cent. Had only the same ratio been maintained in 1904 as in 1894, the assets would have been $178,290,800 less than they are recorded.

The percentage of amount, the premiums received paid to policy-holders was, in 1894, 56.5 per cent. and in 1904 51.4 per cent.

The taxation levied in the United States on life insurance companies is excessive. In 1904 they paid $9,569,500 in taxes, and since 1880 the aggregate payments for tax imports reached the enormous sum of $92,828,426, which was drawn indirectly from the pockets of the policy-holders. Practically, this was a fine by the State for being thrifty and regardful of the welfare of the policy-holder's family. Had the State not intervened the sum of close upon 93 millions of dollars would have been available for bonuses, dividends, or reductions in premiums. This large sum would have provided more life insurance for the people and added a certain proportion to the strength of the companies. Were the whole sum of the charges made for taxes, license fees, expenses of the State insurance departments made known which the life insurance companies have to pay, but for which they are recouped sooner or later by their policy-holders, there would probably be an effort made to lighten this burden and the true attitude of the State to life insurrance be assumed which is that of encouragement not of restriction, of stimulus not of repression.

The American life company's record for the last 25 years is a most impressive exhibit. It manifests how utterly insignificant, as compared with their aggregate income and asset resources, are the sums alleged to have been improperly appropriated.

PROPOSED NEW CURRENCY SYSTEMS FOR THE UNITED STATES.

There have been two systems of currency recently submitted for the consideration of the people of the United States. One of these was formulated by Mr. Shaw, secretary of the treasury, the other by Mr. G. W. Garrels, president of the Franklin Bank, St. Louis.

The Secretary's plan seems to be part of a scheme of taxation for it provides for the imposition of a tax of 5 per cent. on bank note issues in excess of a certain amount. There seems in the Secretary's mind an impression that there is some inherent evil in the circulation of notes which ought to be restrained from developing by the imposition of a tax on circulation. The situation his scheme would create would be highly irrational, eccentric and disturbing to the money market.

When the time came for the banks requiring to issue more currency than usual, say, during the harvest season, and while crops were being moved to market they would be confronted with this dilemma, either, to issue the notes needed and pay the 5 per cent. tax thereon which would cause such extra issues to be most unprofitable, indeed, a source of loss, or, to decline such business as demanded an extra issue of notes and so cause embarrassment which might generate conditions favourable to a panic.

Why the expansion of note issues to meet the periodic needs of trade should be hampered by special taxation is beyond reasonable explanation. One would suppose it to be rather the function of Government to afford all the facilities possible within the bounds of safety for banks to meet the financial needs of the country. That is not the opinion of the Secretary of the United States Treasury.

If the expansion of the currency under the demand for crop moving purposes is a legitimate business movement then the tax upon notes issued under this pressure is an effort to restrain such movement which is manifestly arbitrary, untimely and irrational. If, on the contrary, it is adverse to the public interests for the banks to be empowered to provide the additional currency needed for the country's business, the issue of such additional currency ought to be absolutely prohibited.

One feature in the Secretary's scheme is commendable and hopeful. The extra currency he would permit the National banks to issue would be equal to 50 per cent. of their present bond-secured circulation, but this extra circulation he would not require to be based on United States bonds as are the present American notes issues. So far, so good, this would be a step in the right direction. At present the basis of the national bank's circulation is a diminishing quantity, while the circulation itself is an increasing quantity. The United States debt, which provides the bonds for the National banks as a basis of note issues, might be wholly paid off were it not for the bonds being utilized for the currency. The situation is becoming ludicrous, the United States are perpetuating the national debt solely to provide a bond basis for bank note issues, the nation's debt supporting the bank's credit.

The other scheme for a reformed currency shows a clear conception of the object of currency, the methods for its being secured and adapted to the business requirements of the country. The promoter of this plan condemns the present currency system as:

"An artificial way for the Government to borrow money cheaply. The National bank note is forced into circulation after the Government has been in the market to sell bonds, without regard to a reserve of gold, of which good paper money is a representative, and in which it must be easily redeemable to remain good. The National bank note is issued without regard to the needs of trade, for the benefit of which bank notes were invented. It does not go out of circulation until it has done all possible harm by congesting the money market and demoralizing interest rates. Abnormally low interest rates promote non-dividend paying enterprises, in-