ign company doing business in the United Kingdom, that the relative magnitude of its British liabilities and British assets should be disclosed.

The British life companies feeling that the Bill as introduced would stereotype life assurance legislation in an inadequate and incomplete form, have urged various amendments that they believe will conduce to public as well as company interests.

Our London Letter.

LOMBARD STREET FAVOURED 5 PER CENT. OFFICIAL RATE.

Bank's Policy more Spirited than of Yore—Increased Rate Hits Gilt-edge Stocks—Politics and the Market—Progress of British Insurance—Correspondence of THE CHRONICLE for Week Ending October 23.

When the directors of the Bank of England raised their official rate of discount to 5 p.c., it was a case of doubling the rate in a period of 15 days. The movement was frankly a warning to speculators in general and Wall Street in particular that the Bank of England and the international money markets generally were not to be played with, and that, if sail were not taken in, New York must not expect to be able to finance its commitments on absurdly easy terms. There is no doubt as to the popularity of the bank's policy in Lombard Street. The bank indeed, possibly having profited by the experience of 1907, is pursuing a much more spirited line of action than is commonly associated with the institution. At the beginning of the week, the bank was busily engaged in curtailing the surplus supplies of credit in the open market in the endeavour to make the then existing 4 p.c. rate, effective, and actually borrowed millions. Moreover by offering a premium in the open market the bank secured a considerable portion of the bar gold arriving from the Cape. It is, of course, unfortunate that at a period when our own trade shows some signs of reviving, that the revival should be checked by a 5 p.c. rate, but bold action at the present time giving a minimum of inconvenience is better than a flurry later on with a maximum of trouble. There is no doubt that the rate will be put up again, if necessary, and that every possible measure will be taken in order to curtail New York's borrowings here.

The Bank's Borrowings and Reserve.

The activity of the bank during the week is shown very clearly in Thursday's return. The "other deposits," which represent the condition of the short loan market are down by six millions and the "other" securities by 3½ millions, showing that the bank has apparently been successful in borrowing that amount. The reserve is down £627,000 on the week to 22¼ millions, as compared with 26 millions a year ago, while in the corresponding date in 1907, when the bank rate was advanced to 6 p.c. the reserve had got down as low as 18 millions.

Among the immediate effects of the change in the bank rate it may be noted that the joint stock banks are now giving 3½ p.c. for money on deposit at seven days' notice, which is bad for high class stocks. £750,000 was withdrawn for Brazil and £250,000 for Turkey on Thursday, but apparently the effect of the advance in the rate has been to countermand a sum engaged for Constantinople to-day, and to postpone further shipments to Egypt. Turkey has taken £1,350,000 from us within the last few weeks, presumably in connection with the new loan for £17,000,000 which has just been aranged. As a matter of fact, heavy capital issues of many kinds are to be expected from Turkey in the near future. A large loan by Constantinople will be issued shortly and other municipalities also are desirous of borrowing. The policy of the new Turkish Government will be to throw open for investment by foreign capitalists public utilities and industrial undertakings which have hitherto not been available for exploitation by outsiders.

Political Finance.

With the monetary position as it is, anything else but dull markets could not be expected. Consols, in fact, slid away to 82¼ in anticipation of the rise in the bank rate. All round, prices generally have been drooping, and heavy selling by nervous holders on the rise in the bank rate made things very gloomy for a time. Possibly, as a result of the general dullness, we are suffering from another outbreak of what may be termed, for lack of a descriptive word, political comment upon finance. According to the professors of this cult, the Government, and the distrust and security they engender, are to blame for all the weakness in home securities of the last few years, and particularly for their depression at the present time. They go, indeed farther; one highly respectable journal, which has hitherto held something of a reputation for sanity, advancing the theory that the wicked government is responsible for a 5 p.c. bank rate! Such stuff and twaddle, presumably, would not find its way into print were there not a General Election in sight. Nobody, save a few perverted Radicals, is likely to hail the present Government as Heaven-born financiers—their errors are obvious enough—and have been frequently alluded to in this column, but to advance the remarkably and wildly fantastic theories which have been mentioned as sober sense is really absurd. They carry, of course, very largely their own refutation with them, and the matter is only mentioned here in order to suggest that, before attaching weight to any utterances or articles on the subject of the decline of British credit appearing just now, the opportunity should be taken to ascertain what, if any, political views lay behind the financial analysis. The causes of the present depressed condition of British securities, some permanent, some merely transient, lie very far below the ruffled waters of politics.

The Grand Trunk Meeting.

Sir Rivers-Wilson will hardly take with him into his well-earned retirement very pleasant memories of his association with the Grand Trunk. His last meeting lived fully up to the reputation of its predecessors in the matter of noise, varied by a thoroughly discreditable exhibition of bad manners on the part of some shareholders. It is