

of which Mr. Workman, was an agent for some of the fire offices. This movement the fire offices outflanked and checkmated, resolving that the business would not be accepted through this source. Action was brought to compel the fire companies to fall in with the Supply Company's idea, but it was summarily dismissed. The judge said:—"Where a professional broker was employed, he saw what the risk was, and he reported on special circumstances to the insurance offices, and in other ways he protected the offices. Therefore the offices as well as the person effecting the insurance had a business interest in seeing that the insurance passed through the hands of a proper agent. It was important to them that professional persons should conduct their own insurances, and it was perfectly fair and business-like to maintain as far as they could that intermediary."

Australian Banks.

The liabilities of the banks according to our compilations to 31st December for the last three years are stated as follows.—

LIABILITIES.

	To 31st Dec., 1900.	To 31st Dec., 1901.	To 31st Dec., 1902.
	£	£	£
Shareholders' Funds—			
Ordin. share capital....	14,931,745	15,046,599	14,022,401
Preference ".....	5,815,744	5,315,744	5,318,629
Reserve funds.....	5,248,609	5,489,184	5,734,907
Dividends to pay.....	502,958	536,100	534,773
Profit balances.....	400,896	448,038	641,134
	26,899,952	26,835,665	26,251,844
Liabilities to the Public—			
Notes in circulation....	4,785,965	4,906,259	4,865,991
Bills payable, etc.....	13,755,328	14,545,224	11,280,812
Contingent.....	1,149,016	2,118,535	1,741,436
Deposits, etc.....	124,579,224	123,909,553	125,747,538
	144,269,533	145,473,571	143,635,777
Total.....	171,169,485	172,309,236	169,887,621

The assets of the banks are stated under four general headings in the following table:—

	To 31st Dec., 1900.	To 31st Dec., 1901.	To 31st Dec., 1902.
	£	£	£
Coin and bullion and other cash items.....	31,861,978	30,704,050	32,810,386
Public securities.....	12,875,885	13,062,004	14,064,586
Total of foregoing.....	44,737,863	43,766,054	46,874,972
Advances, discounts and other assets.....	120,313,641	122,540,719	117,166,458
Bank premises, etc.....	6,117,981	6,002,463	5,846,191
Total.....	171,169,485	172,309,236	169,887,621

THE EQUITABLE LIFE will hold its summer school again this year. There were 80 per cent. of the students who proved successful agents.

THE UNITED STATES BALANCE OF TRADE.

The United States balance of trade, or difference between the amount of the exports and imports, has been for many years a matter of deep interest to economists and financiers. The problems presented by the annual records of this balance are still unsolved, as the requisite data for their scientific solution are not available. We say "scientific" solution, which implies a demonstrable conclusion as contrasted with a general idea, which, though reasonable and backed up by data, is not demonstrable.

From the year 1860 to 1873-4, the financial transactions of the United States with Europe were of unprecedented magnitude as examples of international lending and borrowing. Prior to 1860 the trade of the United States showed a regular excess of exports as the natural outcome of American financial relations with Europe. The Civil War had a profound effect upon the economic condition of the States, caused by the change from free trade to protection; the collapse of the cotton industry; the creation of an enormous debt, of which \$1,000,000,000 was placed in Europe; the borrowing of vast sums for American railways and other enterprises. The situation thus created has continued with varying phases ever since.

There were two balances established, the balance between exports and imports, called "Balance of Trade," and the financial balance created by the transmission of funds to and from on account of the debt and loans, the principal going out to the States, and the interest and dividends being returned as a set off.

The following is an exhibit of the foreign trade of the United States from 1858 to 1872:—

	Imports.	Exports including specie.
	\$	\$
1858.....	251,700,000	293,700,000
1859.....	317,800,000	335,800,000
1860.....	335,200,000	373,100,000
1861.....	351,200,000	352,700,000
1862.....	412,200,000	318,000,000
1863.....	431,900,000	420,500,000
1864.....	513,100,000	513,000,000
1865.....	617,600,000	501,100,000
Annual average of last 5 years.....	465,200,000	421,060,000
Annual excess of Imports over Exports in 5 years.....		\$44,140,000

In the year 1868 the dividends due on American stocks held in Europe amounted to 80 millions of dollars, then a sum of 25 millions was required to cover the needs of American travellers in Europe, and 24 millions was taken to pay freights to foreign shippers, so that, although the trade balance was in favour of the States, the financial balance was heavily the other way. From these two balances set against each other, we get a third balance, which is a net one that may be termed the balance of debt. It is upon this balance that the financial relations existing between the United States and Europe depend.