French, German and Russian competition in the East. Such institutions as the Hong-Kong and Shanghai Bank, the Bank of Indo-China and the Russo-Chinese Bank cannot be deprived of the control of American exchanges in the East by petty companies which are not permitted to establish branches and which can issue circulating notes only under restrictions which are both cumbersome and unscientific. The concentration of great banking capital and the freedom to compete freely upon equal terms with other great banks by means of low discount rates, liberal terms for exchange, and the creation of branches wherever they can render service, are the essential conditions of a successful American bank in the East. Such a bank is a necesary part of American commercial equipment if new markets are to be won and held in Asia, and it cannot be created under the existing National Banking law.

At home as well as abroad a more liberal banking system is becoming an obvious necessity. It is necessary, in the first instance, in order that banks within the country may maintain advantageous relations with American banks which may be established abroad. It is necessary, in the second place, because the United States must have some means of currency expansion in order to meet their growth in population and volume of business. There is at present no such means except the inadequate supply of bonds as a basis for bank notes and the importation of gold. Desirable as it is that our gold reserve should be strengthened, and that gold should become a familiar part of our currency, it hardly affords the element of elasticity required in a country with such varied interests and sudden demands of currency as the United States. Our own great production of gold and the recent importations should be made the basis of a flexible note currency adequate for all legitimate demands. If some of the Government notes are retired, the necessity and the opportunity for a more ample banking currency will be all the greater,—the necessity because of the reduction of the paper circulation and the opportunity because the gold released from the Government stores will become the safe basis of an enlarged bank note circulation.

THE INCREASE IN LUNACY, FROM AN INSURANCE VIEW-POINT.

The Insurance Spectator of London, says:—We have heard for a considerable time, from various quarters, that lunacy is seriously increasing among us. Much has been written on this subject from almost every possible view-point, and it has been pointed out with considerable force and appositeness that the evil is largely the natural consequence of the ever-intensifying pressure on the individual of competitive life in all its many forms. We live certainly in hasty, feverish times, when everything is done, or sought to be done, at a railway rate, and no doubt this material acceleration has its influential effects on the mental organization of numerous instances where possibly there has been inherited weakness. But to our thinking, and from an insurance view-point, the alarming part of the matter is not so much the fact that there are so many known lunatics in the community, or even that their number increases—although, of course, that is exceedingly lamentable from a humane view-point—as that this great mass of lunatics indicates, unfortunately, a far greater mass of persons who hover on the borderland of insanity, and thus necessarily introduce entirely discordant elements into calculations that, but for them, could be brought to perfectly regular results.

Regarding the increase of madness in our midst, let us see how the matter actually stands. The official returns for the year 1897 exhibit an increase of 2,607 in the number of officially-known lunatics in England and Wales on January 1st, 1898, over the corresponding number on January 1st, 1897. This increase compares with an increase of 2,919 in the preceding year. The total number of lunatics was on January 1st of the present year, 101,972.

Of pauper patients, the increase in county and borough asylums was 2,356; in registered hospitals, 35; in ordinary workhouses, 1; and as out-door paupers, 100; but the number in licensed houses decreased by 3, in the Metropolitan District Asylums by 2, and in Broadmoor by 1.

A further analysis of these statitstics shows that of the total number of private patients enumerated on January 1st, 1879, 6.3 per cent. were in county or borough asylums, 36.1 per cent. in registered hospitals, and 46.8 per cent. in licensed houses; the corresponding proportions on January 1st, 1898, being 14.9, 43.5, and 33.6; showing a considerable increase in the proportion of private patients treated in asylums and hospitals which are public institutions; and a material decrease in the proportion treated in licensed houses which are private establishments.

The following results may be summarised:—

Date.	Population Estimated for the Middle of the Year.	Total of Officially-known Lunatics.	Number per Million of Population.
1859..........	19,686,701	36,762	1,867
1869..........	22,223,299	53,177	2,393
1879..........	25,371,489	69,885	2,754
1889..........	28,447,014	84,340	2,965
1898..........	31,397,078	101,972	3,248

The recovery rate in 1897 was 38.35 per cent. of the number of admissions, and it was 0.18 per cent. lower than the rate in 1896, and 0.64 per cent. lower than the average rate in the ten years.

Of the total number of patients under treatment in 1897, 7.34 per cent. were discharged "recovered," the corresponding proportion in 1888 having been 7.50, or 0.16 higher.

The death rate, calculated with reference to the average numbers of patients resident, was 9.43 per cent. The total deaths bore to the total number of admissions the ratio of 38.45 per cent., being nearly the same ratio as that of recoveries.

It is said that drink is a great and capital cause of