

dollar; and many a housewife was thus building up a library of novels for herself or of poetry for her children, and wondering how such a miracle of cheapness was wrought. When the tea was drawn and tasted, the merchant told us that it was a mixture of very cheap black and Japan, flavored with orange Pekoe, and that it was worth probably 22 cents per pound instead of 60 cents. Next we inquired as to the books distributed, and found that they were imported, often as job lots, at from 18 to 25 cents each, and made to figure as "dollar prizes." Out of thirty odd cents profit per pound on each, 5 lbs. tea, the shrewd dealer could easily afford to give away a twenty-five cent book, and still make money. Doubtless the crockery gift tea shops do something of this kind, and people by no means get what they imagine. But then, shoppers are so fond of getting something for nothing, that they deserve to be fooled.

—On Friday last the half-yearly statement of the Bank of Montreal was issued, covering the six months ended October 31. The figures show a net profit of \$710,815, or something less than 6 per cent., a new item in the form of \$50,000 reserve for bank buildings "to be erected," and which reduced the balance of profit and loss carried forward by that sum. The showing was generally regarded as satisfactory. The net profits show an increase of \$45,757 over the same period in 1887. Compared with former years the earnings of this period show well. The following were the net profits for the half-year in eight years:—1888, \$710,815; 1887, \$665,058; 1886, \$765,228; 1885, \$662,765; 1884, \$662,994; 1883, \$692,668; 1882, \$736,718; 1881, \$661,891.

Statement of the result of the business of the bank for the half-year ended 31st October, 1888:—

Balance of profit and loss account 30th April, 1888.....	\$ 690,241 52
Profits for the half-year ended 31st October, 1888, after deducting charges of management, and making full provision for all bad and doubtful debts	710,815 18
	1,401,056 70
Amount reserved for bank buildings to be erected	\$50,000
Dividend 5 per cent., payable 1st December, 1888	600,000
	650,000 00
Balance of profit and loss carried forward	751,056 70

Correspondence.

FOREIGN TRADE.

Editor MONETARY TIMES:

SIR,—Your article in this week's number entitled "A Word Upon Foreign Trade" is not only well worth the attention of Canadian merchants and shipowners, but of the Dominion Government also. The Trade Promoting Company of St. John, N.B., not only deserve praise, but profit as well, for their efforts to establish direct mail and freight communication with the West India Islands. But the writer considers direct trade with the Argentine Republic of much more importance to Canada, and likely to result more profitably both as regards exports and imports, but possibly a line of steamers could make it pay to take in both countries on their outward and homeward voyage.

I notice by your article that the exports from the Argentine Republic are headed by the article wool, amounting to \$37,000,000. Canada is now, and has been for years, (comparatively with her population) a large importer

and consumer of foreign wool from all parts of the world, including Africa (the Cape), Australia, New Zealand, the Argentine Republic, also Great Britain, the continent of Europe, the Levant, East India, and other countries, but direct only to a very limited extent. As we are situated now, and have been for years, the great bulk of these imports come to us in bond through the ports of Boston and New York, and the wool merchants of these cities virtually control the Canadian market.

If you will allow me I will explain how this works. In the first place, Boston alone handles more wool annually than any other two or three Atlantic ports, and perhaps I should not be far from the mark if I were to say all Atlantic ports including Halifax and Montreal—being most conveniently situated for supplying the large mills in Massachusetts and other Eastern States. That city possesses facilities for direct importation of this "staple" unsurpassed.

Now while the United States tariff calls for a duty of 2½c., 10c., 12½c., up to 60c. per lb. on different grades, according to cleanness, wool is admitted into Canada free. The wool merchants of Boston and New York, who are generally ship owners as well, with large capital and direct communication by their own vessels, carrying outward and return cargoes, have not only the trade of their own country but can dictate prices and control the trade of Canada as well. You say, how is this? Well, it is just this way: when cargoes of Cape, Monte Video, Buenos Ayres, or Australian wool arrive in Boston or New York, they are stored in bonded warehouses, and sold in bond to the manufacturers, who take the goods out and pay duty as they require them.

It is understood that the United States Government only allow wool to remain in bond for a limited time, say two to three months, at the expiry of which the bond must be cleared. The merchants, rather than pay the duty, and thus double their capital invested, invariably have recourse to our free markets as a dumping ground for all their remnants of this nature, and offer greater inducements to our manufacturers in the way of time (with or without interest) and cut the prices so that the Canadian wool dealer has no chance with them.

Now I argue that as long as this arrangement lasts, Canada can never expect to do a direct import trade with the Argentine Republic, the Cape, Australia, or New Zealand, or any other country excepting China and Japan, and there in teas only.

Why should the Dominion Government not treat this wool question and other questions relating to direct trade in the same way as they do the tea and coffee trade, admitting them free when imported direct via Montreal or Vancouver, and charging a duty if bulk is broken at a U. S. port, but admitting free when shipped from London and Liverpool and all other countries?

Canada had to take this course in retaliation for the United States putting on a discriminating duty on teas, etc., against England and all parts east of a certain degree of longitude. The result of this wise policy is that it can safely be said Canada controls the tea trade; why not do the same with wool and other raw materials? Then, and not till then, we may expect to build up a trade with foreign countries, employ our shipping in carrying cargoes to and from these countries, securing an outlet for our products—lumber, flour, fish, furniture, cotton and woollen manufactures, boots, shoes, wines, liquors, hams, bacon, apples, potatoes, &c., enabling our banks and wealthy merchants to utilise their capital and by this means make Montreal and Toronto not only competitors with Boston and New York for the Canadian trade, but possibly convey the war into Africa; and thus supply the United States manufacturers with wool and other raw products from our own ports. While on this subject, can anyone explain why the marine insurance ranges from 10s. to 12s. 6d. per cent. on goods from Liverpool or Glasgow to Halifax and Montreal, while the rate to Boston and New York is only 6s. 8d. to 7s. 6d.?

Apologising for taking up so much of your valuable space, and trusting abler pens than mine will ventilate the subject referred to, and lead to an increase of our direct importations of raw materials.

"PISCATOR."

Toronto, 10th Nov., 1888.

WHAT ARE ASSESSMENT SOCIETIES?

Editor MONETARY TIMES:

In the article headed "How they sunk their money," which appears in your issue of the 12th October last, the writer states that "a mutual assessment society is simply an unlimited partnership in which those who have the means must foot the bills of those who have no means to pay with." This may be true of so-called mutual speculative societies, and it may be equally true of a loosely-organized so-called regular insurance company, but it is not true of any fraternal society extant. In all fraternal, friendly, or benevolent societies of the class mentioned above, contracts are not made with individual members; they are simply associated together under a mutual agreement, governed by by-laws subject to amendment as the exigencies of the case may demand. So long as a member stays and pays he is entitled to the benefits of the society as fixed by the by-laws. When he ceases to pay both his membership and liability end, and I know of not a single exception to this rule in all the hundreds of fraternal societies with whose working I am familiar. And I challenge the writer of the article, to which this is intended as a reply, to cite a single instance where any ex-member of a fraternal society has been required to pay after the forfeiture of his membership.

As to the stability of fraternal assessment associations, I make the statement that not a single one ever organized on this continent (and they were started forty-two years ago) on an equitable basis, such as to secure for it any degree of prominence, has yet failed. Such a record is unparalleled in the history of any other insurance business. Contrast it with that of the record of "regular life companies." Since life insurance became a business feature on this continent, less than 50 years ago, eight hundred and twenty-two companies have been organized; only 45 remain. No man ever put a dollar in one of them that he did not have full confidence that it was sound. The wreck of these 777 "regular life co's" represents tens of millions squandered in \$50,000 a year salaries, grand offices costing fabulous sums, 50 per cent. and even higher premiums paid agents, and in every known form of extravagance in the hope of bolstering up the rotten hulks. Contrast this with the glorious record of work done and good accomplished at an average cost of about ¼ that of regular life by fraternal, friendly and benevolent societies both in this country and England. Fraternal assessment insurance has been in successful operation in England for hundreds of years. I will mention a few societies still in existence varying in age from 51 to 192 years.

Clergy Mutual of England, organized	1829
Equitable " "	1762
Friends' Provident " "	1832
Hand in Hand " "	1696
London Life Association " "	1806
Metropolitan " "	1835
Mutual " "	1831
Scottish Amicable " "	1826
Scottish Equitable " "	1831
Scottish Provident " "	1837
Scottish Widows " "	1815

The first record of similar associations on this continent, except as branches of the above named companies was

Mechanics' Mutual Aid Society, organized	1846
Southern Tier Masonic Relief Ass'n " "	1868
Expressman's Mut. Benefit Ass'n " "	1868
Oddfellows' Mutual Benefit Ass'n " "	1868
Telegraphers' Mut. Benefit Ass'n " "	1867
Mutual Benefit Life Co. " "	1869
Teachers' Mutual Life Ass'n " "	1869
The Ancient Order of U. Workmen " "	1869
Masonic Life Ass'n of West'n N. Y. " "	1872

These are all alive and prosperous, and paying losses strictly according to agreement, and not one of them seeking shallow pretexts on which to dispute or compromise claims. I ask all intelligent readers to draw their own conclusions.

FRATERNAL.

—A political speaker in St. Lawrence county began his remarks by quoting from the Bible: "In the beginning God created the heaven and the earth." "Now," said he, "let us have that understood. Unless we do some one will claim that the Republicans did it."—*Rome Sentinel*.