

L. Hurst, F. W. Forman, D. Edson Martin, and Thos. N. Cream, M.D., to say for themselves, and for their promises to give life insurance at a cost of less than \$10 per \$1,000, even after the "Provident has been thirty-five years in existence"! And what have Messrs. A. McCormick, A. B. Powell, and Dr. W. H. Moorhouse, who later on appear as co-directors, to add to what Dr. Cream says about it?

The assessment insurance companies of the United States are often compared to the friendly societies of England, though all ground of comparison is, in point of fact, wanting. The friendly societies of England are maintained by regular premiums, periodically collected, which cover all liabilities. The American companies merely make assessments to meet accrued claims; and very often the money cannot be collected when wanted. All sensible people should avoid doing business with companies based on so vicious a principle. The Mutual Benefit, however, does, we understand, collect an admission fee, and insists on advance payments, which place it on a better footing than some co-operatives.

LOAN TO THE PACIFIC RAILWAY COMPANY.

The terms on which the government proposes to extend relief to the Canadian Pacific Railway Company have been laid before Parliament. The government is to make a loan to the company of \$22,500,000, till the 1st May, 1891, at five per cent. interest, to be secured by a first lien on the entire property of the company, now owned or hereafter to be acquired, including the main line, extensions and branches, together with rolling stock and steamers. On the extension from Callander to Brockville and Montreal an existing mortgage is to retain its priority. Should the company go into default, twelve months, either in the payment of interest or capital, the property mortgaged shall, *ipso facto*, and without notice or proceeding of any kind, vest in Her Majesty, and be taken possession of by the Minister of Railways. To enable the company to pay its floating debt. An immediate advance of not more than \$7,500,000 is to be made.

If the loan is to be made at all, the terms as to security and the passing of the property to the government, in case of default, are as stringent as could be made or desired. It will, however, be incumbent on the government to show that this loan, to which in spite of appearances, risk does attach, was indispensable to the continued prosecution of the work by the company; that the company could not, in any other way, have obtained, on the securities it has to offer, the amount necessary to carry it through. It will also be necessary to show that this loan will enable the company to complete the work.

Of course it is an open question whether, the company having failed to raise the capital necessary to carry out its contract, the contract should not have been rescinded. But until the company made default in the progress of construction, that point could not be raised; and so far it has gone on at a greater rate than the contract called for. If the company had stopped the work of railway building now, it would have become a ques-

tion at what time it could have been charged with default in the progress of construction. Probably not till it became manifest that there was not left sufficient time to complete the work.

In this first lien and the apparently facile means of foreclosure provided for default, we confess we have not unbounded faith. One appeal of this kind for government aid is almost invariably followed by another; and the usual course is for concession to follow concession; a first lien becomes a second, a third and in the end loses its value entirely.

The loan is for seven years, and full explanation of how repayment is to be made, and whence the means are to come, will no doubt be given for the satisfaction or amusement of Parliament. But will the promises held out be fulfilled? Will the company be in a position to fulfil them? Will it even refrain from asking, at some future time, still further aid? On all these points there lies the dark shadow of uncertainty. Parliament, in voting the aid, as it is pretty certain to do, will be taking a leap in the dark.

U. S. AND MEXICAN RECIPROCITY TREATY.

Some of the arguments used against the ratification of the Reciprocity Treaty between the United States and Mexico, if well founded, will apply to all commercial treaties. The right of the United States Senate to change the rate of duties by an exercise of its share of the treaty-making power is denied. If this right were allowed, the argument runs, the constitutional power of the House of Representatives over taxation would be taken away. To this it may be answered that a treaty is the supreme law of the land; and that commercial treaties have before now been made by the United States with other countries. A commercial treaty with any one country, the next objection is, gives to any third power, in a position to invoke the most favored nation clause in its favor, all the rights conferred by any new commercial treaty to which the United States is a party. This seems to be undeniable; and the fact may operate as a bar to the making of commercial treaties of an unusual kind.

On other grounds, strong opposition is made, in the United States to the ratification of the Reciprocity Treaty between the United States and Mexico. This opposition assumes that, in the negotiation of the treaty, Mexico got the best of it; that if the treaty were to go into effect Mexico would reap greater benefits from it than the United States; and that there is reason to believe that similar treaties are in progress of negotiation, if not already concluded, between Mexico and Great Britain and Mexico and Germany.

Under the treaty, Mexico would admit free of duty seventy-five articles from the United States, and the United States twenty-eight from Mexico. But the treaty would not free all the seventy-five articles; the majority of them are free now. Of the twenty-eight, the more important are now free with five exceptions; sugar, molasses, tobacco, beef and hemp. By this treaty, Mexico would not sacrifice—she could not afford to sacrifice—much duty; only \$623,000 in all. Of this total, no less than \$472,-

000 is levied on refined petroleum. The objectors to the treaty say that, in any case, Mexico can only get petroleum from the United States. Of agricultural implements, sewing machines and several other things the same remark is made. Is there here no hint for Canada? Can she not put herself in a position to supply some of these articles to Mexico, in the event of the treaty not going into effect?

That part of the Mexican market which the United States controls, the opponents of the treaty say, she requires no treaty to secure to her. But what she does want is a chance to supply to Mexico textile fabrics and the finer fabrics of iron and steel, which Mexico now gets from Great Britain and Germany. But the duties on these articles are so considerable that Mexico could not afford to relinquish such duties.

Against the treaty, the United States sugar interest is up in arms. Cuban and East India sugars might, it is said, be smuggled into the States, through Mexico. For sugars which would be admitted—those refined up to 16 Dutch standard—would lose their identity. The treaty abolition of a fifty per cent duty would greatly stimulate the growth and manufacture of sugar in Mexico. Of tobacco the same allegation is made. In respect of both, a new competition with U. S. industry would result. Such are the main objections urged in the United States, against the Mexican treaty.

The frame-work of this treaty admonishes us that no reciprocity treaty with Canada, confined to raw products, is ever likely to be sanctioned by the United States. The last abortive negotiations Canada had on this subject pointed in the same direction. The failure of the Mexican treaty would show what slight hopes Canada can have of securing a reciprocity treaty with the Republic.

UNDERWRITERS IN SESSION.

The annual meeting of the Canadian Fire Underwriters' Association was held in this city Friday and Saturday last the 25th and 26th ult. There was present a large representation from Montreal and Toronto of the chief agents of the Companies. We understand that the meeting was a very harmonious one, and that a considerable amount of important business was done. The meeting on Friday was continued until midnight, and it was five o'clock on Saturday before the business was finished. The Association had before it the report of four months' practical working of the new fire insurance rates adopted on the 1st October last. The working of the Association was found to be eminently satisfactory. The infractions of the tariff were said to be comparatively few in number and when pointed out were promptly rectified.

The Companies, knowing of the assessment convention of Mayors and other leading municipal officers of the cities and towns in Ontario to be held in Toronto this week with the view of obtaining legislation to enable municipalities to tax Banks, Insurance Companies, Railway and other Companies, passed a resolution, by which all places taxing Insurance Companies would be placed on a tariff classification which would entail higher fire insurance rates. We have pointed out on former occasions how very unjust a tax