

his policy it will be met.....Individual policyholders and insurance companies under inexperienced management have paid sundry underwriters at Lloyds for insurance which has not insured. It is absolutely essential that the Committee of Lloyds should deal with their weak and defaulting members in the most relentless and unsparing fashion.....If Lloyds underwriters are to survive for any length of time, they must come out into the open and give evidence of their ability to pay, of which nobody knows anything at the present time; or Lloyds as a whole must guarantee the integrity of each of its members."

#### U. S. Monetary Developments.

The circumstances of the future work of the United States National Monetary Commission from now onwards until its dissolution at the beginning of next year are outlined in a Washington dispatch. When the Commission meets in October to hold public hearings on the Aldrich plan for the reform of the monetary system of the country, it will not only be prepared to hear arguments from business men, laboring men, bankers and farmers on the general policies underlying the proposed plan, but it will want specific information with respect to three problems, the details of which are by no means fixed in the minds of the Commission. These problems are: the relation of State banks and trust companies to the plan; the method of taxation and the amount of the tax to be paid on note issues; what shall be done with the \$700,000,000 of government bonds now outstanding? The Aldrich plan, as is known, contemplates the formation of a National Reserve Association, composed of all the banks of the country, which, under various limitations and restrictions, are to co-operate with each other at all times, but particularly in time of financial stress. The banks themselves will participate in the organization by zones and by representation territorially in the banks' hierarchy, and the government itself will be represented. One of the chief powers of the association will be the power of note-issue based on an approved security. The question of the participation of State banks and trust companies is one of the most complicated of the problems before the Commission. It is generally admitted that the demand for their participation in the proposed plan is so widespread that the Commission cannot ignore it, but the details of the participation remain to be determined. The difficulty in this regard lies primarily in the fact that different rules, regulations, and even laws have been written for the conduct of the National banks and the State banks and trust companies. In some quarters it is not deemed fair to the National banks that the State banks and trust companies should be allowed the privileges of the National banks with respect to participation in the proposed reserve association, unless the State banks and trust companies are compelled to meet some of the requirements of the national banking laws, especially in regard to reserves. Otherwise, say many of the bankers, there would be no object in maintaining the national banking system at all. With regard to the \$700,000,000 of government 2 p.c. bonds now outstanding as a basis for national bank notes, it is now proposed that the government 2 p.c. bonds shall be refunded in 3 p.c. bonds, so that the banks of the proposed reserve association may

be able to dispose of them to the public as their reserves in other forms of assets increase to the point required of them by the proposed legislation. Of course, it is expected that the government will eventually be reimbursed for the extra interest, in part at least, by its share of the profits of the proposed reserve association, in which the government is entitled to share above a fixed point. In addition to these important questions, there are many minor matters to be discussed.

#### Commissioners and the Fire Prevention Movement.

Among the questions discussed by the Insurance Commissioners at their annual convention at Milwaukee was that of fire prevention and a resolution was passed recommending a campaign of education through the governors, commissioners, and fire marshals of the various states for the purpose of bringing directly to the attention of the people the causes responsible for the national ash heap, and the adoption of legislation which will safeguard the lives and property of the people by holding every individual responsible for carelessness resulting in fires. The suggestion that one day be set aside each year as "fire prevention day" was also commended. By proclamation, it was stated in the resolution, the Governor can call the attention of citizens to the enormous preventable fire waste of the country, and urge the taking of such precautions—individual, municipal and State—as will tend to reduce it. Appropriate exercises can be held in the public schools; instruction on the common fire hazards can be given the children, and the day can be made the occasion of the "clean up day," which is doing so much to remove hazardous conditions. *Inter alia*, the commissioners say in their resolution:—"The appalling annual loss of life and property in the United States by fires, due to criminal carelessness, ignorance or dishonesty, commands the serious attention of the American people. From present indications over \$300,000,000 in property values will be utterly wiped out during the current year—a sum so vast that it must have a serious economic effect on the property of the country. The causes for this enormous drain on the savings of the nation are well known and to a large extent preventable. The destruction of property by fire is ten times as great per capita in the United States as it is in Germany, France, England and other countries abroad, and, in addition to this needless waste of property, there were also thousands of men, women and children burned to death or crippled by various local fires and conflagrations that constantly occur. The chief factor responsible for this situation is general carelessness and the utter lack of personal responsibility for the removal of causes productive of fires."

#### Federal Supervision of Surety Insurance.

The increasing activities of the Federal Government in assuming control of the surety business are causing much concern in surety underwriting circles, says the N. Y. Journal of Commerce, and even other classes of insurance are becoming interested in the expansion of Government supervision. The feature of this aggression is the complete disregard of State supervision in the