

but was finally adopted.] There is an effort being made by a prominent firm of distillers in Toronto to withdraw a large quantity of spirits from the bonded warehouse on payment of the old duty, but the Government seems determined to exact the higher rate on all that were in the warehouses on the 6th inst. The effect of adopting a different policy would be to hand over a large amount of the tax paid by the consumers to private firms.

### THE UNITED STATES TREATY CIRCULAR.

Considerable uneasiness was felt for some days last week, especially by those interested in Canadian railways, as to the effect of a circular issued by the Treasury Department of the United States, the effect of which it was imagined might have been to divert the traffic of the West from the Canadian route. Sir John Macdonald explained in his place in Parliament that the intention was merely to put a stop to the practice of unloading cargo at the entrance of the Welland Canal on Lake Erie, transporting it on the Welland Railway, and reshipping it at the Lake Ontario end. There were, however, many who were of opinion that it went much further. The following circular not only removes all the apprehension that at one time prevailed, but affords room for hope that even what relates to the Welland railway will be reconsidered:

WASHINGTON, July 11.

Collector of Customs, Oswego:

SIR,—Referring to your letter of the 8th inst. in regard to the internal effect of the circular of this department of 2nd inst., in which the instructions given to customs officers in the matter of the transportation of merchandise through Canada by routes part rail and part water, your attention is invited to the following statement of facts:—Under article 20 of the Treaty of Washington, transportation by all railroads from one port in the United States, to another through the Dominion of Canada and from one point in Canada to another through the United States is authorized. Under article 30 of said treaty transportation through the territory of both governments by routes partly by rail and partly by vessels on the great lakes and connecting waters is authorized.

By an Act approved March 3rd, 1883, Congress directed the discontinuance of the 30th article referred to from and after July 11, 1885, and notice to that effect was promptly given Her Majesty's Government through our Department of State immediately after the approval of the said Act. The circular of this department of 2nd inst. simply directed Customs officers on the northern frontier to continue shipments of merchandise passing through Canada under transit manifests between Ameri-

can ports by routes part rail and part water, and instructed them to hereafter treat goods arriving at their ports by such routes as importations from foreign contiguous territory—that is to say, that such goods upon arrival should be entered. Of course, if merchandise so arriving is of domestic production, it will be admitted to free entry on presentation of proofs and in the manner prescribed by law and regulation. Merchandise arriving by all-rail routes will be treated as heretofore, the twenty-ninth article of the treaty not having been terminated. That portion of your letter relating to the use of the Welland canal and incidental ports re portions of cargoes by means of the Welland railway will be further considered by the departments.

The following extract has an important bearing on the same subject:

### THE CARRYING TRADE.

#### THE LAKE CARRIERS' ASSOCIATION TO PRESIDENT CLEVELAND.

BUFFALO, July 12.—The Lake Carriers' Association, having learned that an effort is to be made by the Canadian Government to have President Cleveland continue in force article 30 of the Treaty of Washington, have sent the following protest to the President:—

BUFFALO, July 10, 1885.

Hon. Grover Cleveland, President, Washington, D.C.:

DEAR SIR,—We understand that an effort is being made toward the extension of article 30 of the Treaty of Washington, which by proclamation of President Arthur, dated January 31, 1885, was made to terminate on July 1, 1885. We beg, on behalf of the lake carrying trade of the United States, to enter a formal protest against such action. This article, as we understand it, gives to British subjects the right to carry freight in British vessels from one port of the United States to another, provided a portion of the transportation is made through the Dominion of Canada by land carriers. That is, American grain or flour may be taken in Canadian bottoms from Chicago, Milwaukee, or Duluth, delivered in Canada at Sarnia or Collingwood to Canadian railways, and be transported by them to Buffalo, Ogdensburg, or other points of re-entry into this country, to be thence carried to destination. The competition we have met with under this article has been serious, and we think that we should be protected from it, so far as the interests of the public will permit. We ask that the provisions of this article be not extended without opportunity for full investigation and hearing.

Respectfully yours,

S. D. CALDWELL, President.

FRANCIS ALMY, Secretary.

### THE MUTUAL RESERVE FUND LIFE ASSOCIATION.

We are indebted to the courtesy of the New York State Superintendent of Insurance for a copy of his official report on the standing of the Mutual Reserve Fund

Life Association of the city of New York, which, in view of the prominence given that last, though not least, of the life companies entering the Canadian field of insurance, must possess some interest for the general public. We purpose stringing together a few extracts from the head of the report, reserving the body of it for future treatment. After referring to the organization of the association, early in 1881, and the provision in its plan that 25 per cent of the net receipts from each assessment shall be held as a reserve fund, the departmental inspectors proceed to deal with their mode of examination. The total collected for health assessments from Feb. 8, 1881, to May 31, 1885, was \$1,408,337, the whole of which is accounted for, save a small amount, \$822, embezzled by a former assistant cashier.

"Up to about six months ago," says the report, "the books and accounts were kept in a very irregular and unsystematic manner. The officers, however, have shown every disposition to improve the system by introducing such checks upon those handling the funds of the association as suggested themselves from time to time. Since the first of January last the books have been kept in better order, and, with a few improvements which have been suggested, and which the officers have taken measures to put in force, it will be an easy matter hereafter to verify the receipts and disbursements. The system of payments and retention of vouchers has also been very loose, but the officers say that they will hereafter insist on having itemized and receipted bills for all disbursements, and filed in regular order. The trouble has been that the methods of bookkeeping above referred to were those adopted when the Association was in its infancy, and its growth was so rapid that those methods proved insufficient. We found the officers not only willing, but anxious, to adopt any measure affording a better protection of the funds and a satisfactory auditing of the accounts."

The Death Fund of the association is composed of 75 per cent of the net receipts from assessments, plus the interest from the Reserve Fund. In the assets of said fund there is included the amount collectible on assessment No. 20, and also the amount which the Association is authorized by law to assess upon the members for unpaid death losses, not including the additional amount for the Reserve Fund. In the liabilities there is included the amount necessary to pay all certificates on which losses have been reported to the Association. The officers state that many of these losses are not valid claims against the Association, by reason of fraud or lapse of policy; and the registers show that of the certificates on which losses have been reported at least \$53,500 appear to have lapsed before the death