

ing native enterprises from dangerous competition, but no tariff, nor any political action can create the wealth which gives impetus to and sustains trade. Our prosperity is the consequence of the large crops of natural products which have been reaped owing to the bounty of Divine Providence. When men claim to have bestowed on the country, by their political policy, such blessings as are the gifts of the Creator, they make pretensions which are most unseemly, such, indeed, as the people of Canada, with their reverence of spirit, cannot but deplore.

The banquet to the Australian statesmen will long be remembered as a particularly happy occasion. The free interchange of sentiment and ideas will be helpful in binding the Commonwealth and the Dominion in the bonds of amity and of mutual good will.

ALLIANCE ASSURANCE COMPANY, LIMITED.

The following is the official notification issued by the head office of the Alliance Assurance Co., the branches respecting the recent absorption of the Imperial:

From the Head Office of the

ALLIANCE ASSURANCE COMPANY, Ltd.,

To the Montreal Branch,

I have the pleasure to inform you that the legal formalities for vesting the business of the Imperial Life Office in the Alliance are now practically completed, so that provisional agreements formally entered into in January last for taking over the undertakings of the Imperial Fire and the Imperial Life Offices have now become absolute.

The nominal capital of the Alliance now consists of:—

250,000 shares of £20 each.....	£5,000,000
250,000 paid up shares of £1 each.....	250,000
	£5,250,000

Paid up capital:	
250,000 shares at £2 4 0 each.....	£550,000
215,625 shares at £1 0 0 each.....	215,625

Total shares issued 465,625 (leaving Paid up £765,625
34,375 shares for the present unissued.

The shareholders' reserves amount to about 2½ millions sterling and the life, annuity and other funds exceed 7 millions sterling.

RECAPITULATION.

Paid up capital.....	£ 765,625
Shareholders' reserves, say.....	2,250,000
Life and other funds, say.....	7,000,000
	£10,015,625

The following directors of the Imperial Fire and Life Offices have joined the Board of the Alliance:

Francis Augustus Bevan, Esq.; Percival Bosanquet, Esq.; John Hampton Hale, Esq.; Alexander Lawrie, Esq.; The Earl of Verulam.

ROBERT LEWIS,
General Manager.

London, 29th August, 1902.

THE FAVOURABLE FOREIGN BALANCES OF THE UNITED STATES.

WHAT BECOMES OF THEM.

The problem presented by the foreign trade balances of the United States is one of the greatest puzzles ever discussed by economists, and the solutions offered only deepen the mystery, for they themselves are often directly antagonistic of each other. The disputants quote the foreign balances in the last five or six years, which is too narrow a basis for any conclusion. If this basis is widened so as to embrace the balances of the foreign trade of the States since 1845 we get this result. From 1845 to 1902 the aggregate of the balances of exports exceeding imports amounted to \$5,517,222,000, and the aggregate of the balances of imports exceeding exports amounted to \$1,660,878,252. Assuming these returns to be correct, the United States sold goods in foreign markets to such an extent in the years from 1845 to 1902 as resulted in creating a net aggregate of favourable balances amounting to \$3,856,343,748.

If the "balance of trade" theory, which is popularly held, were sound, the outside world would be indebted to the United States to the extent of three thousand eight hundred and fifty-six millions of dollars! Were it even correct that the extent of a nation's outside credits or debts was shown by its favourable, or adverse, foreign trade balances, those balances in the last six years, 1897 to 1902, would have given the United States a total outside credit balance amounting to \$3,119,827,456, as the following returns show:—

Year to 30th June.	Exports. \$	Imports. \$	Excess of Exports. \$
1897.....	1,050,903,556	764,730,412	286,263,144
1898.....	1,231,482,339	610,049,654	615,432,676
1899.....	1,227,023,302	697,148,489	529,894,813
1900.....	1,394,483,082	849,941,184	544,541,898
1901.....	1,487,764,991	823,172,165	664,592,826
1902.....	1,382,033,407	902,911,308	479,122,099
Excess of exports in last 6 years....			\$3,119,827,456

It is remarkable that up to 1873 the imports into the United States had run for 30 years, with only 3 exceptions, in excess of exports. Up to that year, 1873, the aggregate of these annual, so called, adverse balances amounted to about \$1,531,000,000. Then came a reaction owing to tariff changes, and ever since 1873, with only 4 exceptions, the exports of the United States have exceeded the imports, so that by 1885 these excesses of exports had amounted to more than the aggregate of the favourable balances which had accumulated in the years 1845 to 1873. The year 1885 may therefore be taken as the date when the balances of United States in both directions about cancelled each other, that is, the aggregate exports to that date and aggregate imports were