when the time for action comes.

A reciprocal arrangement for the exchange of the produce of the two countries is precisely what would best suit the Maritime Provinces, which have, in one sense, a special interest in the fisheries. Whether such an arrangement can be arrived at, it will be the duty of the contemplated commission to enquire, and if possible to arrange the basis of such exchange. Some Canadian journalists take the ground that any Reciprocity treaty with the United States must be confined wholly to raw produce. Should the Government take this stand, it is not probable that any treaty can be agreed upon. We must, it is said, maintain the National Policy; but there is no reason why we should convert it into a perpetual monument of national folly. In 1862, Sir A. T. Galt, then Minister of Finance, proposed to give greater scope to the principle on which the Reciprocity Treaty was based, by abolishing the coasting restrictions of the two countries and adding to the free list wooden wares, agricultural implements, machinery, and books; and the treaty, which Mr. Brown tried to negotiate, was, with the consent of England, to include certain articles of manufacture. The question is not, it must be confessed, so easy to deal with as it would have been at either of these periods. The protectionism of our tariff imposes an obstacle which did not exist before. Nations which like the United States, indulge in protection on their own account, are most impatient of it in others. The United States complained more than England did when we raised our duties to 20 per cent. On the other hand, we are in effect told, as we were sure to be, that we owe conservation to manufactures which our protective tariff has called into being. Against reciprocity the protected interest will fight. Will the Americans agree to a treaty which merely includes raw produce? If this question stood alone it would without hesitation be answered in the negative. But it does not stand alone; the Americans desire access to our inshore fisheries. At the same time, the men most interested in getting that access, the fishermen, are not even willing to give, as some equivalent, the freedom of their market for our fish. Gloucester fishermen are the first to depreciate the idea of giving that equivalent. They think that somehow they will get access to our inshore fisheries and they insist on having the American market exclusively to themselves.

If the American nation were composed wholly of fishermen there would be no hope in this direction; fortunately there are in it some people whose interests lie in another direction. That the attitude of the Gloucester fishermen is opposed to the general interest of the nation is unquestion-

able. But it is always thus with special interests; they seek their own good not that of the nation at large, and they ask the public to believe that any profit which goes to themselves is a peculiar national benefit. The men who controlled the carrying trade of the State of New York in 1862, carried their antagonism to the general interest to the greatest extreme when they made it a subject of complaint that Canada had removed every obstruction in the way of American commerce seeking the St. Lawrence route. This was the gratitude which they expressed for our sacrificing the canal tolls and abolishing the tonnage dues on Lake St. Peter. It is the duty of the statesman to guard the general interest while giving fair play to individual effort; and should higher views than Ben Butler would wish to impose on Congress be accepted, the chance of a reciprocity treaty may count for something. But we shall not get it if either party to the negotiations listens to the advice of its Ben Butlers.

A treaty confined to raw produce would not be what it was in 1854. During the existence of the treaty concluded in that year, the United States was practically the only foreign market Canada had for her surplus cattle. Now, both countries find in England a common market for cattle. This change would lessen but it would not destroy the benefits which reciprocity in the cattle trade would confer upon Canada and the United States. If the coasting trade of the lakes were made common to both countries, great mutual advantages would be found to result from the removal of the existing restrictions. Great objection would be made by our manufacturers to include in the free list, as Sir A. T. Galt proposed in 1862, wooden wares, machinery and especially agricultural implements. The number of manufactures which it would be possible to admit to the free list would necessarily be restricted, but they could not be wholly excluded, and perhaps some might be admitted at a reduced rate of duty, provided there were no discriminations against British goods. It must be distinctly understood that any treaty which may be made leaves each of the contracting parties at full liberty to subject to whatever duties it may think proper all articles which it does not specially include.

#### LIFE INSURANCE RESERVES.

This important subject is likely soon to occupy the attention of the underwriting world, more than at any time since the adoption of the level premium plan, so universally approved by all the better class of companies, and indeed by every company which has achieved success, in this or any other country.

What directs special attention to the subject just now, is the attitude of certain pretentious co-operative companies, which profess that they have discovered a new—and a better—plan one under which no reserve is necessary, except such as may be paid on account of assessments over and above what is needed to meet maturing claims.

Logically, their contention is, that so long as their insurers live there is nothing

at risk, but when all have died, the necessity for reserve first appears, to meet—the demands of the promoters. In other words, no matter how large the amount at risk while members are living, there is no liability, but, after the members are all dead, one-third of all the money paid as assessments must be in hand! For what?

There is nothing new in this much vaunted system except the practice of adding thirty three and a third per cent. to the mortuary assessment, which amount is carried to reserve arbitrarily, without anything more than the shallowest pretence that there is any mathematical foundation or warrant for the procedure. No one who is at all acquainted with the science of life insurance will deny that, in the early years of the contract it is possible to give insurance at very low rates, but it is equally well understood that each year must increase the premium until, as time passes, the risk of dying having become much greater, larger premiums must be collected to meet the increased hazard, unless an ample reserve is laid away somewhere. And, as these plans provide for no such reserve bitter disappointment must result to those who have been led into this kind of insurance.

Of course everything may be plain sailing at the outset, but just as certainly as people grow old, just so surely will the payments become onerous enough to be in most cases beyond the power of the duped ones to pay, and then the whole system will be brought into disrepute. It is bad enough to be loaded up with obligations assumed voluntarily and with a full knowledge of the facts; but to be induced to adopt a form of insurance on account of its supposed cheapness, only to find that it is a delusion and a snare, is still worse.

As far as possible intending insurers should see the end from the beginning, and if they will take the trouble to investigate any of the specially cheap plans, they will hesitate to adopt them except for mere temporary life insurance on their lives. Above all they should not lose sight of the fact that many of these cheap schemes are devised with the express intention of making the payments so heavy in the later years, that the policies will lapse, and the risks be thus cut off.

Let them understand once for all, that there is no such thing as reliable insurance furnished at permanently cheap rates. The companies must have the premiums, or they cannot pay the policies when they mature.

One discouraging feature of the outlook is, that some of the so-called old liners seem, if not to have lost faith in their system, to feel called upon at least to meet the abnormal demand, which now seems to be prevalent, for cheap plans of life assurance. This is no time for trimming, but a time when all reliable companies should unite in presenting a solid front against these cheap-jack innovations, which must inevitably result in grievous disappointment. Unpleasant though the task may be, it is clearly the duty of the faithful journalist to point out whatever seems likely to prove misleading; and the public must be told that insurance, to be worth anything, must be paid for, sooner or later, and