business, had, under the working of this old machine, been taken out of banks at a moment of great need and *locked up in a government vault,* instead of being left in banks until required for the use of the Treasury.

In replying to a critic our contemporary shows that the harm the Sub-Treasury works is due far more to the other monetary conditions prevailing at the time of the withdrawal than to the mere amount of the withdrawal. When gross reserves are abnormally small, or when surplus reserves are near or below the legal limit, or when the rate ruling for foreign exchange threatens gold exports, or when the interior movement is running against New York, or when general trade or credit is extended to a sensitive state—when one or all of these conditions is pressing, very moderate withdrawals might precipitate a panic. What our contemporary affirms is what could be proved by numerous incidents in the records of the money market. The time arrives periodically when a little more pressure brings disaster, just as "the last ounce breaks the horse's back." The following confirms strongly the arguments adduced by this journal relative to the effect of hoarding gold in the vaults of the U. S. Treasury.

"Treasury withdrawals are harmful and disquieting, whether small or 'prodigous,' whenever they take out of the money market such currency as the market at the time cannot afford to lose. According to the official statements, the Government's available cash balance on 1st April, 1903, was $314,229,045, against $307,989,216 on 1st March, showing a loss to the banks of $6,239,829. On Feby. 1, the balance was $301,943,864, on December 1, 1902, it was $294,773,-944, showing withdrawals into the Sub-Treasury, and a loss to the banks from Dec. 1, to April 1, of $19,-455,101."

Well may our contemporary ask: "Suppose we could have added this 19½ millions to the surplus reserves last Saturday, $6,280,900, making the surplus at that date $25,736,001, with other items uncharged, does any one suppose that the high rates current this week, 28th March to 4th April, for call money could have prevailed?" The very system, of itself, is a constant menace to the money market, for no one can tell from day to day but the Treasury may set up a heavy drain into its vaults to lock up money which is needed for the business operations of the country.

INSURANCE INSTITUTE OF TORONTO.

The Insurance Institute of Toronto held its usual monthly meeting on the evening of the 2nd inst., in its rooms 27-29 Wellington St., E., the President, Mr. T. Bradshaw, F. I. A., being in the chair. The speaker of the evening was Mr. Arthur L. Eastmure, Vice President and Managing Director of the Ontario Accident Insurance Company, whose subject was "Policy Phraseology in Personal Accident Contracts." Mr. Eastmure's long and successful experience in the accident business ably fitted him to speak on such a subject. The matter was dealt with in detail, the conditions essential to every accident policy contract being carefully considered, and clauses suggested to be used by Companies agreeing to a uniform policy contract.

In the discussion that followed, it was brought out that accident companies are much more subject to litigation than either fire or life companies, the reason being the diversity of language in clauses used to express the same intentions on the part of companies. The advantage of having uniform policy conditions was shown to be very desirable.

A pleasing and interesting feature of the evening was the awarding of two prizes of $25.00 each in connection with the Prize Essay Contests conducted by the Institute. The successful candidates were Mr. S. R. Tarr, M. A., and Mr. W. G. Gould, M. A., both of the Canada Life Assurance Company's Head Office. Notwithstanding that Mr. Tarr is employed in a life office, yet he was successful in carrying off the prize in the fire insurance department. The subject of his essay was "The Contract of Insurance and the Parties to the Contract". The subject was divided into six heads:—

(1) The Growth and Origin of Fire Insurance.
(2) The Insurance Contract in General.
(3) Parties to the Contract.
(4) The Fire Insurance Policy.
(5) Settlement of Claims.
(6) The Present Insurance Trend.

The adjudicators spoke very highly of his work, and the short synopsis and extracts given by Mr. Tarr after the presentation of the prize showed that the subject was not only dealt with very exhaustively, but that the consecutive features and excellent diction used, were deserving of highest praise.

The subject of Mr. W. H. Gould's Essay was "Assessment Insurance." The history of Assessment Insurance was traced minutely through the early ages, then in Great Britian, United States and Canada. The Essayist then dealth with its rise, progress and decline, closing with a treatise containing statistics and mathematical calculations on the fallacy of the system.

The General Secretary, Mr. J. K. Pickett, announced the Annual Meeting of the Institute, which will be held on May 1. It is intended to present a very concise Annual Statement, followed by a paper on "Unearned Premium or Reinsurance Reserve upon Fire Policies," contributed by Mr. J. J. Kenny, Vice-President and Managing Director of the Western and British America Assurance Companies.

THE LOUISVILLE WATER CO., is being sued by twenty-five insurance companies for damages caused by alleged shortage of water when a fire was in progress. The claims aggregate $91,817. The case is exciting considerable interest, and is not without a local hearing.