

sufficient during the early stages of the organization. A good deal of interest has already been taken in the subject in influential quarters, and an appeal for support has been issued to the directors of the various fire offices in London. The Alliance Assurance Company has responded by granting £100 a year for five years, and it is hoped that the directors of the other leading companies will follow this example.

Unjustified Confidence.

In dealing with a reputable fire insurance company, that is conducting business in accordance with the laws of this country, the insured property owner has tangible evidence of the company's financial responsibility being equal to its engagements. His confidence therein rests, therefore, upon the solid foundation provided by a company that has entered the business in order to conduct it so as to develop in strength, practically in perpetuity. The "Lloyd's" system, as it is known on this continent, is in direct contrast to the joint stock company system; it is ephemeral, it has no element of continuous life, its several parts may all have vanished when its obligations are required to be met. Superintendent Hendricks, of the New York Insurance Department, in his last Report points out the need for legislation to restrict the operations of Lloyd's. He writes:

"Lloyd's associations are not corporations, and are not therefore required to use the standard form of policy. It is the custom, however, of many of them to print an indorsement upon their policies to the effect that they are in the standard form prescribed by law. As a matter of fact, all of these policies contain provisions which are not found in the standard form. I am of the opinion that such indorsement is not in the interest of the insuring public, and I favour the passage of an act prohibiting the indorsement upon a Lloyd's policy of words which will convey the impression that it is the standard form of policy established by the legislature.

"I also recommend that a law be enacted providing that Lloyd's associations shall annually file with the Superintendent of Insurance a statement of their affairs for the year. The insuring public is entitled to such information as will enable it to judge of the financial responsibility of the individual underwriters of Lloyd's associations. The purchasers of Lloyd's policies are entitled to know the names of the individual underwriters to a knowledge of the powers of attorney under which they operate, and of the amount for which each underwriter is personally liable. They are also entitled to a report of their financial condition showing their assets and liabilities and the income and disbursements for the year."

HOARDING GOLD BY U. S. TREASURY.

CONDITIONS CREATED BY LACK OF CORRESPONDENCE BETWEEN THE DEMAND FOR AND SUPPLY OF MONEY.

In our issue of 12th December the bearing of the policy adopted by the United States Treasury on the monetary situation was discussed. It was shown by official statistics that the American Government was piling up gold all through the period when the country was distressed almost to panic by the lack of money. Between September 1st and November 1st last year the U. S. Treasury added \$34,996,494 to its stock of gold for which it has neither need, nor use, nor was it under any legal or economic obligation to hold such an enormous stock. Since the last date for which statistics were given in our article, viz., November 1st, 1902, the Treasury has persisted in still further enlarging its hoard of gold as the following table shows:—

MONEY IN UNITED STATES TREASURY.

Money in Stock.	March 1st,	November 1st,	Increase or decrease.
	1903.	1902.	
	\$	\$	\$
Gold and bullion.....	632,783,826	606,299,127	Inc. 26,484,699
Silver dollars.....	476,792,247	469,250,963	Inc. 7,542,184
“ bullion.....	20,972,163	24,556,601	Dec. 3,584,438
Small silver.....	8,624,739	6,909,608	Inc. 1,715,131
U.S. Notes.....	4,288,223	3,041,934	Inc. 1,246,289
National Bk. notes.....	16,011,286	13,468,852	Inc. 2,542,434
Total cash in Treasury.....	1,159,472,484	1,123,526,185	Inc. 35,946,299
Certificates and Treasury notes outstanding.....	852,411,726	831,674,910	Inc. 20,736,816
Net cash in Treasury.....	307,060,758	291,851,275	Inc. 15,209,483

The increases made in the last few years in the cash held by the United States Treasury have been enormous, as appears by the following comparisons:

GOLD HELD BY UNITED STATES TREASURY.

Year.	Stock of gold in Treasury.	Increase over previous date
	\$	
1897.....	181,234,165
1900.....	281,859,113	Inc. over 1897 100,624,948
1901.....	479,349,251	Inc. over 1900 197,490,138
1902.....	544,576,908	Inc. over 1901 65,227,657
1903.....	632,783,826	Inc. over 1902 88,206,918
Increase in stock of gold held by the United States Treasury since 1897..... 8451,549,661		

No wonder there is a scarcity of money in the United States when the continual drain going on for customs and other taxes diverts such large amounts of money from the channels of trade which are not returned to them through the medium of the banks, as they are in Great Britain, but are used to pile up and lock up vast stocks of gold in the results of the Treasury.

The returns of the New York banks on 21st ult., as compared with end of December last, have interest in connection with the monetary situation: