

being 2.9 cents per bushel. But last year, the extraordinary spectacle was seen of vessels and steamers carrying grain over this long water route, a thousand miles, for 1½ cents the bushel.

Coal has, of course, been greatly cheapened to the West by reduced prices of transportation. Even within ten years the rate per ton from Buffalo or Ohio ports to Duluth or Chicago has been practically cut in two. In 1886 and 1887 vessel men obtained 86 cents and \$1.06 per ton for carriage; in 1894 all they got was 25 to 46 cents, as to port. It requires some exertion of the mind to realize, as Mr. Callahan puts it, that a ton of coal can be carried 1,000 miles by water for the same price as is charged by a laborer in a city for transferring it from the sidewalk to one's cellar.

A lake fleet of steamers, whose capacity is estimated at 12,000,000 tons, is yearly engaged in transferring grain from Chicago to Buffalo. On the 25th March last there was, according to statements by an authority in that city, between 30,000,000 and 40,000,000 bushels of grain at that port, 4,500,000 of it in floating craft waiting for the opening of spring and the remainder in the elevators. During the year 1894 there were no fewer than 8,329 steam and sail vessels entered the port of Chicago and 8,407 cleared.

It is common and it is natural to insist upon the economy of modern low rates of carriage, and the millions saved to the farmers of the west by low freights on the lakes is often and eloquently stated. But nothing is said, not even by way of a dirge, of the scores and hundreds of vessels superseded by these steel monsters of to-day—nothing of the millions of capital invested in smaller craft, which is impaired or cancelled because such craft cannot be made to carry cargo so cheap, relatively, as the new 3,000 or 4,000-ton boats. Yet the problem is a serious one for owners or stockholders in smaller vessels. Where is this extension of size in vessels, and deepening of waterways and harbors, to end? The eagerness of the Americans to overdo enterprise, and the impulsive way they dash at novelties, was well satirized by an old vessel captain of Detroit last fall, who, when asked what he thought of the Twenty Foot Channel, replied; "Oh, I reckon its all right, so far, but it won't stay right very long; for as soon as they get the channels and harbors deepened to 20 feet, along will come some enterprising d—n fool and build a boat with 21 feet draft, and then raise heaven and earth to have Uncle Sam begin digging all over again."

#### THE AFFAIRS OF THE MUTUAL RESERVE FUND, OF N. Y.

Mr. Pierce, Superintendent of the New York State Insurance Department, has had an official examination made of the N.Y. Mutual Reserve Fund Life Association. It is not likely that President Harper will spend quite so much of the funds of the society in publishing this report as he has done in the case of those made by some of the outside State Superintendents, for the New York official recommends "a conservative and more economical administration of affairs." Superintendent Pierce does not shut his eyes to anything he deems improper in any company's practice, and while he admits the company's solvency, his report condemns several evil things in the doings of the Mutual Reserve. "I deem it my duty," he begins, "to make certain recommendations which, in my opinion, will protect the interests of the membership." From whom do the members need protection? The sequel will show it is the officers who have been guilty of impropriety. He proceeds:—"It appears from its statement of the past year,

that \$358,504.88 of the mortuary receipts of \$3,525,162.16 were used in expenses."

These mortuary receipts were to have been held sacred from dissipation. But here was the great sum of \$358,504.88 completely used up in one year's extravagant expenses, over and above the admission fees, and the \$3 per \$1,000 which the members pay, specially, every year, for expense purposes. The Superintendent admits that Section 1, of Article V., appears to permit something of the sort, but he appears to think the annual dues and admission fees should be sufficient, and that if anything is to be taken out of the mortuary fund to supplement them, the "by-laws should be so amended as to explicitly set forth the exact percentage of mortuary assessments which may be used in expenses if necessary." The officers have promised to attend to this, and will, no doubt, by means of proxies obtained through agents, be able to vote that the by-law be changed accordingly, and that the expenditure was necessary to the prosperity of the society in the past, and will continue to be in the future. But where is the boasted security for the distant future, if that fund is to be thus voted away in current extravagance? The straightforward course would be to call for an adequate expense fee for each \$1,000 of insurance in force. When the association started, \$2 a year was all that was ever to be devoted to expenses in addition to the \$8 admission fee. But in a very few years the vanity of the officers in publishing long-winded and frothy speeches all over the world far outran the \$2 limit, and in October, 1866, \$3 from all new comers was substituted. Those who got in during the \$2 regime of economy continue to pay only \$2 per \$1,000 each year, we believe, while all others pay \$3. But the expenses have so far outrun this provision as to call for Superintendent Pierce's strong protest. He says that by the increase of the business "the income from the admission fees and dues is correspondingly increasing, and the same are available for expenses." Oh, yes, of course, it might be said, but then the \$358,504.88 came in so easily, our members did not feel it, and it will be made all right by a vote at next annual meeting.

Then, again, the constitution of the society, as set forth in its earlier documents, provides that "Twenty-five per cent. of each assessment is set aside as a Reserve Fund, and may be used for three purposes:—(a) to guarantee the payment of all certificates in full; (b) to pay all death claims over the American mortality tables; (c) to make policies self-sustaining after 15 years' membership." But Superintendent Pierce now finds: "It appears that since January, 1889, twenty-five per cent. of the net mortuary assessments have not been placed to the credit of the Reserve Fund," and this, he explains, is in accordance with an amendment then made to the constitution; but this amendment, he points out, "is in contradiction of Sec. 1 of the same article," and, therefore, he concludes, "this section of the constitution or by-laws is now inoperative and should be rescinded."

Next, the Superintendent criticises the "bond statements" issued by the society to members at the end of five years, and to be used ten years later, "towards the payment of future dues and assessments, provided the Reserve Fund has not, in the interval, been used for the payment of death claims. Such a state of things," he declares, "in the affairs of a great corporation, by which a large future liability is created and exists, should be corrected." He concludes this branch of the subject by the statement: "The issuance of these bond statements, the value of which is so remote and contingent, is such as not to meet with my approval."