

tinental bourses. Possibly the solution of the municipal credit problem is to be found in trips by municipal officials to Europe in search of ready cash, in the manner of railroad and other magnates.

Our London Letter.

Bankers and Short Money—British Railway Position—Income Tax on Colonial Investments—Union Life's London Issue—Canada Cement—Special Correspondence of THE CHRONICLE.

There is much talk at the present time in the discount offices in the city about a "banker's conspiracy." It appears that during the past week four of the big joint stock banks have been refusing to lend to the brokers below $1\frac{1}{2}$ per cent. It is suggested that whereas the joint stock banks, in offering $1\frac{1}{2}$ per cent., accept all the deposits they can get at that rate, the bill broker, who also gives $1\frac{1}{2}$ per cent., has no hesitation in refusing or taking it at less, and some of the brokers have money now running at considerably less. It is asserted that money is thus taken away from the bill brokers, who will not pay $1\frac{1}{2}$ per cent. and is lodged with the bankers at that rate, and they are, therefore, unwilling to re-lend the money to the brokers at less. As a result of the concerted action of the banks the value of short money has advanced and discount rates have gone up.

The British Railway Position.

Shareholders in the railway companies were alarmed this week by the rapid spreading of a strike of the men of the North Eastern Railway, which serves the Newcastle district and some of the important manufacturing centres on the north-east coast. The cause of the outbreak was trivial in itself—the removal of a shunter from the east to the west side of a station—but it was sufficient to fan into flame a lot of dormant grievances in other grades. Within forty-eight hours some thousands of men employed by the railway had gone on strike. As Newcastle is the centre of a great coaling industry it was soon found impossible to find work for the men in the great coaling yards, and the absence of coal necessitated the closing of the Cargo Fleet Ironworks and other works. In all, about 60,000 men were idle yesterday when the announcement was made that the Union officials, who had refused to countenance the strike, had induced the men to return to work on the understanding that the North Eastern Railway directors would immediately investigate the alleged grievances. It is fortunate that the strike did not extend, as it would have caused irreparable havoc in the iron and steel trades and shipbuilding industries which are at the present time working at high pressure. As it was, the few days' strike coincided with the announcement of the first dividends of the railway companies and although they are considerably better than last year, the Stock Exchange did not feel encouraged to pay much attention to them. The singular absence of speculative interest in home railways continues to be among the most marked changes which have come over the English Stock Exchanges during the past few years. Brighton "A," Dover "A," "Brum," "Caleys," were all favourite speculative counters at one time, but now-

adays it is possible for days to pass without a dealing being marked in some of the most important railway stocks. It is rubber, oil, Rhodesian mines, anything but railway stocks, which the speculative public appear to think are too closely identified with the Labour Party's programme to make suitable mediums either for investment or speculation.

Income Tax on Colonial Investments.

Sir Edward Sassoon, who is connected with the well-known firm of Indian merchants, has for some time been working steadily to obtain redress for those Colonial and Indian companies which are called upon at the present time to pay double income tax. British companies with head offices in London conducting a business in India and Australia are called upon to pay income tax both in England and abroad. It is a long standing grievance and a deputation of directors (representing capital of about 25 millions of pounds sterling) waited upon the Chancellor of the Exchequer on Thursday with a view to placing their opinions before him. Included in the deputation was Mr. Blundell Brown, of the British Empire Trust. The Chancellor of the Exchequer admits there is a grievance. The difficulty was to decide which country should have the benefit of the tax—the country which supplies the capital, or the country where the business is carried on. In the case of New Zealand a company was cited as having done excellent work for the colony. The colony got 90 per cent. of the benefit and 1s. 8d. in the pound on the profits, whereas Great Britain, which found the whole of the money, would get nothing unless the tax was imposed here. Mr. Lloyd George promised to consider the question and hoped that it might be possible to make some arrangement at the Colonial Conference.

Union Life Assurance Company of Canada.

The most important Canadian issue this week has been the offer in London and on the continent of 10,000 shares of \$100 each in the Union Life Assurance Company of Canada. The price of issue was £24 12s. 6d. per share. The advisory board for the United Kingdom consists of Lord Maitland, Mr. F. W. Kerr and Mr. William Schooling, the well-known writer of insurance notes in the Daily Telegraph, etc. Mr. Rusher, the assistant actuary of the Prudential Assurance Company (of England), was invited to investigate the business of the company with special reference to the proposed increase of share capital and, among other matters, states that:

"From the investigation I have made the business appears to have been carefully selected, the average claim rate being low for an Industrial Company of the age of the Union Life.

"The company has built up what I consider to be a valuable connection, and with continued prudent management, especially in taking precautions to discourage the lapsing of policies when once on the books, it has great possibilities of expansion in the future.

"As bearing upon future prospects, I understand that the previously existing arrangement with the National Agency Company has been determined, and that a new arrangement has been entered into whereby that company accords, in return for its services, an annual payment of £8,000 plus a sum equivalent to three per cent. upon the total premiums paid in the year.

"Taking this arrangement into consideration, and assuming, that the same care as hitherto continues to be exercised in the management of the business, I am of opinion, after thorough examination of the facts placed