this enormous drain if they had not a proper reserve fund' from which to draw the interest income that now fully provides for the annual deficiency? And how many good lives would remain and contribute next year, if they were built upon the assessment system, and had to assess for $50 per $1,000 plus $3 or $4 more for the year's expenses?

Besides the above eight British companies there are four American companies with large investments at Ottawa, which do not now push for new business in Canada, and whose outgo for claims is very much larger than their income from premiums, large as some people think level premiums to be. The following is a similar statement respecting them:

Company.	Years.	Premiums	Become Claims.	Deficiency.
Conn. Mutual, of Hartford..	1896	$41,832	$ 88,200	
	1897	33,767	103,250	$115,851
Phœnix Mutual, of Hartford..	1896	20,240	33,630	
	1897	20,039	35,311	28,662
Northwestern Mutual, Milwaukee	1896	13,858	12,285	
	1897	13,436	21,268	6,259
National Life, of Chicago...	1896	2,048	14,960	
	1897	1,583	None.	11,329
Totals, for two years		$146,803	$308,904	$162,101

The amount of life insurance now in force in Canada on the books of these four companies on December 31st, 1897, was $2,914,780. The claims in two years called for $308,904.

The cost was, therefore, a little more than a hundred dollars for each $1,000 carried two years, making a rate of a little over $50 per $1,000 per annum.

Now if half the remaining policy-holders in these twelve companies are in good health, and that half were to drop out in 1898, could it be said that it had cost the companies nothing to carry the insurance upon their lives during the past two years? The cost has been double their contributions during that time. But apart from this comes the loss to the companies of so many healthy lives and their future contributions, leaving only uninsurable ones and rapid growth of claims against increased shortage of income. Everybody knows that it costs money to a fire insurance company to carry a million or a thousand dollars of risk for three years in any town, even though no fire occurs in that particular town for that three years. And no fire or life company deems "all that has been paid in so much gain," nor counts it an addition to its assets to have $7,097,546 of its best business go off its books.

CENTRAL AMERICAN TRADE.

Several years ago THE MONETARY TIMES was able to furnish its readers with particulars of the trade of Central and South America, derived in large part from the reports of William Eleroy Curtis, special commissioner from the United States to various Southern republics. This gentleman, by virtue of his repeated visits to those countries, and his exhaustive study of South and Central American affairs, is recognized as an authority thereupon. It is of interest, therefore, to find, in the May Forum, an article from his pen upon the "Resources and Commerce of Central America.

The chief reason, he says, for the failure of the Central American republics to keep pace with the progress of the rest of the world lies in the ambition and avarice of their political leaders. "Misgovernment is the great obstacle to their development and prosperity." The people are patient, patriotic and long-suffering; too apt to submit to any form of government. And this latter peculiarity keeps them poor, preventing the development of their natural resources, keeping immigrants away and frightening capital from making investments.

While glancing at Mexico, Costa Rica and Nicaragua, the article deals especially with Guatemala and Salvador. In Mr. Curtis' opinion Guatemala is further advanced in modern improvements than any other, which is largely due to the progressive ideas of the late Justo Barrios, President from 1874 to 1886, when he was shot from an ambush. To-day, it appears, nine-tenths of its commerce is on the Pacific Coast, and the private railways, owned by New York people, furnish outlets for the coffee crop on the Pacific slope of the country. Coffee is the chief staple; the mineral wealth of the country is supposed to be great, but it is only slightly developed. Sugar, tobacco, and other tropical plants are readily raised, but the sugar mills are idle since the enactment of the Wilson-Gorman tariff law in the United States. Bananas form an easily grown and prolific crop.

The foreign commerce of Guatemala varies with the volume and the value of the coffee crop. The exports from her have reached $26,000,000 in silver, and they average $15,000,000. Imports vary from say $7,000,000 to $10,000,000 in silver, according to the purchasing power of the people. Although the United States is so near, it has but a small share of the commerce of Guatemala. The greater part of the coffee grown in the country goes to Europe, and is there exchanged for manufactured goods of every variety. The largest item of imports is wearing apparel, consisting mostly of cotton fabrics; but nearly every article known to the wants of men is mentioned in the invoices. There is room for business between our Maritime Province ports and a country that buys ten millions worth a year.

Very interesting is the sketch given of Salvador, which, though the smallest in area of the Central American republics, is "by far the richest, most prosperous, most enterprising and most densely populated. It is about the size of New Jersey, has 800,000 inhabitants, of whom only 20,000 are white, and almost every acre is under cultivation." In one respect nature was unkind to Salvador, *i.e.*, in furnishing her facilities for foreign commerce, for "although the little republic stretches like a ribbon along the shores of the Pacific, there is not a harbor upon its coast.' All freight and passengers are transferred between the shore and the ships by lighters, which are moored to iron piers.

The products of Salvador are among the most profitable of the world. The soil is rich, deep, and easily cultivated. The chief staples are sugar, coffee, indigo, tobacco and balsam, with several by-products which obtain high prices in foreign markets. In 1895 they reached the sum of $18,847,625 in silver, of which the greater part came to the United States. The imports usually average $2,000,000, and comprise cotton goods, silks, woolens, boots, shoes, wearing apparel, wines, fancy food products, hardware, railway supplies and other manufactures of iron, furniture, jewelry and other articles required by the luxurious tastes of the white inhabitants.

The mining industry has been carried on in Salvador with profit ever since the conquest of the country; and, although there have never been any rich strikes, some of the mines have paid dividends for centuries. Silver, gold, iron, copper and quicksilver are found in abundance, and the stone quarries are the best in Central America. There are several short railways connecting the coffee districts with the sea. The highways are better than those of the neighboring countries; every town and settlement is connected by telegraph, and there are telephones in all the offices, counting houses and principal residences.