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THE EUROPEAN MONEY MARKET.

London, June 28th.

There is no change, and no prospect of an early change, in the conditions of the money market. Over Europe there still hangs uncertainty in regard to the settlement of the Balkan dispute, France and Germany are still arranging the devotion of huge sums to increase their power of war, and though trade is good cash is not circulating as readily as it would if all other conditions were normal. Some of the industrial European countries, whose inhabitants are cautiously hoarding their savings, are therefore seeking to increase their sales abroad in order to enable them to collect gold through other channels. In the meantime, British banks are holding firmly to their gold supplies in order to meet the demands of the second half of the year, which will be heavier than usual, both at home and in those distant parts that look to Great Britain to finance the gathering of the crops.

On July 1st the revised railway rates for goods traffic come into operation. According to the rules governing railway operations the burden of contesting rates deemed to be unfair lies on private shippers or their associations. In addition to entertaining the feeling that this burden ought to be borne in some other way, the traders are by no means convinces that the railway companies are justified in increasing their rates by four per cent. You will remember that the rise is made by the companies to balance the additional outgoings for wages in consequence of the great strike of 1911. Retail prices will of course be but little affected in reality by this rise in freight charges. To-day, however, there is an exaggerated tendency to take advantage of every possible excuse to raise retail prices. That is to say, by the time producers', whole-salers' and retailers' extra expenses are translated into the small coin of the shopkeeper's counter they represent a decided addition to prices out of all proportion to the original accession. Extra wages will therefore mean less to their recipients when they come to spend the money than they had expected. It is needless to say that this is not calculated to allay the dissatisfaction with labour conditions which is so constant a feature of our industrial and social life. The wages bills of the fourteen principal railway companies went up from twenty-six to close on twenty-seven million sterling from 1911 to 1912. Those who forsee an endless sequence of discontent and wage-increases, higher prices and discontent again, are asking if there are not other ways of enabling the companies to meet the extra expenses without depriving the wage-earners indirectly of the advantages they have won. Until more is known by the general public of the methods and principles on which the companies manage their great businesses this uncertainty and dissatisfaction will remain.

LAND-LAW REFORMS.

The Unionist party, the Liberal party and the Labour party are ready with three separate land-law reform programmes. As I have already written, there is some likelihood of the Liberal campaign being taken up less urgently than was expected, owing to the subtle change which the wretched Marconi affair has brought about in the political atmosphere; but Lord Lansdowne, himself a great landowner, is opening the Unionist campaign to-day. It is nothing new in party politics thus to find agriculture the sport of the rival interests. For a particular reason, however, the present renewal of the cock-fighting is especially noteworthy. The Protectionists have again "given the farmer away." Ever since 1903, when Joseph Chamberlain in opening his Tariff Reform campaign only dragged in agriculture beacuse agriculturists were furious at being left out of the scheme of "benefits," the Protectionists have blown hot and blown cold on the farmer. They cannot promise him "benefits" without admitting to the rest of the people that Protection will raise food-prices. The compromise holding the position to-day is that devised by Mr. Bonar Law last January, when he revised the platform in such a way as to make it advocate Protection for the manufacturers right off, but to postpone food duties till after the next election but one. In other words, the Unionists are seeking ot win back to power freed from the handicap of the food duties. Since the January declaration, however, the Farmers' Union—the most representative and active of the agricultural organisations—has passed resolutions all over the country, declaring that "it would be no party to any change in our fiscal policy which excludes agriculture from its benefits." The Unionist party is extremely uncomfortable. It is tied to Tariff Reform, but it has left agricultural interests floating at a loose end. It is therefore compelled to make other proposals to cozen the disappointed farmers. Hence the new campaign initiated by Lord Lansdowne. It is pretty certain to promise all that the agriculturists want, while defending the interests of the landowners. The Liberal party has been p:eparing its reform programme for a long time. It is less concerned with the interests of the landowners. Both will make proposals to assist tenant farmers to acquire the ownership of their farms; and the Liberal programme, at any rate, will make some definite attempt to secure better wages for the farm labourers. It is here, of course, that the Liberal programme meets with the criticism of the industrial employers. Agricultural wages still—though not to such a degree as in newer countries—govern the lower end of our wage limit. That is to say, labour is readily drawn into the factory by offering a slightly higher wage than the farmer pays. The attractions of town life are instinctively thrown into the balance. Manufacturers on both sides of politics, therefore, are deeply concerned in the various proposals that are now beginning to be brought before the country.

W. E. DOWDING.

AUSTRALIAN BORROWINGS.

The Labor Party.

By. W. E. Dowding.

The Hon. W. A. Watt, Premier of Victoria, left Australia this week with words of regret and congratulation on his lips. He confessed that the financial part of his mission had not been so successful as he had hoped, though he is confident of obtaining plenty of assistance in the future. For the Old Country he had nothing but praise. "The virility of the people of these islands is not on the decline," he declared. Yet most significant of all was the anxiety of Mr. Watt to make it clear that he had no party bias in regard to his communications with the British people. What he said about that should be emphasised. Of late years there has been a too ready tendency among our visitors from the overseas Dominions to imagine that all the Imperialists here belong to one party. It is a misconception. The Imperial sentiment is deeper everywhere than it has ever been; and representatives of Dominion Governments who by their social predilections lend colour to the suspicion that they have been "collared" by men of one party alone, find out sooner or later that there are investors on both sides. Thus Mr. Watt, in a farewell interview, declares that a satisfactory solution of the Inter-Empire trade question "can be found without doing violence to the fiscal views of any party at home or abroad." The oftener that is said, the better. Our fiscal controversy of the past ten years has perhaps biased the minds of observers at a distance; but Mr. Watt, like others who