

Affairs in London.

(Exclusive Correspondence of The Chronicle.)

The Monetary Outlook—Popularising Consols: Sir Felix Schuster's Important Suggestions—Coronation Insurance Risks—Law Car's Remunerative Business Taken Over.

Much to the satisfaction of the stock markets and also to those concerned in the numerous issues of new capital during the past week, the directors of the Bank of England reduced the bank rate on Thursday, from $4\frac{1}{2}$ per cent. to 4 per cent. The lower rate is expected to be quite effective for some time to come as there are no great changes in the monetary position likely to occur in the near future. Any surplus credit that may ensue will be swept up by the revenue collections now in active movement.

Popularising Consols: Sir Felix Schuster's Important Suggestions.

I have already referred in previous letters to the interesting discussion which has been going on for some time in financial circles as to the best method of popularising Consols. This week Sir Felix Schuster referred to the matter at the half-yearly meeting of the Union of London and Smiths Bank of which he is Governor. Sir Felix occupies a unique position in the banking world. For very many years the half-yearly address of Mr. Schuster (as he was until 1900, when he received a baronetcy on his appointment as a member of the Council of India) has been looked forward to by bankers and every one engaged in the money market as important evidence of the trend of the domestic and international money market. Sir Felix Schuster has had the advantage of an excellent training in international law and political economy as well as in finance, both here and in Germany, and it is generally understood that he is often called into consultation by the Government on matters affecting the money market.

When, therefore, Sir Felix Schuster gave up a great part of his address at the meeting of the Union of London & Smiths Bank this week to a consideration of the best methods of popularising Consols, it was natural to find every newspaper at once giving publicity to the matter, and non-financial newspapers making all sorts of weird suggestions. Indeed, the best method of popularising Consols appears to have suddenly become a competitor with the game of the best method of increasing the Budget surplus, in which so many armchair critics of the Chancellor of the Exchequer take part. Among the methods suggested for the improvement of the price of Consols, Sir Felix Schuster mentioned the granting of greater facilities for transferring stock, and the creation of bearer bonds of smaller denominations than £100, but the plan which he apparently regards as most promising is the reconversion of Consols into three per cents under certain conditions, the most important of which are that the operation must be optional, that the stock shall not be redeemable for sixty years, and that the new stock must be free of income-tax. Around these suggestions our amateur critics are now writing and wrangling, oblivious of the fact that the professional financier and banker have been quietly discussing all the possible bearings of the

subject for some years past, and that Sir Felix Schuster is really now acting as the mouth-piece of that body which is most competent to pronounce on the best method of popularising our national security. Whilst it is possible that no steps will be taken to re-convert Consols to a three per cent. security—the Times calls it "putting back the clock"—it is practically certain that some steps will be taken to popularise Consols by the issue of bonds of small amounts and giving greater facilities for the transfer and registration of the security.

Coronation Insurance Risks.

The coming events of the summer already show themselves in the insurances now being effected at Lloyds in connection with the coronation and the Festival of Empire at the Crystal Palace. Thirty guineas per cent. was charged to cover a claim in the event of the Coronation not taking place on June 22nd, the date at present fixed for the national event, and the minimum premium demanded by underwriters is 10 guineas per cent. to pay a claim should the Coronation not take place during 1911. A certain amount of business has been diverted from Lloyds entirely because many would-be clients consider the rates too high.

Law Car's Remunerative Business.

With the consent of the Official Receiver of the Law Car and General Insurance Corporation, the United London & Scottish Insurance Company, Limited, notify that there has been a big response to their offer to take over the most remunerative portion of the Law Car's business and the time has been extended.

LONDONER.

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CROWN LIFE INSURANCE COMPANY.

The Crown Life Insurance Company, of Toronto, whose annual report appears upon another page, announces a large volume of new business during 1910. New applications for insurance amounting to \$2,017,400 were received, an increase of \$687,900 or 52 p.c. over the amount of applications received in the preceding year, while new policies issued during 1910 reached \$1,813,200. The total amount of insurance in force was increased by \$1,005,619, in comparison with 1909, and at the close of 1910, reached \$6,318,009.

Cash income from premiums during 1910 was \$216,094, and other income brought the total of the Company's cash income from all sources up to \$261,995. Payments to policyholders, including death claims, annuities and surrenders amounted to \$40,691, the company's mortality experience being again favorable. The total assets of the company were increased during the year by \$130,722, and at the close of December last stood at \$861,615. There was again an advance in the average rate of interest realised by the Company upon its investments, the rate being in 1910 $6\frac{1}{4}$ p.c., while the Company's interest income for the year was again more than sufficient to meet the entire loss in death claims.

It is satisfactory that as a result of the operations of 1910, the company's surplus was increased to \$152,236.