

of say, as an illustration, 30 to 40 per cent. for the first year, 15 for the second, and 7 1-2 for the third year, and continuing. Let the agents enter into an anti-rebate compact which will be honestly observed and its provisions enforced by the united efforts of the many tried and trusty life assurance agents.

When reflecting upon the proportions to which the obnoxious and unsound practice of rebating has grown, we are impressed with the folly of those who insure in any company practicing such an iniquitous system. Even if suspicions of the solidity of a company offering to return a large proportion of the first year's premium are not aroused, the applicant for a policy ought to be sagacious enough to see that he in years to come will suffer loss by the very system from whence he is deriving temporary advantage today *at the expense of those already insured.*

AN ALLEGED FINANCIAL DILEMMA IN PROSPECT.

Two of our financial contemporaries, one English, the other American, both of them of established reputation, have recently raised a note of alarm at the trade conditions existing between the United Kingdom and the United States. They regard these trade conditions as tending to create a serious financial dilemma. Were the theory sound that, what is commonly termed an adverse balance of trade continued through many years gradually impoverishes a country, the old country would indeed be drifting into a perilous position in regard to the United States which would lead up to very grave financial disturbances such as our contemporaries foreshadow. The data which they regard as calling for a storm signal to be raised are doubtless serious, and deeply interesting to observers of financial phenomena, and all interested in questions of international trade. The following is an exhibit of:—

England's Trade with the United States, 1887-1898.

Year.	British Imports from U.S.	British Exports to U.S.	Balance of Imports over Exports.
*1898...	616,300,000	137,800,000	478,500,000
1897....	565,460,000	190,280,000	375,180,000
1896....	531,450,000	159,960,000	371,490,000
1895....	477,400,000	219,350,000	257,450,000
1894....	447,550,000	153,970,000	293,580,000
1893....	458,500,000	177,950,000	280,550,000
1892....	540,150,000	206,890,000	333,260,000
1891....	521,120,000	205,560,000	315,560,000
1890....	486,450,000	232,950,000	253,500,000
1889....	477,460,000	219,460,000	258,000,000
1888....	398,550,000	206,450,000	192,100,000
1897...	414,460,000	200,960,000	213,500,000
Totals...	\$5,934,850,000	\$2,312,180,000	3,622,670,000

*To 30th September.

According to the above table the people of Great Britain have bought goods from the United States to the extent of \$3,622,670,000 in the last twelve years in excess of the value of the goods which they have exported to that country. We quite agree with the *London Statist* that the remarkable disparity between

the British imports to and exports from the States is worthy "the serious attention of the people, and the governments of both countries." We do not, however, regard this exhibit with alarm as pointing to the creation of a serious financial dilemma. Were the above returns a complete exhibit of the trade relations of the two countries, there would by this time have accumulated an enormous debt due by Great Britain to the States, that is, if the annual adverse balances of trade had not been periodically settled. It is, however, a constant and very familiar factor in the financial relations of the two countries that while Great Britain has been buying so heavily from the States, she has at the same time been lending money to that country on an enormous scale. Now for a debtor to be loaning money to his creditor is an incredible operation. In 1893, when the aggregate of the adverse balances of trade against Great Britain for the previous six years had amounted to \$1,565,920,000, in favour of the United States, a syndicate of British capitalists was appealed to in a grave national crisis to give financial help to the United States to protect the financial credit of that country from an appalling disaster. If, at that time, the aggregate of those adverse trade balances, or even the one for the previous year, being unsettled, that is, being due by Great Britain to the States, the crisis of 1893 would have been averted by the States drawing upon Great Britain for the amount it owed to America. The reverse of this movement occurred, as the crisis of 1893 was chiefly caused, and was intensely aggravated by the British and European creditors of the United States calling on that country to liquidate its obligations. Such a financial condition as existed prior to, and which led up to the panic of 1893, is a complete demonstration that successive adverse balances of trade against Great Britain that were proportionately favourable to the States had not created any such indebtedness of the former country to the latter, as is alleged, and the continuance of which condition is regarded as a reason for alarm. Great Britain certainly need be under no apprehension as to the result of the American trade balance being against her, so far as merchandise goes, for a very large amount of the goods sent from the States to the old land are practically remittances, (1) in payment of ocean freights to British ship-owners, (2) for interest due on British capital invested in the States, and (3) to cover and provide funds for the enormous expenditures of Americans resident in or travelling in Great Britain. Each of these items is contributory to the financial resources of the old country, and their aggregate has been estimated by reliable authorities as even more than the total sum required for the settlement of the annual trade balances against Great Britain in its American trade. Over 25 per cent. of what the States send to England consists of raw materials required for British manufacturers; about 8 per cent. is for sugar, tea, and coffee; from 30 to 35 per cent. is food products, such as wheat, meats, etc. Taking the aver-