

Our London Letter.

"GENERAL ELECTION" MARKETS.

A Waiting Attitude Likely until after the Conflict is over—Meanwhile the Bank Maintains Strong Position—The Situation in Cotton—Insurance Legislation—Special Correspondence of THE CHRONICLE for Week Ending November 27, 1909.

If one were to accept as fragments of gospel truth, say one-tenth of the statements which are now being flung about by excited political partisans one would become convinced in five minutes or thereabouts that whatever happens to the Budget, the country is going to the dogs right speedily. It—this point was drawn attention to by a witty writer in the customarily staid columns of The Times yesterday—all the prognostications of financial chaos resulting from the rejection of the Budget by the Lords have any likelihood of being fulfilled, Consols would have been at 70 or below it before now; if, on the other hand, everything we hear about the double-dyed villany of the Government's intentions towards that respectable individual, the investor, is true, that individual had better sell out all his British stocks and transport himself bag and baggage by the first possible steamer, say, to Canada. Truly, as Lord Rosebery says, the atmosphere of a general election is not exactly that of a Palace of Truth.

Not that the House of Lords is entirely free from the charge of endeavouring to make the investor's flesh creep. We have heard a good deal in that august assembly this week of the "political causes" which have made the investor put his money "in furrin' parts" of recent years, but very little about the economic ones. The city case against the Budget might have been made much stronger if Lord Revelstoke had not used as the main prop of his speech the fact that British securities have depreciated while the present government has been in power. They were depreciating before. And Lord Rosebery's fancy picture of west-bound Atlantic liners carrying bonds and debentures "in ballast" really has a touch of "Alice in Wonderland" about it. It certainly has no relation to the cold facts of finance.

"General Election markets" have given the city another trying week. Kaffirs have been thrown over very freely, and this week's settlement had been anticipated with feelings the reverse of cheerful. Happily fears were exaggerated; so far we have had only one small failure as a result of the slump. But there is "nothing doing," nor is there likely to be until the General Election is over.

Bank's Strong Position.

A few optimists had expressed the opinion that the bank would reduce its rate last week, but in view of the troubled political outlook there was no general expectation of a step of this kind being taken. Nevertheless, this week's return reveals a very strong position. There is an addition of £1,200,000 to the coin and bullion, about half of this coming from abroad the country. The reserve has been increased by \$1,138,421 to £26,502,000, a proportion of 55.93 compared with £23,834,000 a year ago and a proportion of 48.92. Discounts

have, of course, again weakened. But the monetary position will not be clear until we know how much, following the rejection of the Budget by the Lords, the Government will find it necessary to borrow by means of Treasury Bills.

Hudson Bays and Harrods.

There was a funny rumour circulating at the beginning of the week that the Hudson's Bay Company had entered into an agreement of some kind—what was not quite clear though presumably it was to sell the company's furs in London—with Harrods, one of our big West End stores. We have heard no more of it, but it was good enough to put Bays up to 99.

Trust & Loan Company's Report.

The Trust & Loan Company of Canada is paying an interim dividend this month for the six months ending September 30, last together with a bonus of 1 p.c. for the period, this being equal to the usual dividend of 8 p.c. per annum which has been paid for some years. The half-year was a considerably better one than the corresponding half year of 1908, the interest account in Canada at £79,933, showing an advance of nearly £10,000. The profit was £29,207 as compared with £26,063. The reserve fund which at the end of March stood at £233,933 has been charged with £2,468, decrease in value of English investments, improvements to Canadian properties and loss on securities realized in Canada.

Fighting the Cotton Corner.

The fight of the Intercolonial Federation of the cotton spinners against the cotton "corner" is producing acute suffering in Lancashire where the working hours have just been reduced to 40 per week. Those at the head of the industry are taking active steps to continue the organized international action which has been started in this direction. Spinners on the Continent are coming into line and we hear also that United States spinners are taking the same action, though in both Europe and the United States the movement appears to be hampered with more difficulties than in Lancashire, where, probably, short time running will be continued for a considerable period. Mr. C. W. Macara, who is the leading Lancashire authority on the cotton industry, has expressed the opinion that this international short time movement is the only method of breaking the corner, and that it is useless for individual employers or individual nations to act alone. As the rise in price of 3d. per lb. compared with 12 months ago means an enhancement of prices to the cotton mills of the world of 120 millions sterling, and as Lancashire takes just under one quarter of the cotton crop the importance of the present rise to us can be appreciated. While confident hopes are expressed here that the short time movement will eventually be successful it is realized that a very trying period is ahead of spinners.

Insurance News.

Yet another new non-tariff omnibus insurance office has made its appearance, its birthplace being Liverpool, its comprehensive name, the North and South. The capital is £100,000. So many new insurance ventures have lately made their bow to